

FUND FACTS

Fund	WS Blue Whale Growth Fund
Fund Launch Date	11 September 2017
Lead Fund Manager	Stephen Yiu
Co-Manager (October 2019)	Daniel Allcock
Fund Size	£880m
IA Sector	Global
Fund Type	UK OEIC
Base Currency	GBP
Dividend Dates	End of February, August
ACD	Waystone Management (WS)
Depository	Northern Trust Investor Services
Dealing	Daily at Noon
Initial Charge	0.0%
Performance Fee	0.0%

PORTFOLIO FACTS

No. of holdings	29
Avg. market cap	>£100bn

Top 10 Holdings %		54.8
Charles Schwab	Microsoft	
Danaher	Nintendo	
Lam Research	Nvidia	
Mastercard	Sartorius	
Meta	Visa	

Geographical Breakdown %	
North America	66.4
Europe	24.9
Asia Pacific	4.0
Cash*	4.7

Sector Breakdown %	
Technology	34.1
Financials	19.9
Healthcare	11.5
Communication Services	11.2
Consumer Discretionary	8.6
Energy & Materials	3.7
Industrials	3.5
Consumer Staples	2.8
Cash*	4.7

* May include highly liquid instruments invested in US or UK Treasuries with a maturity of one year or less.

SHARE CLASS DETAILS

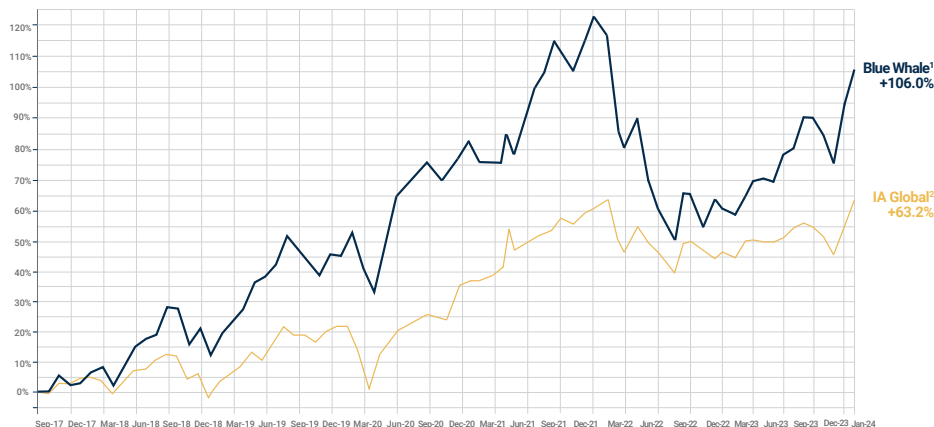
Share Class	OCF	Minimum	ISIN
I Acc (GBP)	0.83%	£10m	GB00BD6PG563
I Inc (GBP)	0.83%	£10m	GB00BD6PG670
R Acc (GBP)	1.08%	£1,000	GB00BD6PG787
R Inc (GBP)	1.08%	£1,000	GB00BD6PG894
R Acc (EUR)	1.58%	€1,000	GB00BYVQ1C38

AWARDS AND RATINGS



PERFORMANCE

"Committed to delivering consistent significant outperformance"



	2023	2022	2021	2020	2019	2018	Since Launch	Annualised
Blue Whale¹	+30.7%	-27.6%	+20.8%	+26.4%	+27.6%	+8.6%	+106.0%	+12.2%
IA Global Average ²	+12.7%	-11.1%	+18.0%	+14.8%	+22.1%	-5.6%	+63.2%	+8.1%
Outperformance	+17.9%	-16.5%	+2.8%	+11.6%	+5.5%	+14.2%	+42.8%	+4.1%

Past performance is not a guide to future performance.

¹ I class Acc shares, net of fees priced at midday UK time, source: Bloomberg. ² IA Global Sector average, source: FE Fundinfo. Chart data plotted at monthly intervals; data as at the last day of the calendar month.

WHAT WE DO

- Aim to buy and hold high quality businesses at an attractive price.
- In-house research underpinning a high-conviction portfolio of 25-35 stocks.
- Significant resources dedicated to internal financial modelling and proprietary valuation metrics.
- Focus on a genuinely active, valuation-driven approach.

Investment Objective

The Investment Objective of the Fund is to achieve capital growth over any five year period, after all costs and charges have been taken.

Investment Strategy

In selecting investments for the portfolio, the Investment Manager will identify companies which, based on its analysis, meet the following criteria:

- have the ability to grow and improve profitability over the long term;
- have a current valuation that is attractive relative to their future growth and profitability.

The Investment Manager will select companies from a broad range of geographies and sectors with no particular sector or style bias.

Risk Management

- UK UCITS-compliant.
- Assessment of company specific risk factors, including those related to ESG, that might materially impact the business's sustainable return on investment. Blue Whale is a signatory to UN Principles for Responsible Investment (UNPRI).

BLUE WHALE COMMITMENT

- **Peter Hargreaves (Chairman)** – in excess of £150m across the Blue Whale Growth strategy
- **Stephen Yiu (CEO & CIO)** – only invests in WS Blue Whale Growth Fund (holds no other fund)
- **Blue Whale Capital** – follow our £120,000 phased investment into the WS Blue Whale Growth Fund



6 YEAR ANNIVERSARY

by Stephen Yiu, published 28th September



This month we are celebrating 6 years of the WS Blue Whale Growth Fund. I would like to take this opportunity to thank you for your support through these early years of Blue Whale. It takes no small amount of bravery to back a new fund, especially one set up by an entirely new company. We are determined to reward you for your support, committing ourselves in our

mission to deliver significant outperformance for our investors.

On each anniversary we like to look back over the lifespan of Blue Whale and explain how that journey has impacted where the Fund sits today.

In September 2017, the portfolio was designed with a simple mantra – invest in high quality businesses at attractive prices. Prior to launching the Fund, we had committed to extensive research into possible investee companies, with our investment team doing proprietary research.

Six years of upheaval

The Fund was established in the midst of the United Kingdom's negotiations to leave the European Union and with a newly elected and divisive President in Donald Trump. Quickly, other problems became evident – a developing US/China trade war, questionable monetary policy in the US, a global pandemic and a war in Ukraine to name but a few. Political upheaval both in the UK and abroad has been a feature of the past six years; the Fund having seen four Prime Ministers and one of the most acrimonious Presidential elections in history. The political landscape in the US only becomes more divided.

In late 2021/early 2022 the combination of all these elements led to a massive correction in the stock market, with prices down across the board – energy being the only positive sector during this period.

Given that our first four years to September 2021 saw no shortage of potential pitfalls for investors, we were pleased to have delivered a return of 114%* (from 11/09/17 – 31/08/21), vs the IA Global Sector of just 55%, thereby more than doubling our benchmark's performance. Investors should note that no references to past performance in this review should be seen as a guide to future performance.

Portfolio change and adaptation

Delivering this level of performance was not easy – we kept a constant eye on our portfolio companies and made changes where we saw fit, be that due to valuation, global trends, or structural changes to their businesses.

The overarching theme that drove returns through the first few years was that of digital transformation. And whilst we actively managed our holdings, we remained loyal to this key theme.

But in mid-late 2021 we felt more radical changes to the portfolio were necessary. Seeing the inflationary environment driven by the world's response to Covid-19 and evidence that many structural changes in the world of digital transformation had accelerated during the pandemic, we saw a lack of upside

potential in many of our once favoured companies. This prompted a move to sell a number of holdings, with companies such as our FAANG holdings dropping out of the portfolio altogether. This proved to be a shrewd call, considering the rapid sell-off in these businesses that commenced in the early months of 2022. However, selling these companies did not protect us sufficiently against the contagion of the share price downgrades in the "tech" sector. We continued to hold big tech names such as Microsoft and Nvidia through this volatile period in the belief that their businesses would weather the storm due to their superior quality; we were mistaken.

We are pleased to report that the quality eventually shone through for these businesses as Microsoft and Nvidia have both since exceeded their pre-sell-off highs – Nvidia is up more than 200% this year alone.

Reacting to the developing structural shifts in the global economy – notably inflation and higher interest rates – we looked to new sectors for Blue Whale to deliver growth potential. Our research extended to railways, energy companies and select financials to see if we could derive the level of quality we require in sectors that we see as beneficiaries of the post-pandemic, post-Ukraine invasion world.

Six months of poor performance

Despite our best efforts, the portfolio suffered six months of poor performance at the start of 2022.

Growth-orientated businesses sold off in their droves, in favour of "value" propositions that were considered a "safe haven" given the uncertain economic backdrop. It should be noted, however, that these value propositions were still not positive performers, instead showing more modest losses compared to their growth-orientated counterparts.

Lessons were learned during this period and the experience of such a sell-off has strengthened our investment team.

A surprisingly good year

Halfway through 2022 the sell-off tapered, but the damage had been done. Geopolitical tensions around Russia's invasion of Ukraine and Chinese sabre rattling meant investors adopted a "wait and see" approach to re-entering the stock market. In addition, interest rate rises now meant investors had a safer alternative when it came to asset allocation, with money market investments offering the most attractive returns for nearly 20 years.

Despite this, however, the appetite for investment gradually picked up in the latter half of 2022 and continued apace in 2023. Whilst the news remained bleak, investors were keen to seek out those pockets of opportunity where they could hopefully derive a better return for their capital given cash deposits were now being eroded at the fastest rate for over 40 years.

The bad news peddled by the press would have had you believe opportunity for investors continued to look stark, but from the end of June 2022 to end of August of this year, the Fund* delivered performance of 25.6% vs the IA Global average of 11.1%.

6 YEAR ANNIVERSARY by Stephen Yiu, published 28th September

2023 and beyond

Despite an incredibly tough six years, we are pleased to report our investment mantra has not changed – we continue to invest in high quality businesses at attractive prices. Our commitment to an extremely well-resourced investment team continues with six analysts and counting.

Whilst the general thesis behind what makes a great investment for the portfolio remains the same, the process to identify these companies has evolved. Our increased coverage through investment in our analysts helps us to find exciting new businesses in a variety of sectors which we hope will drive outperformance in the portfolio.

Growth in 2023 has been driven largely by the AI (Artificial Intelligence) revolution. As businesses across the board adopt this game-changing technology, we believe this area has the potential to continue to drive growth over the medium to long term.

Other themes in the Fund look to stabilise the portfolio against possible volatility from continued geopolitical tensions and inflation and interest rate concerns. Our investment into railways and our backing of payment systems have provided resilience in those months where unwelcome news and monetary policy updates have caused dips in the market.

It is true the Fund has yet to reach its post-sell-off highs, but the trajectory for recovery remains positive.

Matching ourselves against our competitors in the IA Global sector drives our competitive nature. Outperformance is and will always be our key marker for success in the Fund – indeed “significant outperformance” is what we strive to achieve.

To that end, in spite of a tough period at the start of 2022, we are pleased to report the Fund has delivered, what we believe to be, five and a half years of pleasing returns. From inception in September 2017 to the end of August 2023, we have delivered a return of 90.5%*, vs the IA Global average of 54.6% - an outperformance of 35.9%. Please, follow this [link](#) for detailed performance information.

The world is constantly changing. Our dynamic, research-led approach should give us scope to continue to drive outperformance for the Fund. Most pleasing for me, as manager of the WS Blue Whale Growth Fund, is to see a team around me hungrier and more dedicated than ever before. We welcome the challenges of the next six years and hopefully many more after that.

*WS Blue Whale Growth Fund I Acc

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There are significant risks associated with investment in the Fund referred to in the document. Investment in the Fund is intended for investors who understand and can accept the risks associated with such an investment including potentially a substantial or complete loss of their investment. Past performance is not a guide to future performance.

The value of investments and any income derived from them can go down as well as up and the value of your investment may be volatile and be subject to sudden and substantial falls.

Investment in a Fund with exposure to emerging markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation or other confiscation could result in loss to the Fund.

Income from investments may fluctuate. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. Fund charges may be applied in whole or part to capital, which may result in capital erosion. The Authorised Corporate Director may apply a dilution adjustment as detailed in the Prospectus. The Fund is not traded on an exchange or recognised market.

The foregoing list of risk factors is not complete and reference should be made to the Fund's Prospectus, KIID and application form.

<https://bluewhale.co.uk/documents>

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PLATFORM AVAILABILITY

