



## FUND FACTS

Fund	WS Blue Whale Growth Fund
Fund Launch Date	11 September 2017
Lead Fund Manager	Stephen Yiu
Fund Size	£1.1bn
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	28
Avg. market cap	>£100bn

### Top 10 Holdings %

Apollo	Moncler	57.7
Broadcom	Nvidia	
Danaher	Philip Morris	
Hynix	Sartorius	
Lam Research	Vertiv	

### Geographical Breakdown %

North America	69.4
Europe	17.1
Asia Pacific	7.2
Cash*	6.4

### Sector Breakdown %

Technology	35.4
Financials	16.9
Healthcare	14.4
Consumer Discretionary	10.2
Industrials	9.5
Consumer Staples	4.9
Communication Services	2.4
Cash*	6.4

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

\*\*Blue Whale may apply its internal classification for Geographical and Sector breakdown.

## SHARE CLASS DETAILS

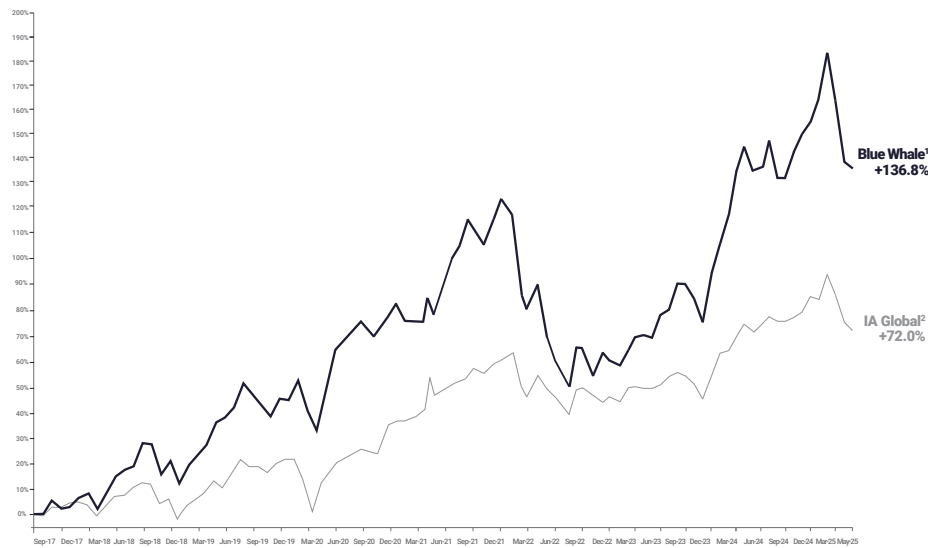
Share Class	OCF	Minimum	ISIN
I Acc (GBP)	0.83%	£10m	GB00BD6PG563
I Inc (GBP)	0.83%	£10m	GB00BD6PG670
R Acc (GBP)	1.08%	£1,000	GB00BD6PG787
R Inc (GBP)	1.08%	£1,000	GB00BD6PG894
R Acc (EUR)	1.58%	€1,000	GB00BYVQ1C38

## AWARDS AND RATINGS



## PERFORMANCE

“Committed to maximising your investment”



	To Date 2025	2024	2023	2022	2021	2020	2019	2018	Since Launch	Annualised
Blue Whale <sup>1</sup>	-10.3%	+28.2%	+30.7%	-27.6%	+20.8%	+26.4%	+27.6%	+8.6%	+136.8%	+11.9%
IA Global <sup>2</sup>	-6.3%	+12.6%	+12.7%	-11.1%	+18.0%	+14.8%	+22.1%	-5.6%	+72.0%	+7.4%
<b>Outperformance</b>	<b>-4.0%</b>	<b>+15.6%</b>	<b>+18.0%</b>	<b>-16.5%</b>	<b>+2.8%</b>	<b>+11.6%</b>	<b>+5.5%</b>	<b>+14.2%</b>	<b>+64.8%</b>	<b>+4.6%</b>

Past performance is not a guide to future performance.

<sup>1</sup>I class Acc shares, net of fees priced at midday UK time, source: Bloomberg.

<sup>2</sup>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 annual investment of £120,000 in WS Blue Whale Growth Fund
- WS Blue Whale Growth Fund Fee Rebate Scheme





## Hunting for Quality Growth Outperformers

by Stephen Yiu, published 2nd May



In fund management, I've always believed outcomes matter more than ideologies. Whether a portfolio leans towards value, quality, or growth is less important than a more fundamental question: is it maximising outperformance?

For me, the clearest way to think about outperformance is simple: a fund with more **outperforming companies** than underperformers is more likely to succeed. This idea - of focussing on **'outperformers'** - is how I frame the investment challenge. It moves the conversation away from

abstract styles and towards tangible, stock-level results.

It's not enough for a company to tick the boxes on quality or growth. Those styles' success ebb and flow and are too broad alone to identify what I'm looking for: businesses that go on to materially outperform the market - and that can sustain that advantage. My job is to build a concentrated portfolio with the **highest possible ratio of these outperformers**.

I operate within a quality growth universe. But what sets Blue Whale apart is how I define and pursue the outperformers within it - companies with the potential for exceptional compounding, not just theoretical resilience. There are several layers in my process.

I still start with **'quality'** companies. Solid and well run, with a good business model - all things that help you to sleep at night. Over the last seven years, businesses that have featured in the portfolio have weathered everything from the pandemic and inflation spikes to geopolitical upheaval. They prove the case for quality investing. But resilience alone doesn't maximise my clients' investments.

So I take the next step, identifying **'quality growth'** companies that not only survive but thrive, generating sustainable free cash flow while expanding their market share in growing industries.

But even, 'quality growth' is too simplistic - some companies grow too slowly to deliver outperformance. Others grow unsustainably, using financial engineering or questionable practices to boost the bottom line. So I go deeper to look for **three types of good growth**, which can contribute the outperformance required for the Fund. These are the **'quality growth outperformers'** that offer real, repeatable opportunities for excess return:

**'Steady'** growth companies, such as Visa and Mastercard, offer durable growth and strong cash flow generation. Their shares often trade at a premium, which means a simple buy-and-hold approach may deliver respectable returns - but not the maximised outperformance I'm looking for. So I aim to spot inflection points in their valuation, when these stocks become attractively priced, allowing for outsized returns.

**'Recovery'** growth describes companies with fundamentally sound business models, which have faced temporary headwinds like cyclical downturns, but which still present attractive long term investments. Take the biologics sector, where companies such as Sartorius have faced short-term problems as their clients run down stock built up during the pandemic. But long-term fundamentals in the sector remain strong, and there is a robust pipeline of innovation so I see opportunity. It's all about timing: getting in just before price jumps. A common mistake is buying too early and having to hold, as recovery can take longer than expected.

Finally **'explosive'** growth - and this is where Blue Whale stands apart. My team and I look again for companies at the cusp of exponential change, often driven by structural shifts or technological revolutions.

A good example is Nvidia. Although it's a household name now, the company had been working in relative obscurity for two decades before we made our move in 2021 - well before the term Magnificent 7 was coined. Nvidia was already a high-quality business with visionary leadership under Jensen Huang but its transformative moment came with the advent of Generative AI - and the subsequent infrastructure race driven by the Magnificent 6 tech giants. This shift propelled its revenue from \$30bn in 2022 to a forecast \$200bn this year. This is what I mean by a **quality growth outperformer**.

More recently, we spotted the coming opportunity in European defence stocks, a sector often seen as "quality value" - good but cheap.

Take Leonardo, the Italian aerospace firm formerly known as Finmeccanica. Historically seen as low-growth, it's now at the heart of a structural defence build-up, fuelled by shifting geopolitics and a more inward-looking U.S. foreign policy. Leonardo's share price has surged since February - a textbook case of quality value transforming into **quality growth outperformer**.

It's clear there is a rich seam of companies poised at moments of profound change. As the world and our assumptions of how it works are upended by geopolitical realignment, technological acceleration, and climate transition, these companies offer opportunity.

What works today may not work tomorrow. Passive ownership of stocks may deliver comfort but it won't deliver outperformance. Broad investment styles are helpful filters but too blunt to deliver consistent outperformance. That's why I am always on the search for the individual **quality growth outperformers** which are the foundation of Blue Whale's success: **the Steady Compounders**: durable, dependable that are attractively priced. **The Recovering Value**: temporarily out of favour, structurally sound. And finally, the rare **Explosive Breakouts**: often mispriced at the edge of exponential change.

As the world changes, style boxes offer comfort - not outperformance. At Blue Whale, we look deeper. We look for the quality growth outperformers and we build a portfolio around them. As ever, I remind you that past performance is not a guarantee of future performance, but I have great confidence in our process that aims to ensure that our success is repeatable.

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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

