



### 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 %

Applied Materials	Nvidia	61.0
Broadcom	Sartorius	
Danaher	TSMC	
Flutter	Vertiv	
Lam Research	Visa	

#### Geographical Breakdown %

North America	76.3
Europe	13.5
Asia Pacific	9.6
Cash*	0.5

#### Sector Breakdown %

Technology	42.7
Consumer Discretionary	12.3
Healthcare	12.0
Financials	11.8
Industrials	8.8
Communication Services	8.2
Consumer Staples	3.7
Energy & Materials	0.1
Cash*	0.5

\*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

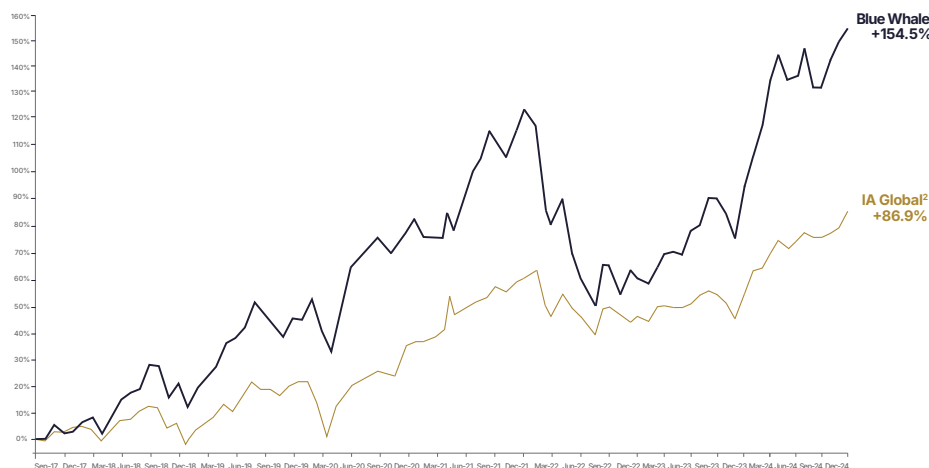
Share Class	OCF	Minimum	ISIN
I Acc (GBP)	0.84%	£10m	GB00BD6PG563
I Inc (GBP)	0.84%	£10m	GB00BD6PG670
R Acc (GBP)	1.09%	£1,000	GB00BD6PG787
R Inc (GBP)	1.09%	£1,000	GB00BD6PG894
R Acc (EUR)	1.59%	€1,000	GB00BYVQ1C38

### AWARDS AND RATINGS



### PERFORMANCE

"Committed to delivering consistent significant outperformance"



	To Date 2024	2023	2022	2021	2020	2019	2018	Since Launch	Annualised
Blue Whale <sup>1</sup>	+23.6%	+30.7%	-27.6%	+20.8%	+26.4%	+27.6%	+8.6%	+154.5%	+13.8%
IA Global <sup>2</sup>	+14.6%	+12.7%	-11.1%	+18.0%	+14.8%	+22.1%	-5.6%	+86.9%	+9.0%
Outperformance	+9.0%	+18.0%	-16.5%	+2.8%	+11.6%	+5.5%	+14.2%	+67.6%	+4.8%

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





## SEVEN YEARS - INVESTING OVER THE FULL MARKET CYCLE

by Stephen Yiu, published 25th September



Much is made about past performance of investments. The compliance adage "past performance is not a guide to the future" is a fair one. And for good reason - what is in the past cannot be attained. Sadly, past performance really is the only graphical metric that most people look at when choosing their investment.

This doesn't upset us - indeed it reflects well on the WS Blue Whale Growth Fund

- we have delivered performance of +140.2% over our seven years for our investors (I Acc shares for the period 11/09/2017 to 30/09/2024). Not only delivering triple digit returns but beating our benchmark (IA Global average) by 62.5% (the IA Global average has delivered +77.7% over the same period).

However, what should really interest investors is the story moving forward. How is the portfolio positioned to take advantage of opportunities, but defend against pitfalls? Is there strong idea generation? It is, after all, what happens in the future that decides returns from here.

### Looking back

Seven years is a strange metric, but we feel it's an important one. We could consider the last seven years as being representative of a full market cycle - the steady growth of 2018 and 2019, the bust and boom of pandemic year 2020, the consolidation of a "new world" in 2021, the fallout from high consumption and low productivity hitting in 2022, monetary policy leading to rapidly rising interest rates in an inflationary environment, and energy cost rises compounding a difficult macro outlook, and then steady interest rates as Western governments attempt to head off recession in 2024.

All these events played out against a backdrop of political upheaval with lacklustre politicians leading to chops and changes at home and abroad. Geopolitics have also been highly unsettled with war in Ukraine and the Middle East, and China threatening to expand its influence in the South China Sea.

I think we can all agree, uncertainty has been the order of the day for the last seven years. And if there is anything markets hate, it is uncertainty.

Yet, the WS Blue Whale Growth Fund has transcended these issues to comfortably more than double early investor's money. The nature of the Fund, being a high conviction portfolio of only 25-30 stocks and our refusal to rotate into poor quality companies, means that short term volatility has of course been present, but given the major events around the world over this time, this is not surprising.

### Into the future

Contentious presidential elections in the US, fractured and polarised parties on the Continent, and a new regime in the UK already making a series of tone-deaf missteps - both at home and abroad the political landscape looks shaky at best. Sadly, the geopolitical tensions noted above remain troubling. Monetary policy across Western economies continues to be a concern, as central banks try to balance the need to curb inflation, whilst not tipping their respective economies into recession.

Nevertheless, despite these potential macro headwinds, we see geopolitics and political wrangling as risk factors that would likely affect poorer quality businesses. We have built a portfolio of companies that we believe should transcend these issues, all the while taking advantage of global mega trends to drive outsized returns for investors. We wrote about this in a recent article you can read [here](#).

### What do they think we are?

In the early days of the Fund, we were regularly "accused" of being a technology fund. This used to annoy me. But having had time to reflect on this label, I am actually quite proud.

With a global growth mandate, we were able to invest in any sector we wished, but we did hold, on average, around 40% of our assets in "tech" stocks as we saw these companies offering the best opportunity for outperformance. "Your performance is only good because you're invested in tech". The label shouldn't have bothered me. It simply suggested we were invested in the right stocks at the time.

In future, if we are labelled an AI fund, healthcare fund, or industrials fund, I will embrace it - providing the particular sectors in which we are majority invested perform as well as "tech" did for us in our early days!

### What we actually are

If you were to ask me today, I wouldn't label the Fund as any of these things. What we are is your one stop shop for navigating the markets. We are a Fund that aims to compound returns, with the sole intention of delivering consistent outperformance of the index.

We can invest where we like. That usually means a quality business benefitting from the tailwinds of sector growth. We did it with Alphabet and digital advertising, Microsoft and digital transformation, Nvidia and AI. We are already looking for the next great companies, in the next exciting sectors. We believe we have already found them.

So, if you are going to consider the past, judge a manager through a cycle, through good times and bad, high interest rates, low interest rates, crises etc. Can they outperform under these circumstances? If you look back, you will see that we have.

But if you want to look to the future, which is where any further gains will come going forward, then you need to understand the way in which we invest, and, more importantly, why we invest. The "why" is as follows - we invest to compound returns, with the sole intention of delivering outperformance of the index for our investors. The way we invest, as ever, is to run a concentrated portfolio of high-quality businesses, conducting our own research across a broad range of sectors and geographies. As noted above, investors need to be aware that past performance is not a guide to the future, and you need to be prepared to ride out volatility, but we believe this formula gives us the best chance of outperforming our peers. The last seven years have proved us right so far.

Our performance has been good, but I want it to be even better over the next cycle. Are there challenges ahead? Doubtless. But you can rest assured that the team and I relish such challenges, and we aim to rise to the occasion. Here's to the next seven years and beyond.

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**If you are unsure of the suitability of the Fund to your needs or if you feel that you do not fully understand the risks of investing in it, you should contact a reputable professional financial adviser.**

The document does not constitute an offer by Blue Whale to enter into any contract/agreement. The contents are aimed at all categories of client including Eligible counterparties, Professional clients and Retail clients. As the Fund is a concentrated equity fund with international exposure, Blue Whale's preference is that less experienced Retail clients gain exposure to it through the professional advice channel (Blue Whale does not advise retail investors itself) or the discretionary management channel. The Fund (as a UCITS and hence non-complex) is available to retail investors on an execution-only basis. Blue Whale believes that whilst better suited to a more experienced audience, the Fund represents a suitable investment for those new to equity investing. You must be aware that unlike holding cash in a bank account, your capital is at risk of market movement and you should not assume that your investment will be profitable. Equity investment should be seen as a long term investment normally of at least 5 years. The value of your investment can fall as well as rise so you could get back less than you invested, especially in the shorter term.

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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

