

# FP Octopus UK Micro Cap Growth Fund

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A brighter way

Data as at 31 August 2024



## Fund managers



**Richard Power**



**Chris McVey**



**Dominic Weller**

Supported by the Octopus Quoted Companies team; Edward Griffiths, Kate Tidbury, Mark Symington, Jessica Sweeney, Freda Isingoma, Ross MacSween, Martin Jager, Matt Irani, Georgia Obadipe, Charles Lucas and Ben Tyson.

## Key facts

IA sector	UK Smaller Companies
Fund launch date	12 July 2007
Fund type	OEIC
Fund domicile	United Kingdom
Dealing frequency	Daily
Fund size	£109.6m
Number of holdings	49
Benchmark	Deutsche Numis SC plus AIM ex IT TR
P Acc fund price	291.84p
S Acc fund price	299.92p

## Key risks

- The value of an investment, and any income from it, can fall or rise. Investors may not get back the full amount they invest.
- Past performance is not a reliable indicator of future results.
- Investments quoted on AIM are likely to fall and rise in value more than shares listed on the main market of the London Stock Exchange. They may also be harder to sell.

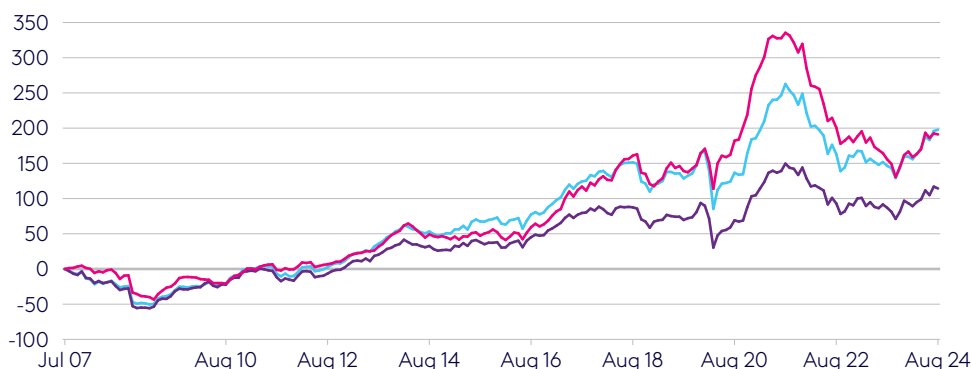
## Fund objective

The investment objective of the Fund is to achieve capital growth (the increase in the value of investments), net of fees, over a period of 5 years or more.

## Investment strategy

The fund is managed with a core-satellite approach. The core is populated by profitable, cash generative businesses with an experienced management team. The satellite positions, which are limited to 25% of the portfolio by value, will be higher risk growth opportunities including initial public offerings and exceptional growth opportunities including, companies which are not yet profitable.

## Performance overview



## Cumulative performance to 31 August 2024 (%)

	YTD	1 Y	3 Y	5 Y	Launch
<b>FP Octopus UK Micro Cap Growth - P Acc</b>	11.19	13.83	-33.16	21.76	191.06
<b>Deutsche Numis SC plus AIM ex IT TR</b>	9.01	14.63	-14.12	26.42	114.31
<b>IA UK Smaller Companies TR</b>	12.61	18.79	-19.29	28.10	192.71

## Discrete yearly performance (%)

Year to 31 August	2024	2023	2022	2021	2020
<b>FP Octopus UK Micro Cap Growth - P Acc</b>	13.83	-14.99	-30.92	54.32	18.04
<b>Deutsche Numis SC plus AIM ex IT TR</b>	14.63	-3.17	-22.63	47.57	-0.25
<b>IA UK Smaller Companies TR</b>	18.79	-6.38	-27.43	53.30	3.54

Source: Lipper and Octopus Investments. Returns are in sterling and are based on published dealing prices excluding any initial charges, with net income reinvested and net of all fund fees.



## Investor Services

For all administration enquiries such as account enquiries and valuations, please call FundRock Partners:

**0370 7070073**



## Investment Enquiries

To speak to any of our fund managers, please call:

**0800 316 2394**

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## Asset allocation

	Value	% of total assets
Equities	£106.8m	97.5%
Cash	£2.8m	2.5%
Fund size	£109.6m	100.0%

## Top ten equity holdings (%)

Next 15 Group plc	4.3
Gamma Communications plc	4.2
Keywords Studios plc	4.0
Renew Holdings plc	3.7
JTC plc	3.5
M&C Saatchi plc	3.4
Bloomsbury Publishing plc	3.3
hVIVO plc	3.2
Boku inc	3.2
GB Group plc	3.1
<b>Total</b>	<b>36.0</b>

## Top ten sectors (%)

Support Services	18.1
Media & Entertainment	15.9
Software & Computer Services	12.4
Specialty & Other Finance	10.6
Pharmaceuticals & Biotech	5.3
Finance	4.6
Telecommunication Services	4.2
Health	4.1
Investment Entities	3.9
Construction & Building	3.5
<b>Total</b>	<b>82.5</b>

## Fees & codes

Minimum investment	£1,000
Minimum top up	£1,000
Fund initial charge	0.00%
Ongoing charge figure*	1.10%
ISIN	GB00BYQ7HN43
Sedol	BYQ7HN4

\*Calculated as at 31 August 2023.

## Market cap weighting (%)

Over £3bn	0.0
£1bn-£3bn	13.4
£500m-£1bn	26.9
£250m-£500m	13.2
£100m-£250m	20.2
Sub £100m	23.8
Cash	2.5

Due to rounding, tables may not sum correctly.

## Monthly commentary

The FP Octopus UK Micro Cap Growth Fund decreased by 0.48% during the month of August 2024. The benchmark Deutsche Numis Smaller Companies plus AIM (excluding Investment Trusts) decreased by 1.22%. The FTSE AIM All-Share Index decreased by 1.74% and the FTSE All-Share Index increased by 0.45%, all on a total return basis. Global markets went through a period of heightened volatility during August which resulted in a few erratic price swings. The August holiday season is traditionally a much quieter month for news flow which was certainly the case this year.

The main contributors to performance over the month included **Gamma Communications** (+3.8%), which announced a further acquisition in Germany as part of its European expansion plans. **Frontier IP Group** (+8.6%), which the fund added to during the month, has announced news flow from three of its portfolio companies. Nandi and GraphEnergy Tech have received further funding and Pulsiv has released a new energy efficient 65W UBC-C design. **Frenkel Topping Group** (+5.3%) released a trading statement highlighting growth in funds under management and revenue. EBITDA grew by less during the first half due to a technology and recruitment issue in one of its legal practices, which has now been rectified. **Journeo** (+14.3%) continued to perform following another positive trading update. Analysts have upgraded profits and EPS by 8% and 6% respectively.

The detractors to performance this month included **Brickability Group** (-9.5%), which has been subject to share price drift in quiet August trading. The same is the case for **IG Design Group** (-9.3%), which has not had any news flow since forecast profits were upgraded in June. **Midwich Group** (-6.2%) is another to drift back, although again, on no news since its trading update in mid-July. **MyCelx Technologies** (-8.6%) announced it has raised an additional £0.7 million to accelerate its trials in the quickly evolving PFAS remediation market.

August was a quiet month for domestic news flow, with the direction of UK indices being driven by the surprise interest rate rise by the Bank of Japan, and weaker than expected US labour market data. September is an important reporting period which will help to provide guidance for the full year trading outcome for investee companies. Should UK corporates continue to perform in line with expectations, the fund flows back into UK smaller companies will accelerate, closing the valuation gap that has persisted for the last three years.

## Important information

Ratings and awards should not be relied upon for making an investment decision, nor are they an indication, promise or guarantee of future performance of a fund or fund manager. Personal opinions may change and should not be seen as advice or a recommendation. We do not offer investment or tax advice. This factsheet does not constitute investment advice. Any mention of a specific stock is not a recommendation to buy or sell. If you are unsure of the suitability of this investment you should speak to a Financial Adviser. Before investing you should read the Prospectus, the Key Investor Information Document (KIID) and the Supplementary Information Document (SID) as they contain important information regarding the fund, including charges, tax and fund specific risk warnings and will form the basis of any investment. The Prospectus, KIID and application forms are available in English at octopusinvestments.com. The Authorised Corporate Director (ACD) of the FP Octopus UK Micro Cap Growth Fund is FundRock Partners Limited which is authorised and regulated by the Financial Conduct Authority no. 469278, Registered Office: Hamilton Centre, Rodney Way, Chelmsford, England, CM1 3BY. Issued by Octopus Investments Limited, which is authorised and regulated by the Financial Conduct Authority. Registered office: 33 Holborn, London, EC1N 2HT. Registered in England and Wales No. 03942880. Telephone calls are recorded. Issued: September 2024. CAM014379.