

FP Octopus UK Multi Cap Income Fund

Data as at 31 August 2020

Fund Objective

The fund aims to provide predictable, attractive dividends alongside long term capital growth.

Key Facts

IA Sector	UK Equity Income
Fund Launch Date	10 December 2018
Fund Domicile	United Kingdom
Dealing Frequency	Daily
Number of Holdings	56

Benchmark

FTSE All-Share Index

Fees & Codes

Minimum Investment	£1,000
Minimum Monthly Savings	£100
Minimum Top Up	n/a
Fund Initial Charge	0.00%
Ongoing Charge Figure (OCF)*	0.45%

	ISIN	Sedol
S Acc*	GB00BG47Q333	BG47Q33
S Inc	GB00BG47Q440	BG47Q44

*The S share classes, which have a discounted ongoing charges figure of 0.45%, are available until the fund's assets approach £50m. Further details can be found in the fund Prospectus.

Dividends

XD Date	Pay Date
1 March	30 April
1 June	31 July
1 September	31 October
1 December	31 January

Historic Yield

Year to 31 December 2019

S Acc GBP	4.20%
S Inc GBP	4.40%

Current Running Yield

Year to 01 June 2020

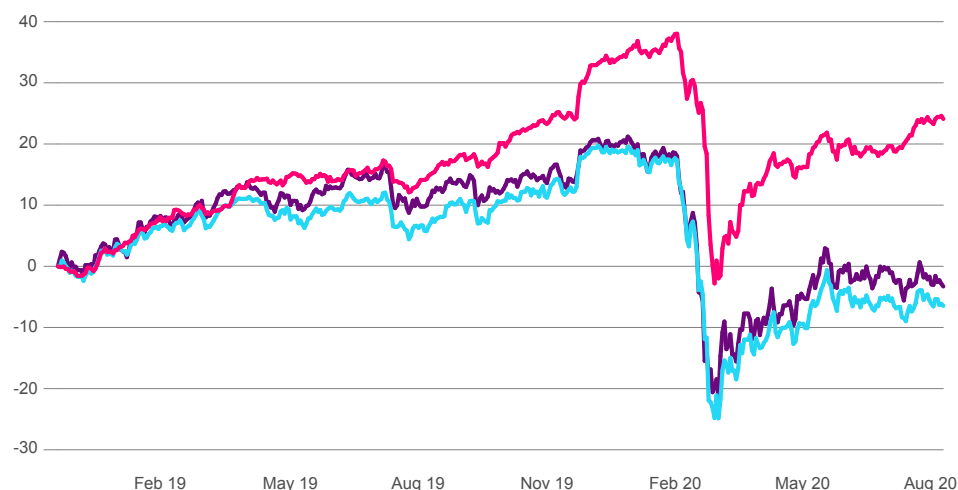
S Acc GBP	3.80%
S Inc GBP	3.90%

Investment Strategy

As active fund managers, we'll blend companies from across the entire UK equity market, ranging from some of the UK's largest and most established businesses, often generating significant dividends, with mid and smaller companies, with hidden potential to provide superior growth.

Performance Overview

Performance since launch (%)



Cumulative performance to 31 August 2020 (%)

	YTD	1 year	3 years	5 years	Inception
UK Multi Cap Income - S Acc	-7.20	7.86	n/a	n/a	24.09
FTSE All-Share TR	-18.54	-12.65	-8.16	n/a	-2.75
IA UK Equity Income TR	-21.02	-12.43	-12.45	n/a	-6.24

Discrete yearly performance to quarter end (%)

Year to 30 June	2020	2019	2018	2017	2016
UK Multi Cap Income - S Acc	3.92	n/a	n/a	n/a	n/a
FTSE All-Share TR	-12.99	0.57	9.02	18.12	2.21
IA UK Equity Income TR	-13.58	-2.73	6.17	19.37	-1.72

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.

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.
- Yield is not guaranteed.
- Investments in smaller and/or medium sized companies 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.
- Fees will be deducted from capital which will increase the amount of income available for distribution. However, this will erode capital and may hinder capital growth.



Investment Enquiries

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

0800 316 2394

info@octopusinvestments.com

Investor Services

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

0370 7070073

Top Ten Equity Holdings (%)

Future	2.7
Strix Group	2.6
EMIS Group	2.5
B&M	2.5
Pets at Home	2.4
Renew Holdings	2.3
Volex	2.2
Next Fifteen Communications	2.2
First Derivatives	2.2
Spirent Communications	2.2
Total	23.8

Top Ten Sectors (%)

Speciality & Other Finance	11.4
Support Services	11.0
Software & Computer Services	10.0
Media	9.2
General Retailers	7.0
Household Goods & Construction	6.4
Investment Companies	3.7
Real Estate	3.5
Leisure & Hotels	3.4
Insurance	3.3
Total	68.9

Market Cap Weighting (%)

Over £3bn	18.1
£1-£3bn	15.0
£500m-£1bn	14.1
£250-£500m	25.3
£100-£250m	11.0
Sub £100m	5.4
Cash	11.1

Asset Allocation

	Value	% of total assets
Equities	£17.41m	88.92%
Cash	£2.17m	11.08%
Fund Size	£19.58m	100.00%
No. of Holdings	56	

Monthly Commentary

August 2020 saw global markets progress further, buoyed by better-than-expected second-quarter earnings, and ongoing discussions around a potential COVID-19 vaccine. Markets were led by a strong performance in Japan, which had lagged in July, and in the US, although in the latter case much of this was driven by the continued progress of a handful of larger stocks. Elsewhere, credit markets also rallied, while global government bonds fell slightly over the period.

During the period, the FP Octopus UK Multi Cap Income Fund delivered +3.4% return. This performance was against a rise of +2.4% in the benchmark FTSE All Share index. Elsewhere the FTSE 100 Index increased by +1.8%, and the FTSE SmallCap (excluding Investment Companies) Index rose by +5.9%, all on a total return basis.

With regard to individual stock performance, as expected, a number of the fund's positions provided the market with further reassuring updates during the month, including **Next Fifteen**, (+26.7%) the global specialist communications group, which announced that trading for the year to date was well ahead of management expectations set in March. The fund also benefitted from a strong performance by global industrials specialist **Volex** (+31.4%), which continued to progress following the solid trading update announced in late July. Another solid performer during the month was **DotDigital** (+24.1%), the leading SAAS provider of omnichannel marketing and customer engagement platforms, which again saw its shares continue to progress following publication of its solid full-year trading update also in late July. Elsewhere, **First Derivatives** (+18.5%), the leading consulting and software company, also saw its shares progress over the month. Finally, **Plus500** (+27.9%), the specialist online retail trading platform, saw its shares advance following announcement of a record set of interim results leading a number of analysts to increase mid-term earnings estimates by over 20%.

While there was limited negative newsflow to report across the portfolio during the month, a number of share prices did drift, albeit largely due to the usual lower market volumes over the summer months. Stocks which saw a negative performance during the month included **RM** (-21.0%), the leading supplier of technology and resources to the education sector, which saw its shares slide, albeit on no significant newsflow. Since the month end, the group has announced a solid trading update, although it also provided the market with the news that CEO has decided to move on to pastures new, after seven years with the business. Elsewhere **Begbies Traynor** (-9.1%), the UK's leading business rescue and recovery specialist, also saw its share price retract during the month, again on no significant news. Other names which also underperformed included **Sabre Insurance** (-9.0%), the specialist motor insurance provider, which delivered a solid set of interim results in late July, along with the positive news that it was to pay an interim dividend of 9.5p. Elsewhere **H&T Group** (-11.8%), the UK's leading pawnbroking business, also saw its shares decline despite publication of a solid set of interim results during the month. Another position which delivered a negative performance in the period was **Pets at Home** (-5.5%), the UK's leading pet care business, which saw its share price move modestly lower in the month, albeit having performed well into a strong trading update in late July.

As we move into September, we expect the number of companies reporting interim and full-year updates to increase materially. We look forward to the increasing dialogue and remain excited about the positioning of the portfolio, as well as the prospects for the fund.

Fund Managers



Chris McVey

citywire / AAA



Richard Power

citywire / AAA



Dominic Weller

citywire / AAA

Supported by the Octopus Quoted Companies team; Edward Griffiths, Kate Tidbury, Mark Symington, Stephen Henderson, Jessica Sweeney and Charles Lucas. The team manages over £1.8 billion in UK quoted companies.

Source and Copyright: Citywire. Richard Power, Chris McVey and Dominic Weller are AAA rated by Citywire for their rolling 3 year risk-adjusted performance, for the period to 31/07/2020.

Important Information

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