Lightman

WS Lightman European Fund

For promotional purposes

Fund factsheet
29/02/2024

Structure
Open Ended Investment Company (OEIC)

Regulatory status
UCITS

Fund launch date
29/03/2019

Benchmark
MSCI Europe ex UK (comparator)

Fund size (GBP)
£681m

Number of holdings
46

Dealing frequency
Daily

IA sector
IA Europe ex UK

UK UCITS ManCo.
Waystone Management (UK) Limited

Yield (projected 2024[1])
5.03%

Yield (historic – 2023[1])

I Acc	5.7291p / 3.76%
I Inc	5.0474p / 3.91%
R Acc	5.3781p / 3.57%
R Inc	4.0559p / 3.68%

Initial charge
N/A

Performance fees
N/A

Ex – dividend date
31st December

ELITE RATED by FundCalibre.com



Fund manager

Rob Burnett has managed the WS Lightman European Fund since launch on 29th March 2019. He has managed European equity portfolios since 2005.

Fund aim and objectives

The objective of the fund is to provide long term (in excess of five years) capital growth. The fund will invest at least 80% of its assets directly in the shares of companies listed and domiciled in Europe (excluding the UK). The fund will have a concentrated portfolio of approximately 40-50 holdings, selected at the manager's discretion. The investment manager seeks to invest in undervalued companies with positive operational momentum.

Fund commentary

Equities have been supported by central bank liquidity recently, but we believe this will not be the case from the second quarter of 2024. Whilst quantitative tightening has continued, the Fed's Reverse Repo Facility has injected $2tn of liquidity into financial markets over the last 12 months. This liquidity has likely been an important force driving the outperformance of large-cap growth stocks in the US and the outperformance of Technology globally.

We see liquidity creation in the first quarter, followed by a levelling off and then a contraction for the remainder of the year. Our analysis suggests that this change will shift the leadership within the equity market, away from Technology and more decisively towards value sectors.

We view the mania attached to AI as excessive and believe expectations will not match reality in 2024. We see limited identifiable value creation from the technology as it currently stands and a slow roll-out speed, leading to earnings disappointments in associated companies.

Energy and Metals & Mining lagged in 2023. They have shown themselves to be insensitive to liquidity conditions, not benefitting as liquidity expands but also not suffering as liquidity contracts. We see a strong outlook for many companies in these sectors in 2024.

Investors expect rate cuts in the US and Europe over the next year. Could this amount to a significant tailwind for growth-style investing and a headwind for value? We would say no. It is the long end of the yield curve that matters for valuation, not the short end. Whilst the Fed can cut interest rates at the short end, it cannot drive down interest rates at the long end. As we have discussed in previous notes, the supply of bonds in the coming years is so high relative to demand that it is hard to see long bond yields falling much more, even in a recession.

Whilst 2024 looks like a more challenging year for the index than 2023, we believe the Fund can deliver positive absolute and relative returns.

Sector breakdown		Top 10 countries		Top 10 holdings	
Materials	20.01%	France	17.41%	Shell	4.88%
Energy	18.03%	Sweden	11.88%	GALP Energia	4.53%
Communication Services	16.21%	Norway	11.34%	Telefonica	4.51%
Financials	15.65%	Netherlands	10.56%	Orange	4.36%
Industrials	12.02%	Switzerland	7.97%	Koninklijke	3.54%
Healthcare	10.21%	Germany	6.63%	Roche	3.47%
Consumer Staples	7.09%	Australia	5.44%	Antofagasta	3.28%
Cash	0.54%	Denmark	5.18%	SSAB	3.13%
Consumer Discretionary	0.22%	Portugal	4.53%	Danske Bank	3.08%
Utilities	0.00%	Spain	4.51%	Deutsche Boerse	3.07%

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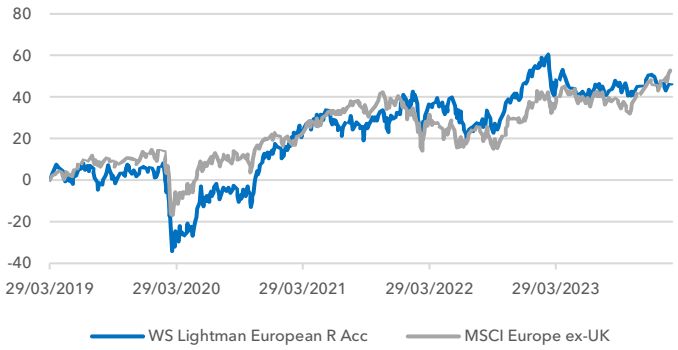
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Fund share classes

Share class	OCF (capped)	SEDOL	ISIN	Bloomberg	Min. initial investment	Min. subsequent investment	Regular saving
Institutional (Acc)	0.6%	BGPFJM6	GB00BGPFJM62	LFLMEIA LN	£100m	£1,000	N/A
Institutional (Inc)	0.6%	BJCWFY5	GB00BJCWFY55	LFLMEIE LN	£100m	£1,000	N/A
Retail (Acc)	0.8%	BGPFJN7	GB00BGPFJN79	LFLMERA LN	£1,000	£1,000	£50
Retail (Inc)	0.8%	BJCWFZ6	GB00BJCWFZ62	LFLMERI LN	£1,000	£1,000	£50

Performance

Since launch (%)



Cumulative (%)	1m	3m	6m	1yr	3yr	Launch
R-Acc	-0.27	0.77	2.59	-6.52	23.69	46.58
I-Acc	-0.25	0.82	2.69	-6.33	24.42	48.05
Benchmark	3.07	7.89	8.40	9.88	30.15	52.43

Calendar year (%)	2024	2023	2022	2021	2020	2019*
R-Acc	-2.79	3.17	11.00	16.97	6.22	5.98
I-Acc	-2.75	3.37	11.21	17.20	6.43	6.16
Benchmark	3.05	14.83	-7.62	16.73	7.49	11.15

Past performance is not an indicator of future performance. Tax treatment depends on the individuals' circumstances and may be subject to change in the future. All data as at 29/02/24 in GBP; fund prices from Northern Trust, benchmark from MSCI. For periods covering part of a calendar year, performance has not been annualised: *2019 performance is from fund launch on 29/03/2019 to year end.[2]

What are the risks specific to this fund?

- The value of investments and the income derived from them may fall as well as rise and shareholders may not recoup the original amount they invest in the Fund.
- Funds investing in overseas securities are exposed to currency risk. Exchange rate movements may cause the GBP value of investments to increase or decrease.
- The Fund may suffer a reduction in value due to dealing costs incurred when buying and selling investments and management fee charges applied to the fund. Net yields may be lower than gross yields.

Contacts

The Key Investor Information Document (KIID) and prospectus are available in English from:

Lightman Investment Management
20 Eastbourne Terrace
London, W2 6LG

Sales - 020 3667 3425
info@lightmanfunds.com
Visit lightmanfunds.com

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[1] Note: 2023 yields are estimated net yields based on the period Jan – Dec 2023. Net yield is after expenses and taxes. Yield % is calculated using ex-dividend unit price as on 02/01/2024. 2024 gross yields are approximate and have been calculated based on actual stock weightings and consensus dividend yields for 2024 as available on Bloomberg.

[2] Performance quoted does not consider applicable taxes on the investor. Performance calculated using GBP denominated unit prices or index values as at beginning and end of periods. Fund performance is net of fees with net income reinvested. Benchmark is MSCI Europe ex UK net return GBP index.