

# Nutshell Growth Fund

## December 2023 Factsheet

Data as of 29/12/2023<sup>1</sup>



| FUND FACTS         |                                   |
|--------------------|-----------------------------------|
| Portfolio Manager  | Mark Ellis                        |
| Fund Launch Date   | 18 <sup>th</sup> May 2020         |
| Fund Type          | UCITS Fund (ICAV)                 |
| Base Currency      | GBP                               |
| Investment Manager | Nutshell Asset Management Limited |
| Administrator      | Northern Trust                    |
| Depository         | Northern Trust                    |
| Auditor            | KPMG                              |
| Dealing            | Daily                             |
| Initial Charge     | 0.0%                              |
| Performance Fee    | 0.0%                              |
| ISA Eligible?      | Yes                               |

| PORTFOLIO FACTS                   |                        |
|-----------------------------------|------------------------|
| NAV (GBP IF, USD IF, EUR I Class) | 126.07, 130.99, 129.85 |
| Fund Size                         | £24.2mn                |
| Firm AUM                          | £36mn                  |
| No. Equity Holdings               | 35                     |
| Average Market Cap                | £229bn                 |
| Active Share v MSCI World         | 91%                    |

| GEOGRAPHICAL ALLOCATION | %    |
|-------------------------|------|
| US                      | 55.4 |
| Denmark                 | 8.2  |
| UK                      | 8.0  |
| France                  | 8.0  |
| Sweden                  | 5.7  |
| Canada                  | 4.7  |
| China                   | 3.4  |
| Japan                   | 2.5  |
| Germany                 | 1.0  |
| Cash & Other            | 3.1  |

| SECTOR ALLOCATION      | %    |
|------------------------|------|
| Health Care            | 21.8 |
| Financials             | 19.9 |
| Information Technology | 18.9 |
| Consumer Discretionary | 18.7 |
| Industrials            | 7.7  |
| Communication Services | 7.6  |
| Consumer Staples       | 2.3  |
| Cash & Other           | 3.1  |

| TOP 10 HOLDINGS – 55.4%   |          |
|---------------------------|----------|
| Alpha Group International | Alphabet |
| Automatic Data Processing | AutoZone |
| Equasens                  | Fortinet |
| Mastercard                | MSCI     |
| Novo Nordisk              | Visa     |

| PERFORMANCE          |         |       |        |                              |                              |
|----------------------|---------|-------|--------|------------------------------|------------------------------|
| Strategy Returns (%) |         |       |        |                              |                              |
|                      | 1 Month | YTD   | 1 Year | Since Inception (Annualised) | Since Inception (Cumulative) |
| GBP                  | 5.56    | 26.47 | 26.47  | 12.58                        | 80.92                        |
| USD                  | 6.30    | 34.03 | 34.03  | 12.58                        | 80.90                        |
| EUR                  | 5.00    | 29.34 | 29.34  | 13.31                        | 86.83                        |

| Strategy Returns (GBP) (%) |         |         |        |      |               |
|----------------------------|---------|---------|--------|------|---------------|
| Year                       | Q1      | Q2      | Q3     | Q4   | Annual Return |
| 2019                       | 15.49   | 9.02    | 5.71   | 1.62 | 35.24         |
| 2020***                    | (8.57)  | 17.60   | (3.53) | 0.60 | 4.34          |
| 2021                       | 2.99    | 12.71   | (0.64) | 8.73 | 25.40         |
| 2022                       | (10.81) | (10.81) | (2.64) | 4.39 | (19.16)       |
| 2023                       | 13.01   | 3.11    | 2.09   | 6.31 | 26.47         |

Nutshell Growth Fund launched 18/5/20. This tables shows the returns from private money invested in the strategy as a managed account starting 1/1/19, net of fees and transaction costs. From June 2020 the strategy returns will replicate the returns of the Fund.  
\*\*\*Low Beta during fund launch to protect capital during start of Covid – April-August 2020. These performance figures refer to the past, and past performance is not a reliable guide to future performance.

| INVESTMENT OBJECTIVE |   |
|----------------------|---|
| PORTFOLIO OBJECTIVE  |   |
| ✓                    | Long-term global equity investment. High conviction strategy in a concentrated portfolio of quality, resilient, exceptional companies at reasonable valuations  |
| ✓                    | To achieve returns annually in excess of both peers and the global equity markets, with reduced volatility and drawdown periods                                 |
| ✓                    | To align selection with ethical values, using Environmental, Social and Governance factors including sector exclusions e.g., Fossil Fuels, Tobacco and Gambling |

| INVESTMENT STRATEGY |   |
|---------------------|---|
| ✓                   | The strategy utilises an in-house proprietary 'bottom up' investment selection process. This encompasses many fundamental, technical and valuation factors, researched over many years. |
| ✓                   | These factors have contributed to significant outperformance in normal market conditions, and reduced beta, and therefore losses, when the broader equity markets suffer                |

| RISK MANAGEMENT |  |
|-----------------|--|
| ✓               | UK UCITS Compliant                                   |
| ✓               | Internal risk controls and proprietary risk system   |
| ✓               | Capital Preservation Factors and Recession Indicator |

| SHARE CLASS DETAILS (GBP) |       |       |         |              |
|---------------------------|-------|-------|---------|--------------|
| SHARE CLASS               | AMC   | OCF   | Minimum | ISIN         |
| Institutional (F)         | 0.85% | 1.59% | £10m    | IE00BLP46L65 |
| Institutional             | 1.00% | 1.74% | £1m     | IE00BLP46Q11 |
| Retail                    | 1.15% | 1.89% | £1,000  | IE00BLP46V63 |



MONTHLY COMMENT

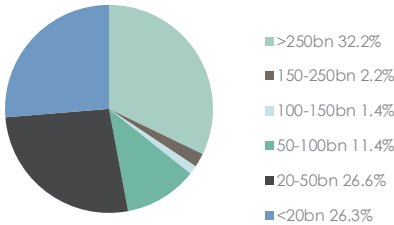
Global equity markets' strong performance was sustained in December. Weaker global inflation, lower bond yields, higher US productivity and more dovish central banks contributed to the risk-on tone. Sentiment continued to move towards our view, and pivoted from "higher for longer" to significant and early rate cuts for next year. (At present the Fed funds futures market has priced a 65% probability of the 1st Fed cut at the March 2024 meeting). Hopefully, central banks have learnt valuable lessons from the past three years and are more flexible and proactive moving forward, especially given the long and variable lags in monetary policy.

As we look back on the achievements of 2023, we are delighted to have delivered substantial returns for our investors, surpassing not only the performance of major index benchmarks but also outperforming 90% of global quality funds within our sector (IA Global; source: Trustnet). Investors who heeded our insights on attractive entry points in Q4 2022, as well as those who acted upon our publications emphasising the role of [fear as a catalyst for returns](#), have experienced exceptional returns. Looking ahead to 2024, we remain committed to our proactive relative value approach. Our focus on identifying and seizing opportunities as they arise will continue to play a key part in our strategy. We are excited about the potential that the coming year holds and are dedicated to delivering continued value and success for our investors. Thank you for your trust.

As long-term investors, although we are very interested in the macro environment, we understand that the market, viewed one way, is a time series of adverse events and headlines that could shake one's resolve. It is necessary therefore to stick to the plan, knowing that these events will pass and that more fruitful times are characterised on the other side. As such, we remain positive in the knowledge that we own a portfolio of truly high-quality companies, with wide moats and high, stable profit margins, at little premium to the market as a whole. The Nutshell Growth Fund IF GBP share class returned +5.56% for December, net of all fees and costs. The top 3 contributors for the month were Atkore, Fortinet and Chemometec. The main detractors were Autozone, UnitedHealth and Ono Pharmaceutical.

LIQUIDITY AND PORTFOLIO STATISTICS

Liquidity - Market Cap Distribution (US\$ ex Cash)



|                     | PORTFOLIO | MSCI World |
|---------------------|-----------|------------|
| P/E                 | 23.9      | 19.3       |
| Return on Equity %  | 67.9      | 13.8       |
| Net Profit Margin % | 27.3      | 9.6        |
| Average Beta        | 1.00      | 1.00       |
| Average Market Cap  | \$292bn   | \$45bn     |

HISTORICAL STRATEGY PERFORMANCE \*/\*\*/\*\*\*

| Year    | Strategy Returns (USD) (%) |         |         |       |               | Strategy Returns (EUR) (%) |         |        |       |               |
|---------|----------------------------|---------|---------|-------|---------------|----------------------------|---------|--------|-------|---------------|
|         | Q1                         | Q2      | Q3      | Q4    | Annual Return | Q1                         | Q2      | Q3     | Q4    | Annual Return |
| 2019    | 18.03                      | 6.18    | 2.32    | 9.62  | 40.58         | 20.63                      | 4.74    | 6.77   | 6.54  | 43.72         |
| 2020*** | (14.48)                    | 17.23   | 0.92    | 6.37  | 7.63          | (12.92)                    | 14.91   | (3.34) | 1.90  | (1.50)        |
| 2021    | 3.95                       | 12.85   | (3.02)  | 9.22  | 24.25         | 8.18                       | 11.80   | (0.80) | 11.27 | 33.48         |
| 2022    | (13.30)                    | (17.74) | (10.51) | 12.49 | (28.20)       | (11.42)                    | (12.48) | (4.53) | 3.21  | (23.61)       |
| 2023    | 16.17                      | 6.02    | (1.99)  | 11.03 | 34.03         | 14.07                      | 5.53    | 0.96   | 6.42  | 29.34         |

PLATFORM AVAILABILITY

<sup>1</sup>UCITS Fund Launched 18th May with the majority of the portfolio not established until the last day of the month.  
\*\*These returns are from private money invested in the strategy net of fees and transaction costs. From June 2020 the strategy returns replicate the Nutshell Growth Fund returns. GBP and USD returns include the IF share class Fund returns. EUR returns include the I share class Fund returns.  
\*\*\*Beta reduced at fund launch to protect capital during start of Covid – April-August 2020.

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# Nutshell Growth Fund

Data as of 29/12/2023<sup>1</sup>



## Contact Details

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|--|---|--|
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Note 1: Portfolio based on all month-end positions and overnight orders.