



GVQ OPPORTUNITIES FUND

January 2024 Factsheet

31st January 2024

Notice to recipients

GVQ

INVESTMENT
MANAGEMENT

Key risks associated with this Fund

- There is no guarantee that the Fund will achieve its objectives and there can be no assurance that the manager will identify suitable investments for the Fund to satisfy the Fund's rate of return objectives.
- The value of the Fund's underlying investments may fluctuate in response to activities and results of individual companies, as well as in connection with general market conditions. Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment. The investment manager aims to remove the impact of changes in some exchange rates by hedging, a currency transaction which can protect against such movements. However, if exchange rates move contrary to the investment manager's expectations, this can have a significantly negative impact on the value of your investment.
- In the event of a material demand for redemptions, the Fund could be forced to sell liquid positions, resulting in an over-weight in a small number of illiquid investments.
- The Fund could take its charges from capital of the Fund if insufficient income is generated to cover the charges and accordingly there is the potential for capital erosion. Capital erosion may have the effect of reducing the level of income generated in the future.
- A complete description of the risk factors is set out in the Prospectus and Supplement to the Prospectus, in the section entitled "Risk Factors".

Notice to recipients

- This is a marketing communication. This is not a contractually binding document. Please refer to the Prospectus and to the KIID and do not base any final investment decision on this communication alone.
- GVQ Opportunities Fund (the "Fund") is a recognised scheme for the purposes of section 264 of the Financial and Markets Act 2000 ("FSMA"). The promotion of the Fund to the general public and the communication of this document in the United Kingdom is accordingly allowed by section 238(4) (c) of FSMA. Whilst this presentation is being communicated outside the United Kingdom directly by the Fund and the directors of the Fund are responsible for its contents, - wherever communicated, it is approved for the purposes of section 21 of FSMA for communication in the United Kingdom by GVQ Investment Management Limited ("GVQIM"). GVQIM, whose registered office is at 16 Berkeley Street, London, W1J 8DZ, is registered in England (no. 4493500) and is authorised and regulated by the UK Financial Conduct Authority ("FCA"), Registration Number 220997. GVQIM also acts as Facilities Agent for the Fund in the UK, where at its registered office those documents and services required by section 264 of FSMA are available. GVQIM is acting as the Investment Manager to the Fund in relation to the offering of shares in the Fund described in this document and matters relating thereto and it or any of its associates may have an interest or position in shares in the Fund. It will not be acting for, or offering advice to, any other person (unless other arrangements apply between GVQIM and such person) in relation to investment in the Fund and will not be responsible for providing protection afforded to its clients in relation thereto
- Guernsey: The shares that are the subject of this presentation may only be made from within the Bailiwick of Guernsey either: (i) by persons licenced to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "POI Law"); or (ii) to persons licenced under the POI law or the Insurance Business of (Bailiwick of Guernsey) Law, 2002 (as amended), or the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended)
- Switzerland: The Prospectus and the Supplements of the Funds, the Key Investor Information Documents ("KIIDs"), the Memorandum and Articles of Association as well as the Annual and Interim Reports of the Company are available only to Qualified Investors free of charge from the Swiss Representative. In respect of the Shares distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Representative. Swiss Representative: 1741 Fund Solutions AG, Burggraben 16, 9000 St. Gallen. Swiss Paying Agent: Tellco Ltd, Bahnhofstrasse 4, 6430 Schwyz, Switzerland.

Sustainability disclosures

- Information on how sustainability risks are considered and integrated into the investment decision-making of a Fund is set out in the Supplement for each Fund. The assessment of the likely impacts of sustainability risks on the returns of an individual Fund is conducted at the portfolio level and can also be found in the Supplement for each Fund.



Ratings as at 30 November 2023. Based on 99% of AUM. The Morningstar® Sustainability Rating™ aims to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their environmental, social, and governance risks and opportunities relative to peers in the fund's Morningstar Global Category.



Ratings as at 30 November 2023. Based on 76% of AUM. The Morningstar® Low Carbon Designation™ aims to allow investors to easily identify low-carbon funds across the global universe. The designation indicates that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy.

The Prospectus and Key Investor Information Document (KIID) for the GVQ Opportunities Fund [sub fund of GVQ Investment Funds (Dublin) Plc] are available in English on GVQIM's website www.gvqim.com. Please see offering documents for full terms and conditions.

Contact Details

For Fund subscriptions and redemptions please visit the GVQIM website for an [APPLICATION FORM](#) or contact:

Northern Trust Fund Servicing Centre

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GVQ Opportunities Fund

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Fund objective

The GVQ Opportunities Fund (the "Fund") invests in the equity of up to 45 UK quoted companies which have been identified as undervalued using private equity based valuation techniques. It may invest up to a maximum 20% in non-UK companies. It is not constrained by market indices and aims to maximise returns over the medium term.

Fund manager's review

The Fund had a robust start to the year, outperforming the FTSE All Share index by 1.2%, placing it in the top quartile versus its IA UK All Companies peers. Some significant Manager moves were announced during the month in the UK All Companies sector, with Alex Savvides, longtime manager of the J O Hambro Capital Management ("JOHCM") UK Dynamic Fund, replacing Ben Whitmore (also a longtime manager) on the Jupiter UK Special Situations Fund. Jupiter simultaneously announced that Whitmore would be leaving to set up his own boutique. Darius McDermott, managing director at Chelsea Financial Services, was quoted on Trustnet on the move as saying that Jupiter is replacing "one of the best UK equity managers with one of the best UK equity managers".

Given their length of tenure, and our announcement during the month too, we thought it would be interesting to see a direct comparison with both since our change of Lead Manager of the Fund's sister strategy at the end of Q1 2009, through to period end, 31 January 2024 (a timeframe just 2 months shy of 15 years). The answer is favourably. Over nearly 15 years, the GVQ UK Focus Fund has delivered an annualised total return of 10.7%; the JOHCM UK Dynamic Fund an identical 10.7%; the Jupiter UK Special Situations Fund 9.6%. For reference, over the same time period, the FTSE All Share index has delivered an annualised total return of 8.9%. More out of curiosity than anything else, but for further context given it is so often lacking in today's short-term market, Berkshire Hathaway B shares have delivered a total annualised return of 10.6% covering the longest available date range on Bloomberg (9/5/96 - 31/1/24).

Other achievements and recognition garnered over our tenure include:

- **FE Alpha Manager: 2015, 2016, 2017, 2018, 2019 and 2020.** (From FE fundinfo's website: 'The Alpha Manager Rating is a quantitative rating that distinguishes the top UK fund managers based on alpha generation and outperformance across their career history, allowing investors to instantly identify those managers who have consistently outperformed their peer group over time. Only the top 10% of UK managers receive this accolade, representing those managers who are the very best of the best in the industry.')
- **We believe we hold the longest unbroken record in the IA UK All Companies sector of 40 consecutive months receiving Citywire's top 'AAA' rating.** (From Citywire's website: 'The ratings take account of a three-year performance record and are updated every month. The process is entirely quantitative and our analysis is based on the information ratio, a recognised measure of risk-adjusted performance. In order to be rated, a portfolio manager will need to beat his or her benchmark over a three-year period. A benchmark is often the relevant stock market index. Fewer than 25% of the portfolio managers we track actually achieve this, and those in this select group will either receive a Citywire+, A, AA, or the top AAA rating. The top 10% of managers in this elite group will gain the highest AAA rating.')
- **Nominated in category, and achieving 'Highly commended' at the 2015 Investment Week Fund Manager Of The Year Awards**

Performance attribution

We would strongly suggest that regulators from around the globe, and indeed central banks, should be taking a long hard look at the UK market. It is arguably the 'canary in the coal mine' for capitalism. If this sounds alarmist, it is meant to, and the threat very real in our opinion. While passive funds are nothing new, their popularity has burgeoned over recent years. Though not unique to the UK, what makes the market unusual is this phenomenon has combined with a major drain on overall market liquidity, alongside a rapid rise in the use of model portfolios, exposing cracks in the system.

While the liquidity situation is to a degree captured in declining average daily volumes, the underlying picture is far more concerning. With an increasing percentage of companies held passively, the percentage of daily volume traded in the auction (i.e. not part of the normal trading day) has ballooned. Not only does this mean that you often get violent swings in prices in the auction given the volume and nature of the trades (largely non-price sensitive), but more concerning it invariably means that trade during the normal market hours of 8am to 4.30pm has dissolved; this is regularly true all the way up through the market cap spectrum. Again, in itself, this often leads to increased volatility as 'price discovery' is simply not there in a way you would expect of a normal functioning capital market.

The recent focus on trying to make the UK market more attractive for IPO's misses the point in our view. The issue is far bigger and broader, and ultimately strikes right at the heart of capitalism, with profound and negative consequences for the real economy over time if left unaddressed. There is simply no longer the depth (or breadth) of capital within the market to support sustainable valuations in UK plc, as Pension Funds first, and more recently Wealth Managers, have deserted their domestic market in droves, with no obvious replacement. Making matters even worse, due to a rapid rise in the use of model portfolios by Wealth Managers, fund concentration has become more and more of an issue also within the UK market. A recent report by Fundscape titled 'How to win business and influence model portfolios 2024' confirmed as such. It reported: 'Model portfolios held 1,171 individual funds but two thirds were by 30 managers and three managers accounted for 20% of all funds. That kind of concentration has significant implications for fund management in the UK.' We would also strongly argue that that it dramatically increases the risk in the financial system too.

The long and short of all this however is that sizeable companies (£1bn+ market cap) are frequently seeing their share prices kicked around on tiny retail volumes. This is the real issue, and we continue to believe it cannot be resolved without restoring a strong active fund management community on which price discovery and capital allocation rely; both primary and secondary markets. The confluence of all these things, and somewhat ironically, is that the UK houses selectively some of the greatest investment opportunities, in our opinion, for anyone able to take a sensible time horizon. The Fund GVQ cash yield today at 15.3%, close to a historic high, certainly supports this view.

Portfolio activity

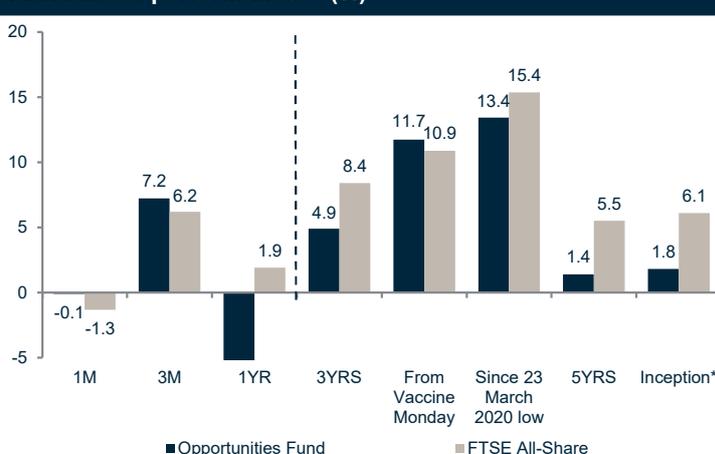
There were no new investments or disposals over the period.

Portfolio outlook

As a lifelong fan of Formula 1, I recently watched 'Brawn: The Impossible Formula 1 Story' on Disney+. It charts Honda's sudden withdrawal from Formula 1 in advance of the 2009 season as a result of the Global Financial Crisis. For the team to then be reborn under a new banner of Brawn GP, with a different engine supplier in Mercedes bolted on the back, and emerge from the ashes to go on and win, against the odds, the Formula 1 World Championship that year with Jenson Button. Despite the world in chaos around them, they kept their focus, and delivered one of the great sporting stories. Mercedes would subsequently buy Brawn GP and thereafter, from its nucleus, go on to win 8 constructors world titles on the bounce starting in 2014; a record in Formula 1 history.

Reverting to the Brawn Championship year, what ultimately laid the foundation for it was a team of highly talented, innovative and committed individuals, passionate about their craft, with a never-say-die attitude. I believe these qualities are shared in abundance across our team, and in our investment process we have what many market practitioners describe as 'best in class.' We hope and intend to be back on the grid very soon, to prove out what we believe to be a generational opportunity. With sincere thanks for now, Jamie.

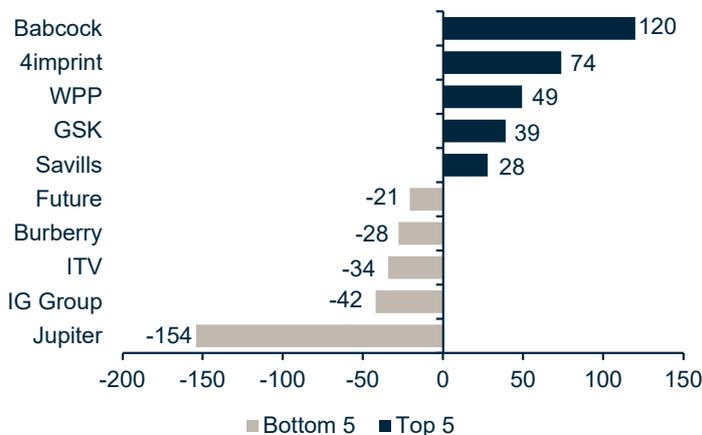
Annualised performance^{1,2} (%)



Annual performance^{1,4}

	YTD	2023	2022	2021	2020	2019	2018	2017	2016
% Growth	-0.1	2.0	-1.0	14.0	-23.4	29.1	-17.1	9.6	9.6
Quartile	1	4	2	3	4	1	4	4	3

Contributors to performance¹ (bps)



Top 5 portfolio holdings¹

Company	%
WPP	8.8
Jupiter Fund Management	8.7
Babcock	8.4
GSK	7.1
ITV	5.6

Consensus valuation data

	Fund ³	FTSE All Share ⁴
Price to earnings	11.3	12.5
Price to book	2.3	1.5
Dividend yield (%)	4.6	4.2
GVQ cash yield (%)	15.3	-

GVQ Opportunities Fund

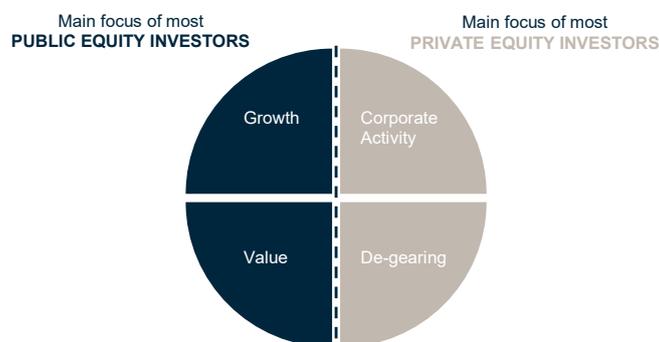
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Key Investment features:

We aim to combine the best elements of public and private equity investing as described in the chart below:



Investment features also include:

Due diligence - thorough 360° appraisals, referencing execs, non-execs, customers, suppliers. Making use of strategic relationships with private equity groups.

Investment strategy – a focus on catalysts “how will we make money?” and exit plans - “how will we realise the gain?”

Use of industry experts – utilising an Advisory Panel of senior industrialists including Stewart Binnie, Peter Williams, Chris Rickard and Sir Clive Thompson.

Management team



Fund Manager: Jamie Seaton

Jamie was appointed CEO of GVQIM in May 2014. He is Fund Manager of both the GVQ UK Focus Fund (since April 2009) and GVQ Opportunities Fund (launched October 2015). Prior to this, Jamie was an equities analyst for GVQIM, and its first recruit following its formation. Previously he was an Investment Manager at Rothschild Asset Management and worked at Goldman Sachs. Jamie holds the CFA and IMC qualifications.



Deputy Fund Manager: Oliver Bazin

Oliver is Deputy Fund Manager on both GVQIM's Unconstrained Funds, the GVQ UK Focus Fund and the GVQ Opportunities Fund. In addition to assisting Jamie, his primary role is performing analysis and due diligence on existing and potential investee companies. Prior to joining GVQIM in 2016 as an Analyst, he worked at Rothschild in their M&A practice. He started his career at KPMG in their audit practice. Oliver holds both the ACA and CFA qualifications.



Deputy Fund Manager: Rob Ward

Rob is Deputy Fund Manager on both GVQIM's Unconstrained Funds, the GVQ UK Focus Fund and the GVQ Opportunities Fund, assisting Jamie and performing analysis and due diligence on existing and potential investments. Rob started his career at the corporate finance boutique Gleacher Shacklock, before moving to Rothschild's M&A practice. He has eleven years of relevant financial experience, is a graduate of Cambridge University and also holds the IMC qualification.

Fund details

Structure

Dublin listed Open Ended Investment company (OEIC), UCITS V compliant, recognised by the FCA, with reporting status

Incorporation date 14th October 2015

Fund size £6.0m

No. of holdings 21

Dividends Semi-annual distribution

Liquidity Daily pricing and dealing

	I Class	A Class
Share price	£9.74	£9.76
Minimum initial investment	£10m	£1,000

Fund charges

Ongoing Charges Figure (OCF)¹ 2.31% p.a. 2.42% p.a.

Included within the OCF is the

Annual Management Charge (AMC) 0.65% p.a. 0.75% p.a.

Reference codes

ISIN	IE00BYMY5574	IE00BYMY5C45
SEDOL	BYMY557	BYMY5C4
Bloomberg	GVQOPPI	GVQOPPA

The Fund is available to buy through the following platforms

- 7IM
- Aegon
- AJ Bell
- Allfunds Bank
- Alliance Trust
- Ascentric
- Aviva
- Charles Stanley Direct
- CoFunds
- Interactive Investor
- FundsNetwork
- Fusion
- Hargreaves Lansdown
- Nexus Fund
- Novia Financial
- Novia Global
- Nucleus
- Old Mutual
- Raymond James Investment Services
- Standard Life
- Standard Life Elevate
- Transact
- Zurich

Note: 1. OCF is as at December 2023 (latest available)

Past performance is no guarantee of future performance and the value of investments can go down as well as up