

FP Octopus UK Micro Cap Growth Fund

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A brighter way

Data as at 31 December 2024



Fund managers



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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	£92.3m
Number of holdings	49
Benchmark	Deutsche Numis SC plus AIM ex IT TR
P Acc fund price	265.55p
S Acc fund price	272.98p

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 December 2024 (%)

	YTD	1 Y	3 Y	5 Y	Launch
FP Octopus UK Micro Cap Growth - P Acc	1.17	1.17	-36.88	0.23	164.84
Deutsche Numis SC plus AIM ex IT TR	5.02	5.02	-15.38	6.57	106.46
IA UK Smaller Companies TR	6.30	6.30	-20.81	4.33	176.31

Discrete yearly performance (%)

Year to 31 December	2024	2023	2022	2021	2020
FP Octopus UK Micro Cap Growth - P Acc	1.17	-6.58	-33.22	17.92	34.67
Deutsche Numis SC plus AIM ex IT TR	5.02	3.21	-21.93	20.03	4.93
IA UK Smaller Companies TR	6.30	0.22	-25.67	22.82	7.26

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:

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Investment Enquiries

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Asset allocation

	Value	% of total assets
Equities	£90.6m	98.2%
Cash	£1.6m	1.8%
Fund size	£92.3m	100.0%

Top ten equity holdings (%)

Gamma Communications plc	4.6
Learning Technologies Group plc	4.0
BOKU Inc	3.9
RWS Holdings plc	3.7
GB Group plc	3.7
Hasgrove Ltd	3.4
Renew Holdings plc	3.4
M&C Saatchi plc	3.3
1Spatial plc	2.9
Bloomsbury Publishing plc	2.9
Total	36.0

Top ten sectors (%)

Support Services	16.9
Media & Entertainment	14.6
Software & Computer Services	13.4
Specialty & Other Finance	11.1
Investment Entities	4.9
Pharmaceuticals & Biotech	4.9
Telecommunication Services	4.6
Engineering & Machinery	4.0
Finance	3.9
Health	3.5
Total	81.8

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 2024.

Market cap weighting (%)

Over £3bn	0.0
£1bn-£3bn	9.1
£500m-£1bn	23.6
£250m-£500m	13.0
£100m-£250m	24.2
Sub £100m	28.4
Cash	1.8

Due to rounding, tables may not sum correctly.

Monthly commentary

The FP Octopus UK Micro Cap Growth Fund increased by 1.17% during the month of December 2024. The benchmark Deutsche Numis Smaller Companies plus AIM (excluding Investment Trusts) decreased by 0.14%. The FTSE AIM All-Share Index decreased by 1.70% and the FTSE All-Share Index decreased by 1.16%, all on a total return basis.

Contributors to performance during December included **RWS Holdings** (+17.7%). The company announced its results for the year to September 2024, confirming a stronger second half to the year. In addition, the company has appointed a new CEO, who we look forward to meeting in the New Year. The share price of **IG Design Group** (+31.5%) recovered the ground lost in November in response to trade tariff fears. **AdvancedAdvT** (+12.5%) continued to perform well following its interim results in November. In addition, analysts have now published growth forecasts for the next few years. **DiscoverIE Group** (+14.0%) announced its interim results, highlighting the resilience of the business model through the cycle, which delivered record margins. The company remains confident of hitting full year forecasts. Two UK-focused asset managers reported progress despite a difficult domestic market with both **Premier Miton Group** (+15.9%) and **Oberon Investments Group** (+25.4%) looking well placed to capitalise on a more buoyant UK market.

Detractors to performance included **Renew Holdings** (-13.2%) which has run into some profit taking following another year of exceeding growth expectations. The company remains very well placed for further outperformance in 2025. **M&C Saatchi** (-10.6%) has also run into profit taking. The company should be updating the market on further progress during January. **GB Group** (-9.3%) is another to give up some of the previous month's gains. Regardless, the company looks well set on for growth in 2025, as does **Gamma Communications** (-5.2%), which has announced it will move into the FTSE250 in May of this year.

Smaller companies are trading at the biggest discount to large caps for over twenty years, providing an exceptional entry point. The removal of political uncertainty and further interest rate cuts expected into next year are expected to reverse the recent headwinds and be supportive for smaller company fund flows going forward. We remain extremely confident about the prospects for the fund, with small company valuations down at levels not seen since the Financial Crisis.

Important information

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