

RL UK Mid-Cap Growth Fund



Fund overview

The Fund's performance target is to outperform, after the deduction of charges, the FTSE 250 ex-IT (investment trust) Total Return GBP Index (the "Index") over rolling 5-year periods. It aims to maximise capital growth over this term by predominantly investing in the shares of UK medium-sized companies (mid-cap) that are typically worth between £500 million and £5 billion and listed on the London Stock Exchange.

We believe that the UK mid cap market is particularly attractive due to the number of investment opportunities, the lack of analyst research (providing the opportunity to uncover these underappreciated 'gems') and the nature of these more dynamic growth companies with highly incentivised management teams.

Investment approach

The managers focus on businesses that they believe can grow their profits and cash faster than the market and ultimately become large companies. They seek attractively priced companies, which have the potential not only to outperform market expectations in terms of earnings but also to be more highly valued by investors over time.

The investment process involves three key pillars:

- Identifying companies exposed to enduring secular growth themes or self help opportunities
- Target businesses that exhibit key fundamental attributes (SIMBA: Scalability, Innovation, Management, Barriers to entry, unique Assets)
- A discipline towards an attractive absolute valuation and improving returns

The focus is on generating superior long-term risk-adjusted returns and so the fund managers construct a portfolio that is liquid and diversified across stocks, sectors and the market cap spectrum to reduce volatility and manage risk.

The fund managers and the team meet over 400 companies per year and combine a qualitative and quantitative approach to their analysis of potential investments.

Key points

- Identify companies with superior fundamental attributes that are exposed to attractive economic/structural tailwinds. These attributes will enable them to compound their earnings and cash into the future and become large companies.
- A discipline towards absolute valuation.
- An emphasis is on investing in profitable, cash generative and high quality companies that have solid balance sheets and the potential to improve margins/returns over time.
- A liquid portfolio that is diversified across market capitalisation and sectors, with less stock specific risk, lower volatility and ultimately improved risk-adjusted returns.
- Broad and dynamic investment universe of younger companies at an earlier stage of their life cycle, with incentivised management teams and lean decision making structures.

Fund facts

Launch date	11.11.2009 (M Acc)
Domicile	United Kingdom
IA sector	IA UK All Companies
Fund structure	ICVC
Benchmark	FTSE 250 ex Investment Trusts Total Return GBP
Minimum investment	GBP M Acc Class: £100,000
Fund management fee (FMF)	GBP M Acc Class: 0.77%

Fund managers



Henry Lawson
Head of UK Alpha Strategies



Henry Burrell
Fund Manager



Active stock picking

Our team adopts a fundamental approach to stock selection focusing on key attributes.



Excellent company access

Our size enables significant corporate access for our fund managers to engage with senior management, which is an essential part of our fundamental research.



Experienced

Our fund managers have many years of investment experience and their collective working knowledge of the UK stock market is part of our competitive edge. Our managers are empowered to run high-conviction strategies with minimal investment bureaucracy, enabling nimble decision making and high conviction portfolios.

Fund risks

Investment risk: The value of investments and any income from them may go down as well as up and is not guaranteed. Investors may not get back the amount invested.

Efficient Portfolio Management (EPM) techniques: The fund may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the fund to increased pricevolatility.

Counterparty risk: The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the fund to financial loss.



Contact us

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Important information

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For more information on the fund or the risks of investing, please refer to the Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Information page on www.rlam.com.

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