

# Rights & Issues Investment Trust

February 2025

# Fund overview

## Rights And Issues Investment Trust PLC

### Market & Exchange Rate Risk

Market and exchange rate movements can cause the value of an investment to fall as well as rise and you may get back less than originally invested.

### Gearing Risk

Gearing is a method used to increase the exposure of the investment company to financial markets through the use of loans. Gearing may lead to large and sudden movements in the value of the investment company.

### Derivative Risk

Derivatives create leverage and may cause movements in the value of the underlying investments to amplify gains or losses to the investment company.

### Counterparty Risk

Counterparties to derivatives contracts with the investment company may become insolvent and default on their obligations, which may cause losses to the company.

### Concentration Risk

The investment company may invest in a limited number of companies. This may cause the value of the investment company to be more volatile than a broadly diversified investment company.

### Emerging Market Risk

The investment company may invest in countries that carry higher political, legal, economic and liquidity risks than investments in developed countries. This may result in large fluctuations in the value of the investment company.

### Smaller Companies Liquidity Risk

The investment company may invest in smaller companies which may be less liquid than larger companies. If large numbers of sellers suddenly seek to sell a less liquid stock, the price may be driven down further than in the case of a more liquid stock, resulting in fluctuations in the value of investments held by the investment company.

### Share Price Risk (Unit Value)

The share price of an investment company may differ from the Net Asset Value due to the level of supply and demand for units. A high level of supply may result in the price of the investment company trading below the Net Asset Value.

### Risk Indicator



The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

Source: Jupiter.

Marketing communication.

# Pragmatic and disciplined

## Rights & Issues Investment Trust

We look for well-underwritten **growth**, durable **upgrade** potential and **inflection points**

Underpinned by a deep understanding of **business** and **management quality**

**Disciplined** stock picking process

**High-conviction**, portfolio

UK Smaller Companies offer a **dynamic** and **diverse hunting ground** for alpha

**Pragmatic top-down** approach: macro-aware, not macro-led

Thoughtful approach to **risk control, position sizing** and sell discipline

**Engagement focus**  
– we are often significant shareholders

The views expressed are those of the Investment Manager and may change in the future.

# The Team

# An experienced management team

Significant accumulated knowledge in UK small and mid cap equities

## INVESTMENT MANAGERS



**TIM SERVICE**

LEAD INVESTMENT MANAGER



**MATT CABLE**



**JAMES GILBERT**

## INVESTMENT ANALYSTS



**CLAUDIA HO**

## CORPORATE GOVERNANCE AND ENGAGEMENT



**ASHISH RAY**

## ESG RESEARCH AND INTEGRATION



**PATRICK NEWENS**



**MICHAEL POSNANSKY**



# Our fund range

**One team. One process.**

## Jupiter UK Mid and Small Cap Equities

	UK SMALLER COMPANIES	RIGHTS & ISSUES	UK MID CAP	JUPITER UK DYNAMIC LONG SHORT EQUITY	UK SPECIALIST EQUITY
BENCHMARK	Deutsche Numis Smaller Companies (ex-Investment Trusts)	FTSE All Share (ex-Investment Trusts)	FTSE 250 (ex-Investment Trusts)	FTSE 250 (ex-Investment Trusts)	SONIA (for GBP classes)
EXPOSURE	Long only	Long only (no gearing)	Long only	Directional long/short	Market neutral long/short
DOMICILE	UK	UK	UK	Dublin	Dublin
TYPICAL HOLDINGS*	c50-80	C20-25	c40-60	c40-60	c80-110
MARKET CAP FOCUS	Small cap	Small cap	Mid cap	All cap blend	All cap blend

\* These are the fund manager's limit and not prospectus limits.  
Source: Jupiter as at 30.09.24.

# Process and Philosophy

# UK Small & Mid Cap: four principles to our approach

Bottom-up first ▷ Macro-aware ▷ Transparent ▷ Proactive Risk Control

## GROUNDING IN IDIOSYNCRATIC STOCK PICKING



- **Clear** and **repeatable** stock selection process
- Looking for **well-underwritten growth**, **durable upgrade potential** and **inflection points**
- Predominantly **core** compounders of value, blended with more **opportunistic** situations where there is change
- **Management Calibre**, **Business Quality** and the **Set Up** filter ideas and shape position sizing

## TRANSPARENCY AND PARTNERSHIP



- We report **promptly** and **openly**, in plain English
- We explain **what we are doing and why**
- **Clearly articulated** process

## MACRO-AWARE, NOT MACRO-LED



- **Pragmatic approach** to top-down positioning and decision making
- **No company operates in an economic vacuum**
- We will **tilt** to themes and sectors when we feel we **have an edge**
- A broad range of stock and thematic exposures helps **diversify alpha drivers**
- We believe that **growth**, **quality** and **earnings momentum** drive success in SMID over the long term – our bottom-up process generally tilts us in the direction of these factors

## PROACTIVE RISK CONTROL



- We aim to **avoid substantial relative underperformance** when our style is out of favour
- Refreshed approach to **risk control**, **position sizing** and **sell discipline**
- **Bespoke tools** to help us execute our process better

The views expressed are those of the Investment Manager and may change in the future.



# Three stock-picking pillars

Growth, Upgrades, Re-rating



## GROWTH

*Predictably faster growth than market, ahead of any likely de-rating*

- Attractive total-return streams, where that growth is well-underwritten, sensibly valued and likely multi-year
- Exceptional, 'hold forever' franchises that could be much bigger in 5-10 years
- High quality, fairly valued core businesses with a track record of optionality
- Riskier, high growth stories where potential growth easily offsets potential de-rating



## UPGRADES

*Potential to exceed market expectations for earnings*

- Mostly companies with strong organic sales growth and/or trending margins
- Poorly covered stocks at inflection points
- Knowing how management approach messaging and guide the market is key
- Interpreting market expectations is a mix of art and science
- Cautious of M&A driven EPS accretion without true value creation



## RE-RATING

*Inflection points and change*

- Management/Strategic Change
- Improving Quality
- A Deepening Moat
- An emerging Growth opportunity
- Special Situations
- Usually needs a potential catalyst
- Without a catalyst, the prize needs to be large, with downside protection

**CORE HOLDINGS**

**OPPORTUNISTIC HOLDINGS**

Management Calibre, Business Quality and the Set Up shape position sizing

The views expressed are those of the Investment Manager and may change in the future.

# The better we understand a business, the better our decisions

We focus on Management Calibre, Business Quality and the Set up

## MANAGEMENT CALIBRE

*Good managers attract good people, creating a virtuous circle*

- Integrity
- Resilience
- Vision
- Leadership
- Track record of delivery
- Alignment

## BUSINESS QUALITY

*Quality is critical to business outcomes but hard to measure in a spreadsheet*

- Durability of the business model
- Happy customers, suppliers and staff
- Stickiness of sales
- Control of most business drivers
- Competitive positioning
- Quantitative metrics like Return on Capital, Gross Margin and Earnings Predictability

## THE SET UP

*Timing matters*

- Market positioning and narrative
- Potential news flow catalysts
- Might there be forecast upgrades?
- The shareholder register
- A strong understanding of where the marginal bull/bear debate is
- Do we have an edge on the marginal debate?

This does not mean we only own the highest quality businesses. All businesses have shortcomings. Rather we seek to understand the good and the bad of a business, which helps us make better investment decisions.

Bumps in the road are inevitable – the response to these is what makes the difference to investment returns.

The views expressed are those of the Investment Manager and may change in the future.

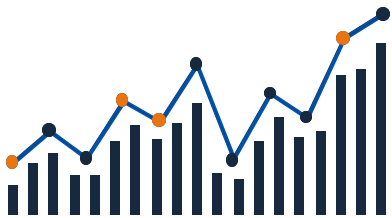
Marketing communication.

# Why UK Smaller Companies?

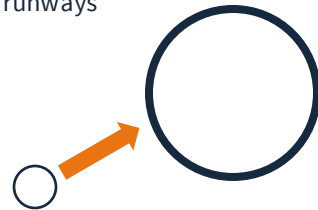
# UK Smaller Companies: exploiting less efficient markets

A healthy and diversified universe of opportunities

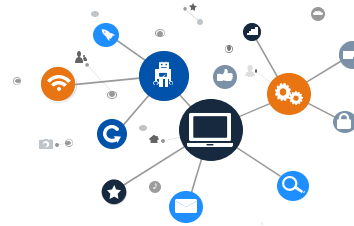
**Strong historic returns**  
over the long term



**Small companies**  
can have long growth  
runways



**A diverse universe**  
to hunt for ideas in



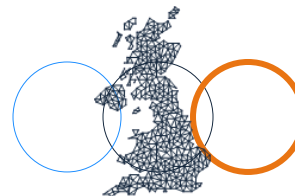
**High dispersion of returns**  
stock pickers' market



**Alpha generation potential**  
unlike most sectors



**More representative exposure**  
to UK economy than FTSE 100



Over

**550** stocks

capitalised between

**£100m**

and

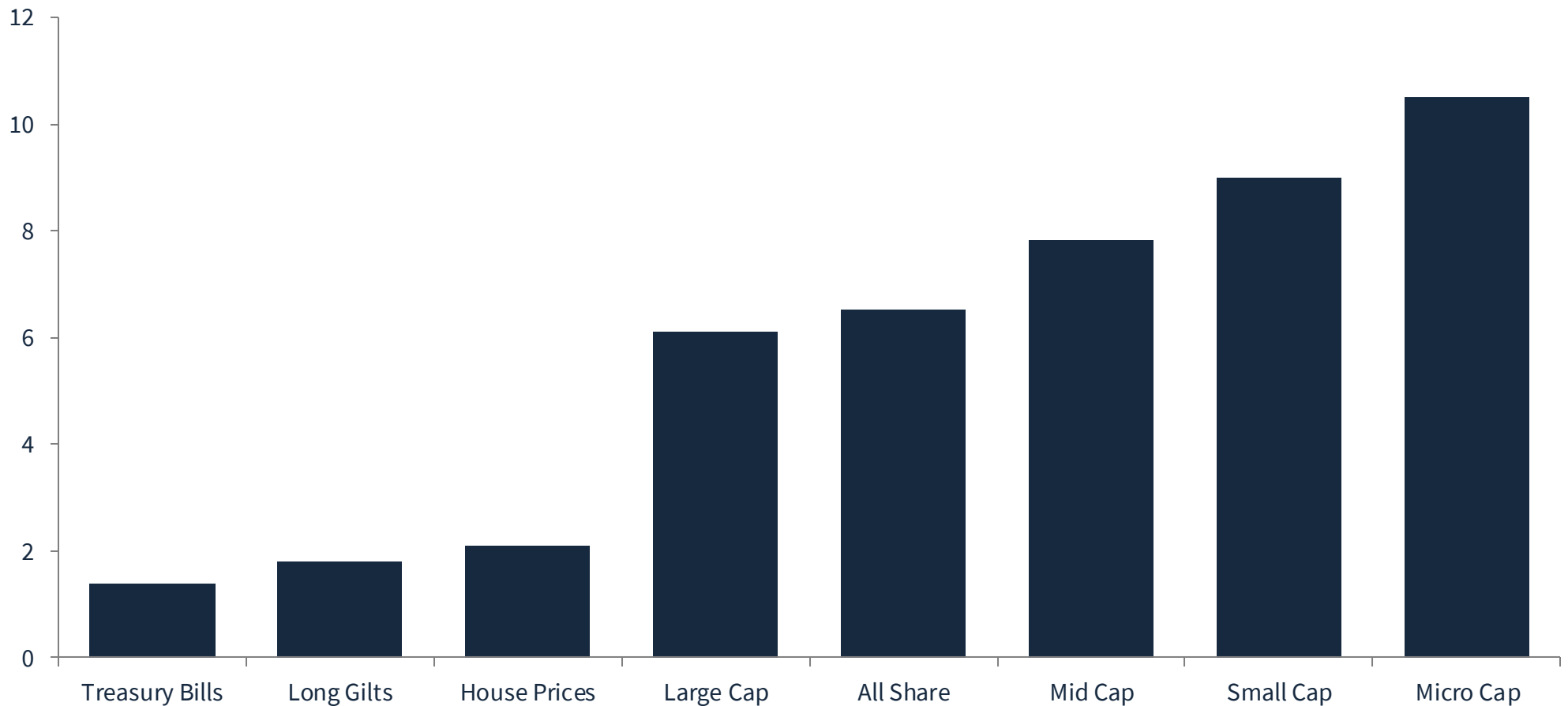
**£2bn**

The views expressed are those of the Investment Manager and may change in the future.  
Source: Jupiter as at 30.09.24.

# Strong historic returns

Long history of superior returns

## Annualised real returns on UK assets classes, 1955-2023



Past performance is no indication of current or future performance.

Source: Deutsche Numis Annual Index Review.

Large Cap = Deutsche Numis Large Cap Index, All Share = FTSE All Share Index, Mid Cap = Deutsche Numis Mid Cap Index, Small Cap = Deutsche Numis Small Cap Index, Micro Cap = Deutsche Numis 1000 Index. All on an ex. Investment Trust basis.

# UK focus

## Rights And Issues Investment Trust PLC

### Annual percentage returns

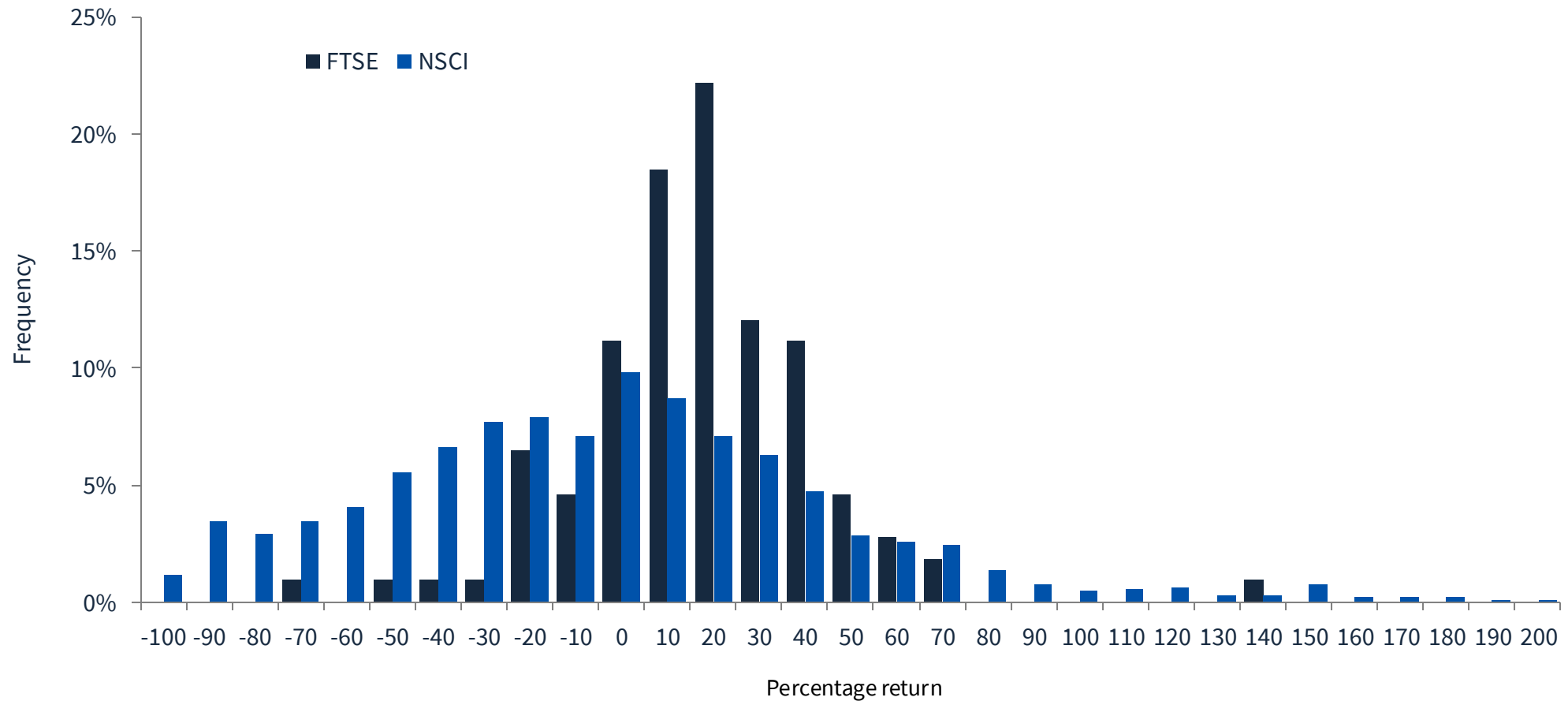
	2024	2023	2022	2021	2020	2019
Large Cap	10.8	8.1	3.7	17.4	(10.8)	17.4
All Share	9.7	8.1	(2.5)	17.1	(9.8)	19.2
Mid Cap	6.1	13.3	(18.8)	18.3	(9.9)	29.7
Small Cap	9.5	10.1	(17.9)	21.9	(4.3)	25.2
Micro Cap	13.1	6.6	(20.1)	25.0	(1.5)	15.3

Past performance is no indication of current or future performance.  
Source: Deutsche Numis Indices: 2025 Annual Review.

# High dispersion of returns

Opportunity to add value through stock selection

## Dispersion of returns



Past performance is no indication of current or future performance.

Source: Bloomberg, 12 months to 30.09.24.

Returns generated by stocks in the FTSE 100 and Numis Smaller Companies Index (ex. IT) over the given period.



# Alpha generation potential

On average UK smaller companies funds outperform the benchmark

## Alpha by IA Sector (Sector - benchmark return)



Past performance is no indication of current or future performance.

Source: Jupiter performance reports for 10 years to 31.08.24.

Alpha defined as average return of funds in IA sector less benchmark as used in Jupiter performance reporting, e.g. Numis Smaller Companies (ex.IT) in the case of UK Smaller Companies.

# Pragmatic and disciplined

## Rights & Issues Investment Trust

We look for well-underwritten **growth**, durable **upgrade** potential and **inflection points**

Underpinned by a deep understanding of **business** and **management quality**

**Disciplined** stock picking process

**High-conviction**, portfolio

UK Smaller Companies offer a **dynamic** and **diverse hunting ground** for alpha

**Pragmatic top-down** approach: macro-aware, not macro-led

Thoughtful approach to **risk control, position sizing** and sell discipline

**Engagement focus**  
– we are often significant shareholders

The views expressed are those of the Investment Manager and may change in the future.

# Current Positioning and Performance

# Current Portfolio

## Top 20 Fund Holdings

Company	Holding
Renold	7.1
Vp	6.8
Hill & Smith	6.6
Macfarlane	6.3
Telecom Plus	5.9
Gamma Communications	5.6
Colefax	5.4
Eleco	5.2
Alpha	5.1
Jet2	5.0

Company	Holding
OSB	4.8
IMI	4.8
GB	4.7
Treatt	4.4
Oxford Instruments	4.2
Morgan Advanced Materials	3.3
Marshalls	3.3
RS	3.2
Foresight	2.8
SThree	1.9

Stock examples are for illustrative purposes only and not a recommendation to buy or sell.  
Source: Jupiter as at 31.01.25.

# New holdings



Jet2 plc	
Share price	Market cap
1,392p	£2.9bn
Description	
Vertically integrated airline and tour operator focused on UK originating short haul holidays.	
Investment case	
<ul style="list-style-type: none"> <li>• Highly resilient market</li> <li>• Largest UK operator by ATOL licences</li> <li>• Market leading service proposition</li> <li>• Tight market supporting pricing</li> <li>• Significant aircraft order pipeline</li> </ul>	

GB Group plc	
Share price	Market cap
335p	£846m
Description	
Provider of identity verification and fraud detection software and services to a global customer base across a range of financial services and other industries.	
Investment case	
<ul style="list-style-type: none"> <li>• Strong IP and market positions</li> <li>• Long term demand drivers</li> <li>• Few independent competitors of scale</li> <li>• Attractive entry point post-pandemic</li> </ul>	

Foresight Group Holdings plc	
Share price	Market cap
397p	£454m
Description	
Alternative asset manager focussed on global infrastructure and UK regional private equity.	
Investment case	
<ul style="list-style-type: none"> <li>• Recurring revenue and high margin</li> <li>• Low capital intensity</li> <li>• Strong growth drivers and track record</li> <li>• Attractive valuation entry point</li> </ul>	

Stock examples are for illustrative purposes only and not a recommendation to buy or sell.  
Source: Jupiter, Bloomberg as at 25.02.25.

# 12 Month rolling performance

## Rights And Issues Investment Trust PLC

	01/02/2019 31/01/2020	01/02/2020 31/01/2021	01/02/2021 31/01/2022	01/02/2022 31/01/2023	01/02/2023 31/01/2024	01/02/2024 31/01/2025
Share price return	9.8	-3.7	18.8	-19.8	7.5	4.0
NAV Return	5.8	4.0	19.9	-13.1	-0.8	10.2
FTSE All Share TR GBP	10.7	-7.5	18.9	5.2	1.9	17.1

Past performance is no indication of current or future performance, doesn't take into account commissions and costs incurred on the issue/redemption of shares.

Source: Momingstar, Jupiter Asset Management Limited. Share price stated close to close and includes any reinvestment income.

NAV per Ordinary Share is the cumulative income NAV with debt at fair value and includes any reinvested income. 31.01.24.

# Important information

**We recommend you discuss any investment decisions with a financial adviser. Particularly if you are unsure whether an investment is suitable. Jupiter is unable to provide investment advice. Any data or views given should not be construed as investment advice. Every effort is made to ensure the accuracy of the information provided but no assurance or warranties are given.**

Past performance is no guide to the future. Stock examples are for illustrative purposes only and are not a recommendation to buy or sell.

Investment trust companies are traded on the London stock exchange, therefore the ability to buy or sell shares will be dependent on their market price, which may be at a premium or discount to their net asset value.

Before making an investment decision, please read the PRIIPS Key Information Document which is available from Jupiter on request and at [www.jupiteram.com](http://www.jupiteram.com).

This presentation is for information only and nothing herein is to be construed as a solicitation or an offer to buy or sell any investment.

The views expressed are those of the Fund Managers at the time of preparation, are not necessarily those of Jupiter as a whole and may be subject to change. This is particularly true during periods of rapidly changing market circumstances. Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given.

The Company currently conducts its affairs so that its shares can be recommended by financial advisers to ordinary retail investors in accordance with the Financial Conduct Authority's (FCA) rules in relation to non-mainstream pooled investment products and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

Jupiter Unit Trust Managers Limited accepts no liability for any loss or damage of any kind arising from the use, in whole or in part, of this presentation.

Jupiter Unit Trust Managers Limited, registered address: The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ is authorised and regulated by the Financial Conduct Authority.



# Important information

**We recommend you discuss any investment decisions with a financial adviser. Particularly if you are unsure whether an investment is suitable. Jupiter is unable to provide investment advice. Any data or views given should not be construed as investment advice. Every effort is made to ensure the accuracy of the information provided but no assurance or warranties are given.**

Past performance is no guide to the future. Stock examples are for illustrative purposes only and are not a recommendation to buy or sell.

Investment trust companies are traded on the London stock exchange, therefore the ability to buy or sell shares will be dependent on their market price, which may be at a premium or discount to their net asset value.

Before making an investment decision, please read the PRIIPS Key Information Document which is available from Jupiter on request and at [www.jupiteram.com](http://www.jupiteram.com).

This presentation is for information only and nothing herein is to be construed as a solicitation or an offer to buy or sell any investment.

The views expressed are those of the Fund Managers at the time of preparation, are not necessarily those of Jupiter as a whole and may be subject to change. This is particularly true during periods of rapidly changing market circumstances. Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given.

The Company currently conducts its affairs so that its shares can be recommended by financial advisers to ordinary retail investors in accordance with the Financial Conduct Authority's (FCA) rules in relation to non-mainstream pooled investment products and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

Jupiter Unit Trust Managers Limited accepts no liability for any loss or damage of any kind arising from the use, in whole or in part, of this presentation.

Jupiter Unit Trust Managers Limited, registered address: The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ is authorised and regulated by the Financial Conduct Authority.