

WS Amati Global Innovation Fund

Fund Objective

The Fund aims to provide capital growth and to outperform global equity markets over the medium to long term (3-5 year period), by investing in companies that create value from innovative products, services and business models that address key challenges facing businesses, consumers and societies, where the impact of such innovation is not fully priced by the market. The recommended holding period is 5 years or more. To read more, please go to: [Fund Overview](#)

Contact Details

Investment Manager ACD of the Fund

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Key Information

Available Platforms	Click here for list of available platforms
Launch Date	May 2022
Charges (no initial)	0.75% Annual Mgt Charge plus research charge of up to 0.10% (OCF capped at 1%)
Fund Size	£10.5m
Share price (B Class)	125.84p
Share price (C Class)	99.39p
ISAable fund	Yes
IA Sector	Global
No. of Holdings	41
Minimum Investment	£1,000
Net Dividend Yield	0.3%
Initial Charge	0%
Min Lump Sum Regular	£50/month
Share Type	B Accumulation
Scheme Type	UK UCITS
ISIN	GB00BKVF3N76
Benchmark	MSCI ACWI

Investment Team



Mikhail Zverev
Fund Manager



Graeme Bencke
Fund Manager



Dr Gareth Blades
Analyst

Ratings, Awards & Signatories

Signatory of:



10 Largest Holdings

% OF TOTAL ASSETS

Novonosis	4.1%
Samsung Electronic	3.8%
Bruker	3.6%
Danaher	3.5%
PTC Inc	3.4%
Labcorp Holdings	3.1%
Leonardo DRS	3.1%
Infineon Technologies	3.1%
Qiagen	3.0%
Intuitive Surgical	3.0%

Cumulative Performance

(B CLASS)

	Fund Return* (%)	Benchmark Return** (%)	Avg Sector *** (%)	Q'tile Rank
1 month	-1.46	0.22	0.08	4
3 months	1.50	3.19	1.84	3
6 months	4.92	6.40	3.99	2
1 year	19.55	19.02	14.51	1
2 year	23.01	24.54	18.24	2
Since Launch#	25.84	31.34	24.69	2

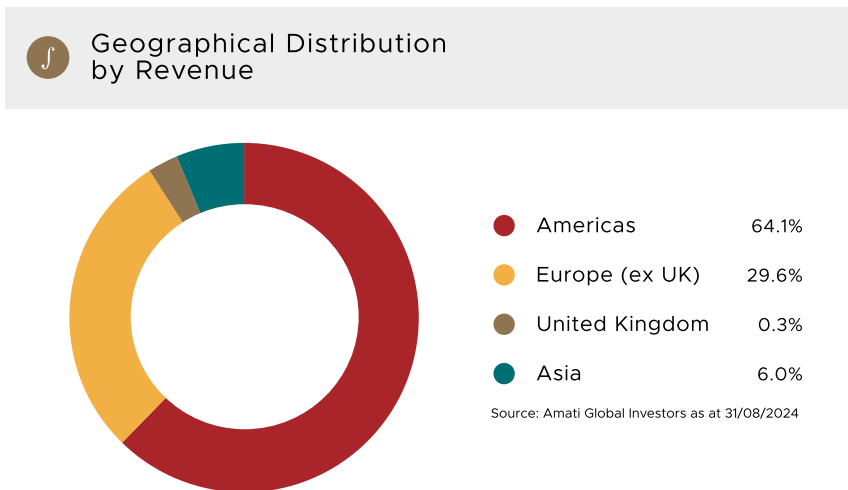
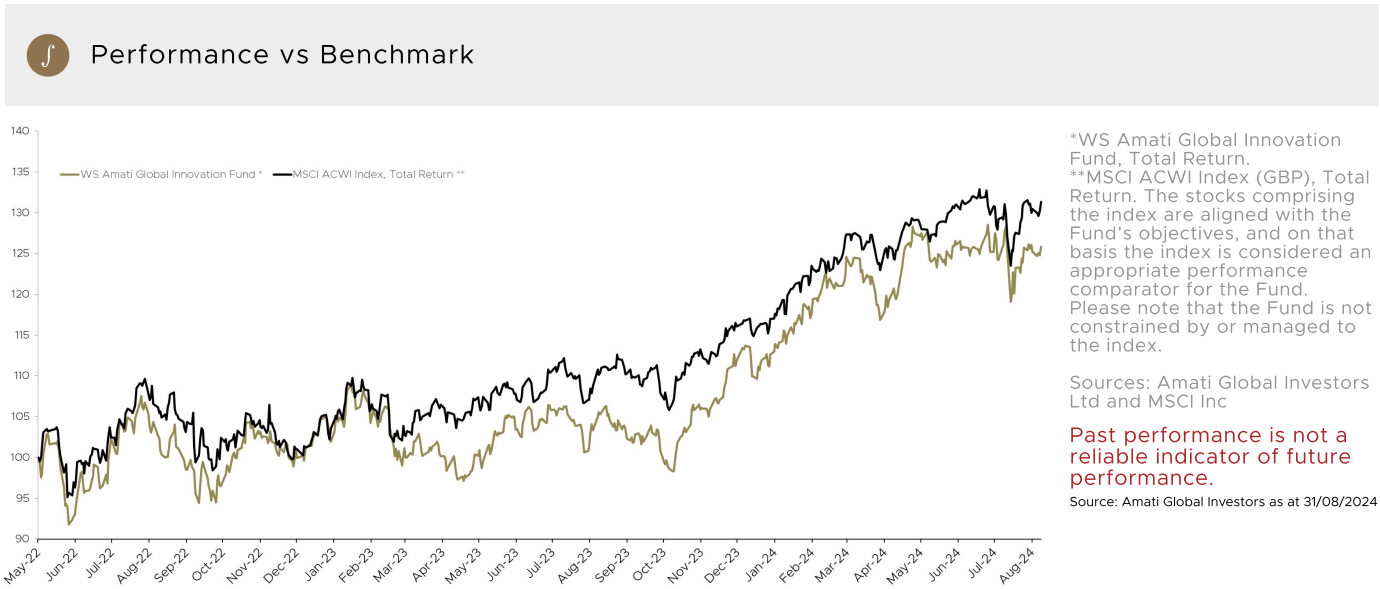
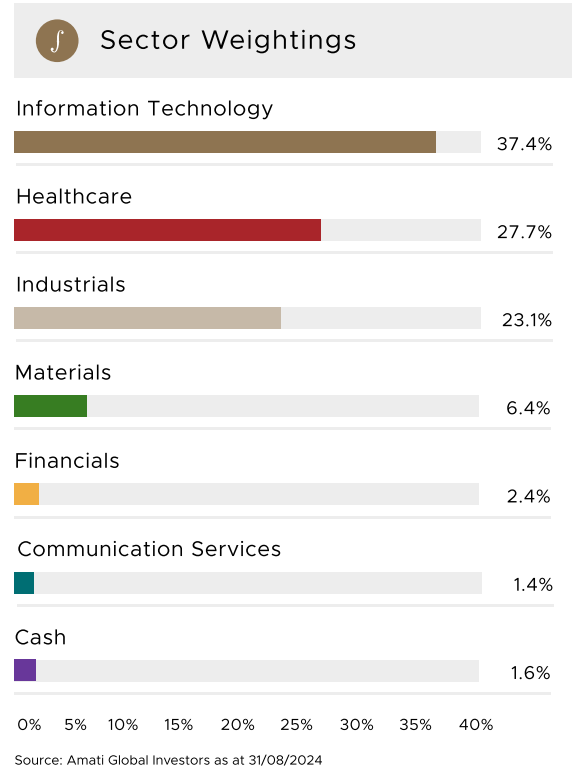
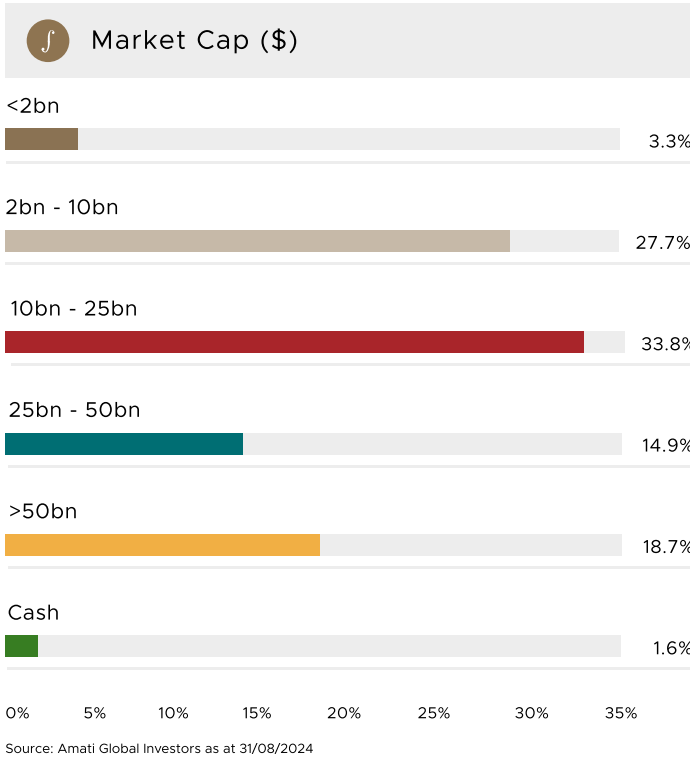
Cumulative performance data as at 31/08/2024

* WS Amati Global Innovation Fund, Total Return ** MSCI ACWI Index (GBP), Total Return *** IA Global (GBP), Total Return # 23 May 2022

Past performance is not a reliable indicator of future performance.

Discrete Annual Performance

	Fund Return (%)	Benchmark Return (%)
31/08/2024	19.55	19.02
31/08/2023	2.89	4.64



Investment Report

The beginning of August was punctuated by weaker than expected US job data. This closely watched measure fuelled fears of a US recession, with calls for the Federal Reserve to aggressively cut rates and with even an emergency cut in August being suggested. This negativity spread and led to a brief global market sell off. The VIX, a measure of market volatility referred to as the “fear gauge”, spiked to its highest level since 1990. Added to this was the Bank of Japan interest rate increase, causing investors to unwind Yen carry trades. The dynamics of which rely on borrowing cheaply in Yen to buy higher yielding assets, such as other currencies or certain high performing global equities exposed to GenAI capex. The ‘Magnificent 7’, already weak over July, continued to tumble into August, further pulling down global markets. Investors shifted exposure to safer assets such as gold and bonds, while the expectation of rate cuts benefited global small caps further. Against this febrile backdrop, markets rebounded in the second half of the month as US inflation statistics cooled and a rate easing was priced in for September, helped by soothing comments from the Federal Reserve Chairman. It’s times like these I’m glad our focus is long term company fundamentals, rather than macroeconomics or momentum investing.

Top contributors to the Fund this month included **Eli Lilly**, a large US pharma company with a focus on medicines for weight related afflictions. Expectations coming into results were low because of concerns around pre-commercial competition, continued tight supply of obesity medicine (Zepbound) and Novo Nordisk, Lilly’s only commercial competitor, publishing weaker pricing dynamics. Lilly’s results surprised to the upside with improvements in the previously restricted supply of Zepbound and higher price realisations. **Novonosis**, the merged Novozymes and Christian Hansen bioengineering businesses, reported broad based organic growth ahead of consensus. As a result, the company raised their sales and margin guidance. Finally, **Intuitive Surgical**, a robot assisted surgery company, delivered better procedure growth and system placements than expected. Intuitive placed more of the newest Da Vinci surgical robot, gen5, than estimated. Demand is strong for this new flagship, which comes with 10,000x the processing power of the 4th generation and improvements in precision, ease of use and workflow. While the roll-out will continue to be measured there is clearly good demand for the new platform following the 10 year product upgrade interval.

Detractors this month included two companies that are experiencing short term headwinds although their longer term potential remains undiminished, as we continue to look through these valleys across our 3-5 year investment horizon. **Cognex**, an AI machine vision company, fell after in-line second quarter results. Expectations were high after a positive first quarter suggested a return to growth, but with limited follow-through, partly due to weaker capital investment demand in China. While broader investment in factory automation remains muted as a result of higher interest rates. **Autostore**, a warehouse automation company, posted second quarter results with disappointing order flow. As with Cognex, slower decision making at end customers is taking longer to convert leads to orders, although their market position remains undiminished. Unhelpfully, the company has not provided full year guidance but the change in its language regarding the outlook clearly weighed on sentiment. Finally, **Samsung Electronics**, a consumer and industrial electronics company, posted a strong set of results at the start of the month that pointed to key AI memory chip demand and selling price recovery. This was driven by the outsized demand Generative AI is creating for high bandwidth and server memory capacity. However, the share price was impacted in the global sell off and the broader Gen AI rout of August.

It has been a busy month for new positions, which all operate in the healthcare sector. We bought a new position in **Dexcom**, the maker of continuous glucose monitoring (CGM) devices for Diabetics, and increasingly non-diabetics. CGMs have been shown to help diabetics manage their disease, keeping them within a normal range of blood glucose for longer. Deviations from the normal range are dangerous to health and lead to organ damage, ulcers and, in extreme cases, death. Dexcom is a Pioneer in our Chronic Disease Solutions innovation frontier. The company benefits from the increasing rates of diabetes globally as well as increasing levels of insured reimbursement. This creates an exceptional tailwind of under-penetration in a growing patient population with underwritten payor dynamics. The broader market has been preoccupied with the impact of obesity medicines on the business, but our own work on patient numbers suggests this concern is overdone. We bought the position after recent share price weakness, caused by short term headwinds as the company adds additional sales channels into higher volume but less specialist primary care and pharmacy in the US. Our discussions with Dexcom underscored their understanding of the short term challenges they had and how to rectify them.

Procept BioRobotics is a Pioneer in our Robot Assisted Surgery innovation frontier. It specialises in benign prostatic hyperplasia (BPH). BPH is non-cancerous growth of the prostate, which can cause lower urinary tract symptoms such as incontinence. As men age this can become an increasing problem, however only 1% of the 40m American men with BPH opt for surgery because of the high probability of lifelong side-effects such as incontinence and impotence. Procept’s robot can remove enlarged prostate tissue with a very low probability of side-effects. Despite its strong growth, Procept is still at the early stages of converting the 400k annual US surgeries. Additional conversion is expected with the recent launch of its second generation robot.

Investment Report

Our final addition of the month was **Sartorius**, a key Enabler in the Bioprocessing innovation frontier. This is a frontier we know well, and where we hold another Enabler, Danaher. Sartorius is exposed to the same longer term growth tailwinds as Danaher but it has suffered from destocking issues. These short term headwinds have put the company on an historically low valuation but it remains the largest pure play provider of bioprocessing equipment, consumables and expertise in a growing industry.

To make space for these new holdings we sold our position in **Indivior**, a speciality pharma company focused on opioid addiction treatment. Recent strategic missteps by management and the consistent increase in litigation activity against the company due to its own historic activity have increased risk and lowered our expectation that the value the company creates will accrue to shareholders. In addition, we sold our holding in **Prysmian**, a developer and installer of high voltage cables for renewables and electric grid, following a strong run and achieving our targeted intrinsic valuation.



Written by
Gareth Blades

Risk Warning

Past performance is not a reliable guide to future performance. The value of investments and the income from them may go down as well as up and you may not get back the amount originally invested. Tax rates, as well as the treatment of OEICs, could change at any time. The return on investments in overseas markets may increase or decrease as a result of exchange rate movements. There may be occasions where there is an increased risk that a position in the Fund cannot be liquidated in a timely manner at a reasonable price. In extreme circumstances this may affect the ability of the Fund to meet redemption requests upon demand. A dilution levy may be applied to the share price when the fund is expanding or contracting. Should you buy or sell in these circumstances it may have an adverse impact on the return from your investment.

This factsheet does not provide you with all the facts you need to make an informed decision about investing in the Fund. Before investing you should read the Key Investor Information Document (KIID) and associated Fund documentation. If you are in any doubt as to how to proceed you should consult an authorised intermediary.

Fund documentation can be requested from Waystone Management (UK) Limited or Amati using the contact details above, and is available to download from our [website](#).

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