



Rights And Issues Investment Trust PLC

AGM update

23rd March 2023

Dan Nickols

Lead Manager

Matt Cable

Fund manager

Investment management team



Dan Nickols

Head of Strategy, UK Small & Mid Cap

Dan has 27 years of investment experience and currently manages £624m in UK smaller companies.

Before joining Jupiter, Dan was Head of the UK Small & Mid Cap team at Merian Global Investors. Prior to this, he was a fund manager at Albert E Sharp. Before this, Dan worked at Morgan Stanley in the European equities division, and at Deloitte and Touche. He began his investment career in 1994.

Dan has a degree in Modern and Medieval Languages from Cambridge University.



Matt Cable

Manager of the Jupiter UK Smaller Companies Fund

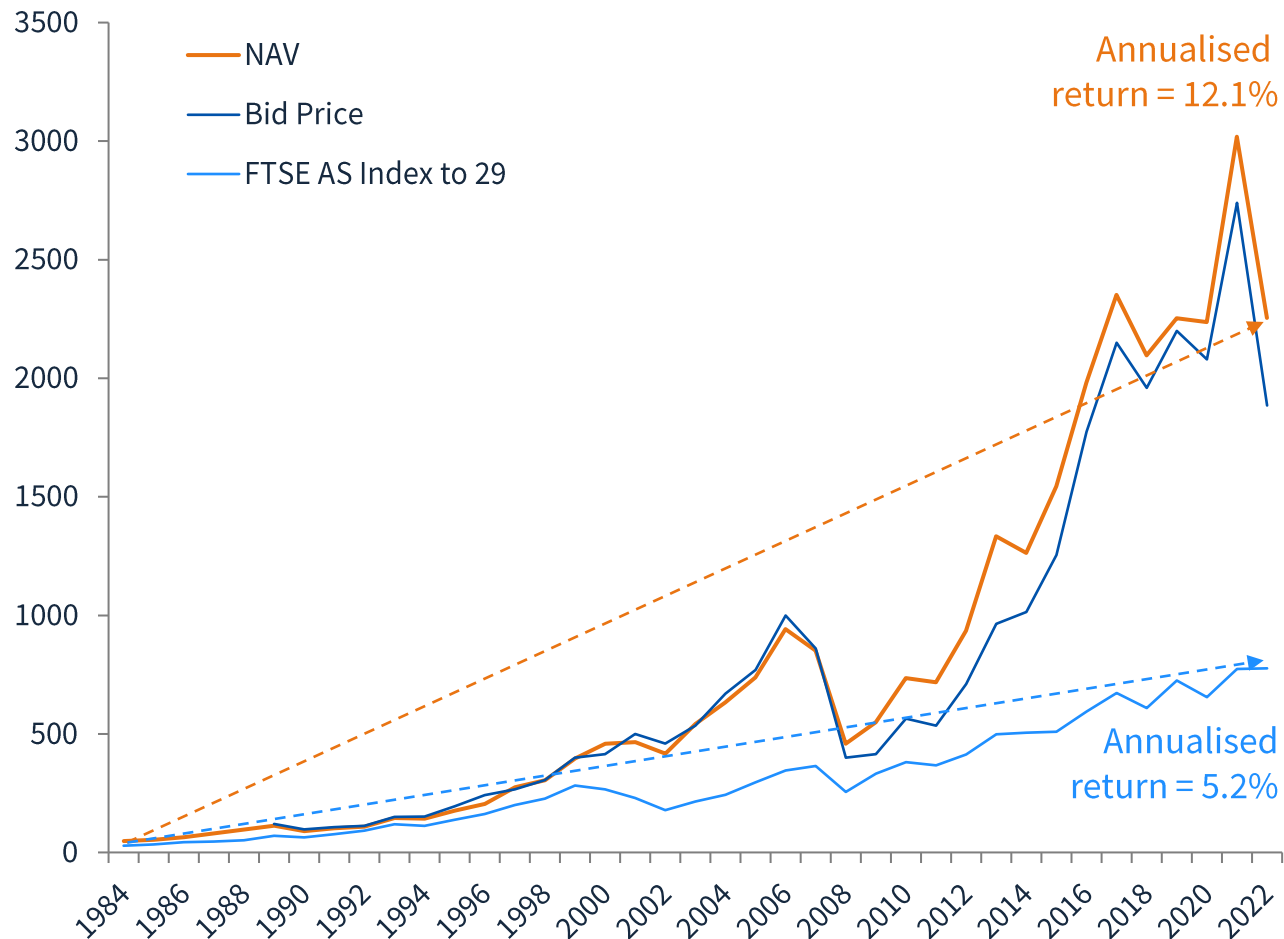
Matt has 15 years of investment experience and currently manages £142m in UK smaller companies. Matt has significant experience in transitioning investment portfolios.

Before joining Jupiter, Matt worked at M&G for 11 years, during which time he was a member of the UK smaller companies team and was involved in the running of c. £850m of assets. He was also the lead manager of the M&G PP UK Smaller Companies Fund from 2014.

Matt has a degree in Pharmacology from the University of Cambridge and is a CFA® charterholder.

Rights & Issues

Long history of value creation



CONTINUITY

What will stay the same...

- Long-term fundamental investment approach
- Concentrated high-conviction portfolio
- Board oversight
- Discount control
- Low costs

EVOLUTION

What will change...

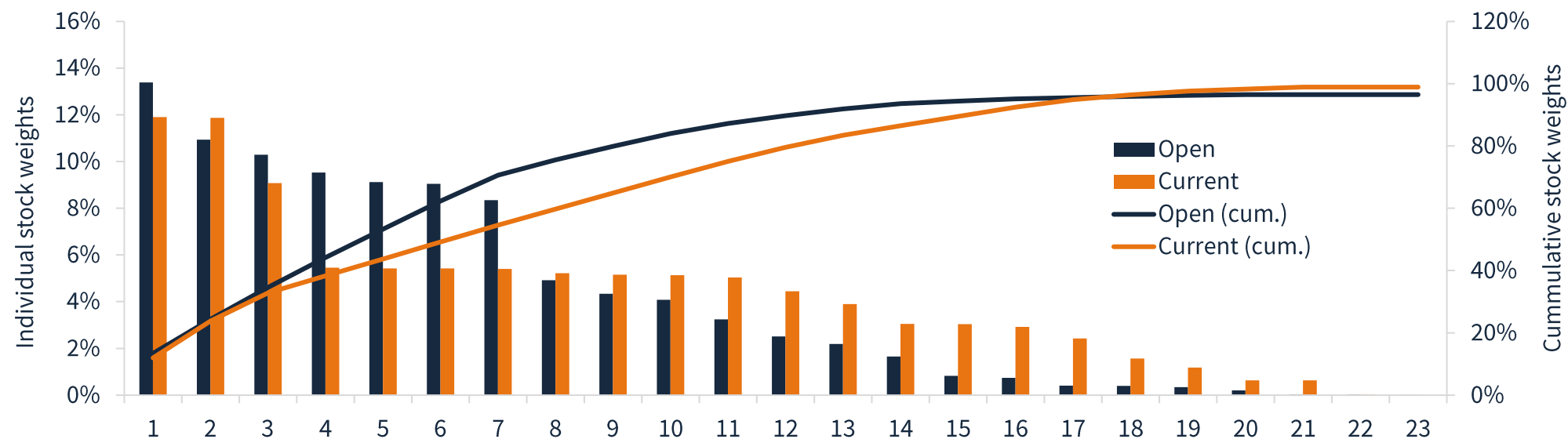
- Increased level of investment resource
- Access to Jupiter investment platform
- Lower individual stock risk
- More balanced portfolio

Past performance is no indication of current or future performance and doesn't take into account dealing costs.

Source: Historic performance data for illustrative purposes only. Sources: Morningstar except price data pre-2015 which is from Bloomberg. Price is bid price. NAV and benchmark data quoted on total return basis. As at 31.12.22.

Towards a more balanced portfolio

Lower individual stock exposure while retaining active share



	3/10/22	16/3/23	Change
Number of holdings	23	22	(1)
WAVG market cap	£1,524m	£1,238m	(19%)
Cash holding %	3.5%	1.1%	(2.4 ppts)
Top holding %	13.4%	11.9%	(1.5 ppts)
Top 5 holdings %	53%	44%	(9 ppts)
Top 10 holdings %	84%	70%	(14 ppts)

Source: Jupiter 16/3/23. Active share as at 28/2/23

Portfolio review

Key company updates

Company	Developments	Investment implications
Macfarlane	<ul style="list-style-type: none">• Strong trading performance• Two attractive acquisitions	<ul style="list-style-type: none">• Delivering to strategy• No change to view
Vp	<ul style="list-style-type: none">• Solid trading• Formal sale process started/ended• CFO retirement	<ul style="list-style-type: none">• No fundamental change• Sale process may weigh on shares• Considering weight
Colefax	<ul style="list-style-type: none">• Strong trading but cautious outlook• Completed £5m buy-back	<ul style="list-style-type: none">• Structurally strong but...• Cyclically exposed• Weight large for market cap
Renold	<ul style="list-style-type: none">• Strong trading performance• Attractive acquisition• Pension deficit reduced	<ul style="list-style-type: none">• Positive
Hill & Smith	<ul style="list-style-type: none">• Strong trading performance• Aligned to strong end markets• Management change	<ul style="list-style-type: none">• Positive• Engagement with new management
Treatt	<ul style="list-style-type: none">• Profit warning• New facilities fully operational	<ul style="list-style-type: none">• Long term opportunity• Higher risk• Monitoring/engagement

Stock examples are for illustrative purposes only and not a recommendation to buy or sell.

Source: Jupiter.

Portfolio review

Key company updates (2)

Company	Developments	Investment implications
Carr's Group	<ul style="list-style-type: none">• Generally solid trading• Strategic review/disposal of Supplies• Management change• Audit delay/share suspension	<ul style="list-style-type: none">• Review of new structure/strategy• Extensive engagement
Morgan Advanced Materials	<ul style="list-style-type: none">• Strong underlying trading• Cyber attack reduced forecast profit	<ul style="list-style-type: none">• No fundamental change
Videndum	<ul style="list-style-type: none">• Mixed trading (Q4 weak)• CFO change	<ul style="list-style-type: none">• Long term opportunity• Higher short term risk• Appropriate position size
Titon Holdings	<ul style="list-style-type: none">• Difficult trading• Management change• Strategic review pending	<ul style="list-style-type: none">• R&I holds 11%• Working with new management• Market cap only £7.9m

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Source: Jupiter.

Portfolio review

Disposals

Company	Initial weight*	Rationale
Bellway	1.65%	Investment view on sector
Chamberlin	0.03%	Size (market cap £4.8m)
Coral Products	0.20%	Size (market cap £11.6m)
Costain	0.00%	Residual holding
Dialight	0.41%	Investment view on company
LPA Group	0.34%	Size (market cap £9.7m)
Santander**	0.39%	Non-equity holding

Stock examples are for illustrative purposes only and not a recommendation to buy or sell.
Source: Jupiter. *Weight at 03.10.22. ** Santander non-cumulative preference shares.

Investment approach

The investment team employs a balanced investment approach combining bottom up and top down analysis. This approach allows us to be flexible in terms of style, tilting the portfolio in favour of growth or value depending on the prevailing market environment.



Portfolio review

New holdings

Alpha Group International plc

ALPHA

Share price

1835p

Market cap

£774m

Description

Founder led provider of FX, banking and payment solutions to corporates and investment funds. Innovative approach focused on providing long-term 'sticky' services based on a highly scalable technology platform.

Investment case

- High growth and revenue visibility
- Disruptive model
- Well invested and cash generative
- Proven entrepreneurial management

Gamma Communications plc

 **Gamma**

Share price

1144p

Market cap

£1,108m

Description

Provider of internet telephony and related services to corporates of all sizes.

Investment case

- Leader in structurally growing market
- Recurring revenue model
- Multi-channel with up/cross-sell
- Growth opportunity in Europe

Telecom Plus plc

TelecomPlus

Share price

1894p

Market cap

£1,500m

Description

Trading as Utility Warehouse, multiservice provider of energy, telecoms and insurance services to c.800k UK customers. Growth delivered by a unique network of c.50k 'partners' and competitive pricing assured by long-term wholesale supply agreements.

Investment case


- Unique market position and low share
- Significant reduction in competition
- Capital light model
- Strong management team

Stock examples are for illustrative purposes only and not a recommendation to buy or sell. This stock is currently held in the portfolio.
Source: Jupiter/Bloomberg 17.03.23.

Portfolio review

New holdings

OSB plc



Share price
491p

Market cap
£2,112m

Description

Specialist UK mortgage lender focussed on higher-complexity buy-to-let and residential borrowers.

Investment case

- Share gains from low base
- Leading platform and expertise
- Sector leading returns
- Conservatively managed balance sheet

Spirent Communications plc



Share price
168p

Market cap
£1,027m

Description

Global leader in mobile telecommunication and network infrastructure testing equipment, software and services.

Investment case

- Exposure to 5G technology cycle
- Need for network capacity/performance
- Hardware to software transition
- Potential for value-adding M&A

Gresham Technologies plc



Share price
155p

Market cap
£131m

Description

Leading provider of reconciliation technology for structured and unstructured high frequency data, mainly for financial services clients.

Investment case

- Leading technology
- Complete SaaS transition
- Highly visible revenue
- Strong operational gearing from here

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Source: Jupiter/Bloomberg 16.03.23.

Current Portfolio

Portfolio as at 16/3/23

Holding	Weight	Holding	Weight
MacFarlane Group	11.9%	Alpha Group International	4.4%
Vp	11.9%	Carr's Group	3.9%
Colefax Group	9.1%	Morgan Advanced Materials	3.0%
Telecom Plus	5.5%	IMI	3.0%
Renold	5.4%	Videndum	2.9%
Hill and Smith	5.4%	Eleco	2.5%
RS Group	5.4%	Spirent Communications	1.6%
Gamma Communications	5.2%	Gresham Technologies	1.2%
OSB Group	5.2%	Titon Holdings	0.6%
Treatt	5.1%	Castings	0.6%
Spirax-Sarco Engineering	5.0%	Dyson Group (private)	0.0%

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Source: Jupiter 16.03.23; excludes cash holding of 1.1%

Performance

Rights and Issues Investment Trust PLC

	01 Jan '16 to 31 Dec '16	01 Jan '17 to 31 Dec '17	01 Jan '18 to 31 Dec '18	01 Jan '19 to 31 Dec '19	01 Jan '20 to 31 Dec '20	01 Jan '21 to 31 Dec '21	01 Jan '22 to 31 Dec '22
Rights & Issues Investment Trust Ord	33.2	20.3	-9.7	9.1	1.0	36.6	-24.3
FTSE All Share TR GBP	16.8	13.1	-9.5	19.2	-9.8	18.3	0.3
Numis SC Ex Invt Com TR GBP	11.1	19.5	-15.3	25.2	-4.3	21.9	-17.9
Relative to FTSE All Share	16.4	7.2	-0.2	-10.1	10.9	18.3	-24.6
Relative to NSCI	22.1	0.8	5.7	-16.1	5.3	14.7	-6.4

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. Returns may increase or decrease as a result of currency fluctuations.

Source: Morningstar, NAV to NAV, gross income reinvested, net of fees, in GBP, to 31.12.22.

Rights and Issues Investment Trust PLC

The principal risks are as follows:

- **Market risk** – the portfolio will be invested predominantly in listed equities and therefore will be exposed to a range of market risks including economic conditions, market disruptions, accuracy of company information, global health crises, competition and volatility
- **Idiosyncratic risk** – the portfolio will be concentrated and therefore will be exposed to the idiosyncratic risks of each underlying investment
- The portfolio will be exposed to liquidity risk given the focus on smaller companies.
- The portfolio will be exposed to interest rate risk both as a consequence of any financial leverage within the underlying investments and as a consequence of the impact of interest rates on the market valuation of companies.
- **Currency exposure** – The portfolio may invest in companies whose revenues, profits and / or balance sheets may have exposure to foreign currencies.
- **New issues** – The AIFM on behalf of the Company may invest in new issues which can pose additional risks related to transient illiquidity, lack of trading history and concentration of ownership.
- **Corporate management and financial reporting risk** – The AIFM relies on financial information made available by the companies in which it invests. This information may not be independently verified by the AIFM. Corporate mismanagement, fraud and accounting irregularities relating to the underlying investments may result in material losses.

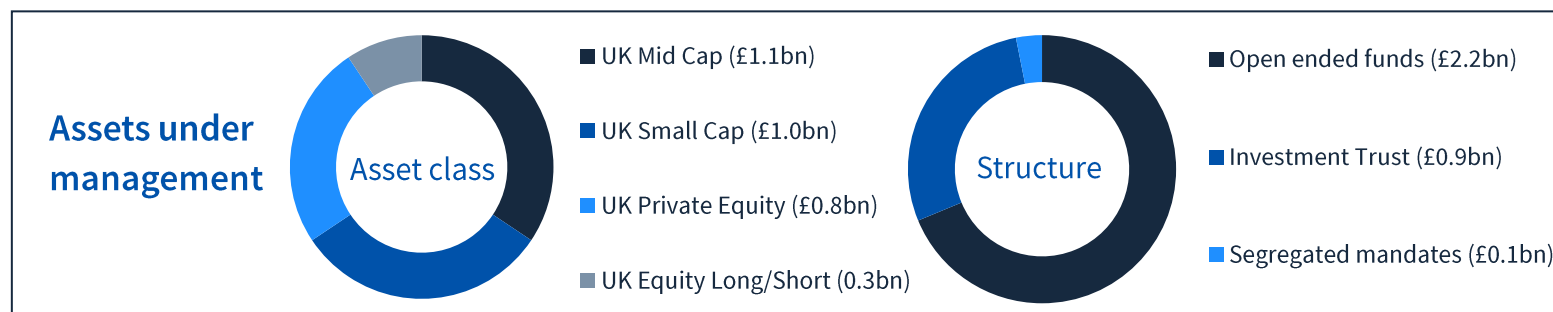
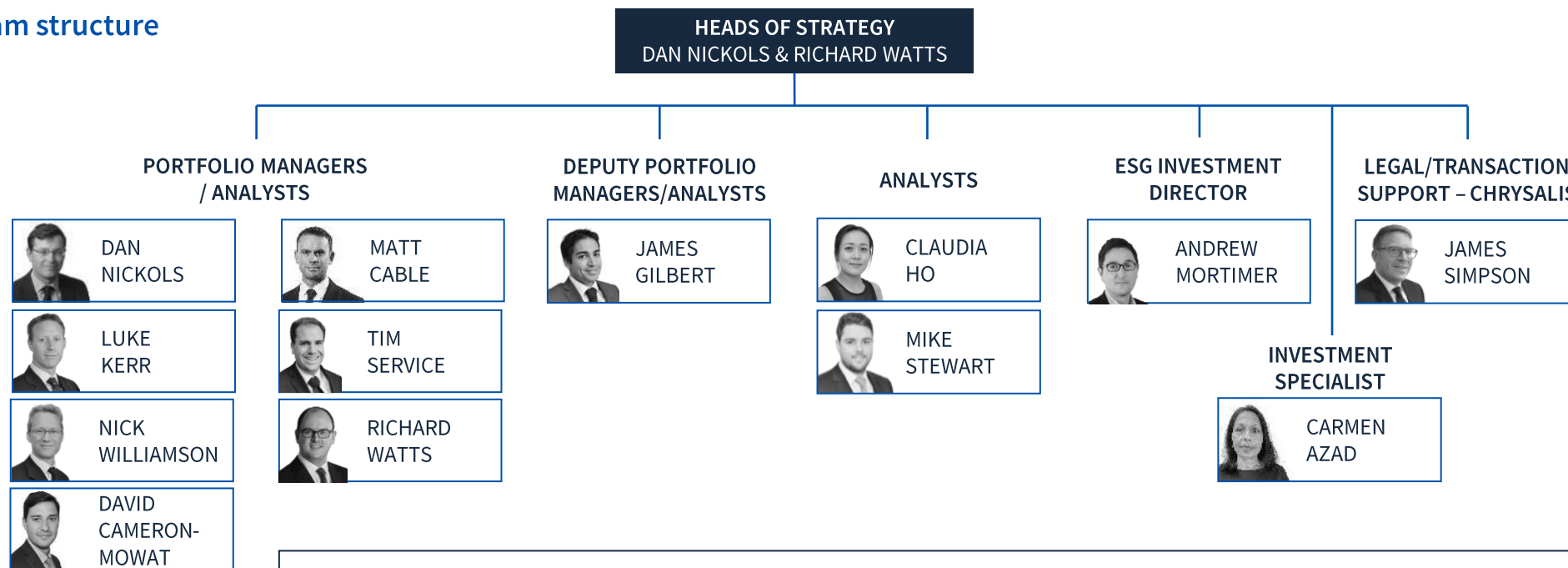
Appendix

Rights And Issues Investment Trust PLC

Jupiter's UK Small and Mid Cap (SMID) capability

Jupiter has a large investment team focused on UK small and mid cap companies. The team manages £3.2bn in 6 funds, 2 investment trusts and 4 segregated mandates.

Team structure

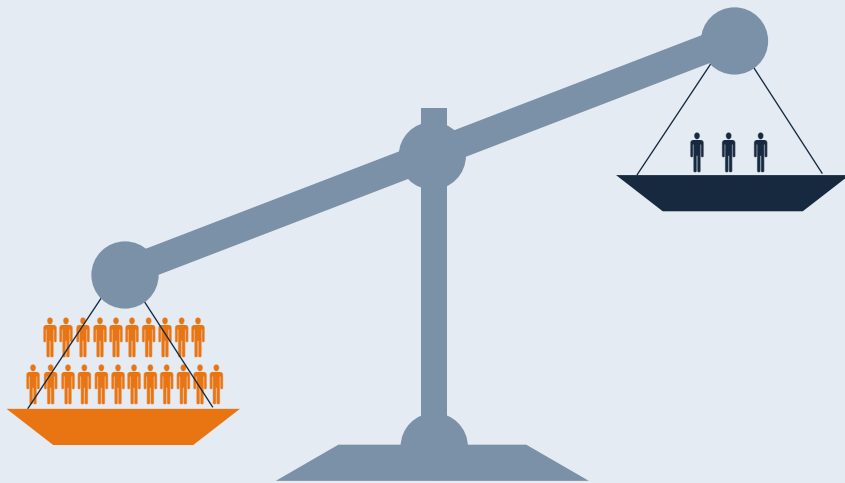


Source: Jupiter as at 31.01.2023.

The UK SMID opportunity and our 'edge'

UK small and mid cap companies are relatively under-researched. Jupiter's UK Small and Mid Cap team is large, experienced and operates at scale in terms of assets under management and reach.

An under researched area of the market: on average, three analysts cover each UK SMID cap stock, versus 22 for each large cap



Aim is to **develop and sustain a research-driven advantage versus our peers**, given our size, scale and industry reach.



Economic and market background



Developed World activity data stabilising – can recession be avoided?



Squeeze on living standards beginning to abate?



Some marginal degradation, but overall, labour markets remain strong.



Goods inflation fading – services inflation stickier.



Central Banks sounding hawkish – but actions data dependent?

**Lower likelihood of hard landing?...
but ongoing uncertainty as to depth and duration of an economic slowdown.**

Important information

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.

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.

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.

Past performance is no guide to the future.

Company examples are for illustrative purposes only and are not a recommendation to buy or sell.

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.

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