



---

# Initial Public Offerings & Event Driven Transactions

January 2018



R.C.B

Primary  
Opportunities

**Oliver Brown: Lead Manager**  
MFM UK Primary Opportunities Fund

# Initial Public Offerings & Event Driven Transactions

- Is there a right or wrong way to manage money?

# MFM UK Primary Opportunities Fund

- Process
- Process
- Process



R.C.B. Primary  
Opportunities



---

# Our Process

# What is an Event Driven Transaction?

- Catalyst – event driven
- A company raising money
- Large sell downs by known sellers
- Liquidity events



## Why do we invest in this way?

- Full information
- Liquidity event allows us to buy in size
- We are buying at a discount – gives us protection
- Often free of stamp duty and dealing commission
- Allocating capital efficiently



# Initial Public Offerings (IPO's)

- Opportunity to invest at the ground level
  - Often growth companies
  - Disruptors
  - Can produce oversized returns
- Demand an IPO discount
  - 10-20%
- Over time as the company delivers the discount narrows



# Initial Public Offerings (IPO's)



Primary  
Opportunities

## IPO's Offered to the Public



## IPO's Not Offered to the Public



SANNE



**Angling Direct**  
Serious about your fishing

QUIZ



Residential  
Secure Income  
Plc



hollywood bowl group



# Event Driven Transactions

- Placings by companies – new share issues
- Sell downs
  - Private equity
  - Founders /Management
- Opportunity to buy quality companies at lower prices



## Event Driven Purchases

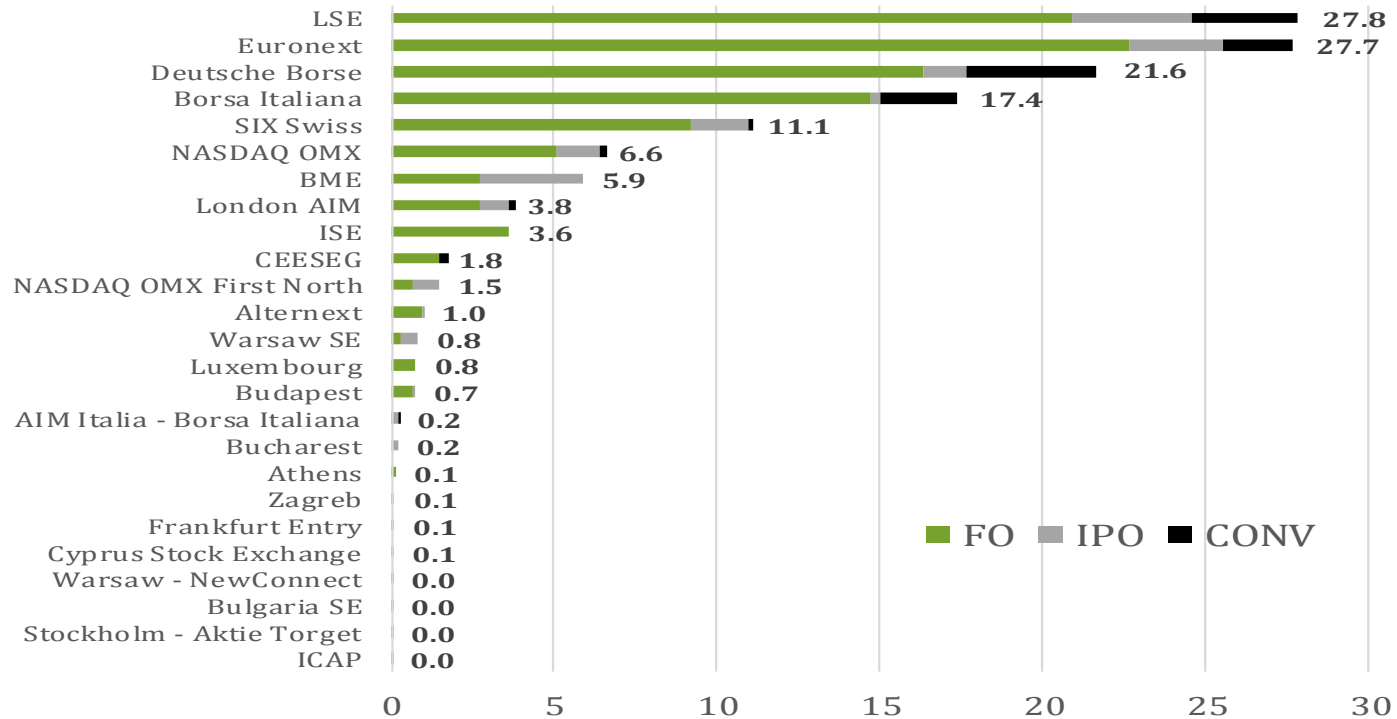


**Conviviality** Plc



## Significant Pipeline of Primary Opportunities

The 61% YTD increase in equity issuance was largely driven by a 93% YTD growth in follow-on offerings



Equity issuance by listing market: 1H 2017 (EUR bn)

Source: Dealogic

## Imminent Opportunities



blueprism



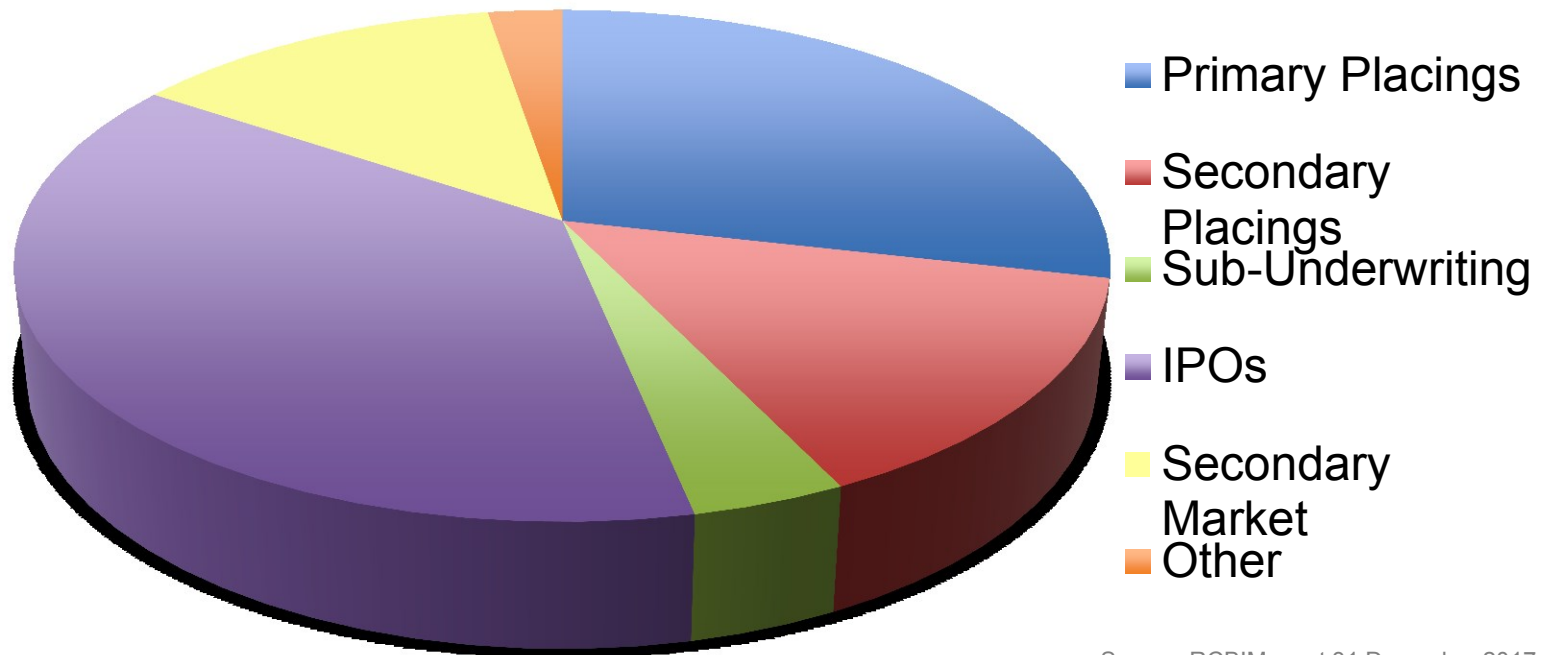


---

## Our Portfolio

# Origin of Current Holdings

## MFM UK Primary Opportunities Fund



Source: RCBIM as at 31 December 2017

## Top Ten Active Holdings

Stock	%	Sector
Sanne	2.5	Financials
Conviviality	1.9	Consumer Services
TI Fluid Systems	1.7	Industrials
Midwich Group	1.6	Industrials
Eddie Stobart Logistics	1.5	Industrials
Ten Lifestyle Group	1.5	Consumer Services
Xafinity	1.5	Financials
Treatt	1.5	Basic Materials
Sabre Insurance	1.4	Financials
Supermarket Income REIT	1.3	Financials
Total	16.4	

Source: RCBIM as at 31 December 2017

## Top Ten Holdings

Stock	%	Sector add a column when bought
Royal Dutch Shell B	5.5	Oil & Gas
BP	3.8	Oil & Gas
British American Tobacco	3.4	Consumer Goods
HSBC Holdings PLC (UK Reg)	3.2	Financials
AstraZeneca	3.1	Health Care
Vodafone	2.7	Telecommunications
Sanne	2.6	Financials
GlaxoSmithKline	2.4	Health Care
Conviviality	1.9	Consumer Services
Rio Tinto	1.9	Basic Materials
Total	30.5	



---

# Performance

# Performance – Since Inception



28/05/1997 - 29/12/2017 Data from FE 2018

## Cumulative Annual Performance

	One Year	Three Years	Five Years
MFM UK Primary Opportunities P Acc	19.4	46.4	70.9
Quartile Ranking	1	1	2
FTSE 100	12.0	31.5	57.2
FTSE All-Share	13.1	33.3	63.0
IA UK All Companies	14.0	32.5	68.3

Total Return Comparisons as at 31 December 2017 (Source: FE)

**Past performance is not indicative of future returns**

## Discrete Annual Performance

	2013	2014	2015	2016	2017
MFM UK Primary Opportunities P Acc	17.1	-0.3	7.6	14.0	19.4
Quartile Ranking	4	3	2	2	1
FTSE 100	18.7	0.7	-1.3	19.1	12.0
FTSE All-Share	20.8	1.2	1.0	16.8	13.1
IA UK All Companies	25.7	0.6	3.7	11.2	14.0

Total Return Comparisons as at 31 December 2017 (Source: FE)

**Past performance is not indicative of future returns**

## Investor Support

- Myri Prior
- O: +44 (0)117 989 6073
- M: +44 (0)7961 164 750
- Email: [myri.prior@rcbpo.co.uk](mailto:myri.prior@rcbpo.co.uk)
- Website: [www.rcbpo.co.uk](http://www.rcbpo.co.uk)
- R C Brown Investment Management PLC  
No.1 The Square  
Temple Quay  
Bristol  
BS1 6DG
- Dealing
- Contact: +44 (0)8081 451 500
- Website: [www.marlboroughfunds.co.uk](http://www.marlboroughfunds.co.uk)
- Marlborough Fund Managers Limited  
Marlborough House  
Bolton  
BL1 4QP

**[www.rcbpo.co.uk](http://www.rcbpo.co.uk)**



**Primary  
Opportunities**  
R.C.B

## Risk Warning

The past is not necessarily a guide to future performance. Investments and the income derived from them can fall as well as rise and the investor may not get back the amount originally invested. The fund may be subject to an initial charge and consequently charges are not made uniformly throughout the period of the investment. Forward looking statements are based on R C Brown's current opinions and opinions expressed are subject to change without notice. Details of the risks relevant to each fund can be found in the Prospectus. This document is provided for information purposes only and should not be interpreted as investment advice. The Key Investor Information Document and the Full Prospectus for all schemes is available free of charge and can be obtained by contacting us directly using the contact details contained in this document, alternatively the documents can also be obtained via [www.marlboroughfunds.com](http://www.marlboroughfunds.com). Marlborough are the ACD. Please note that for your protection telephone calls may be recorded.



---

Thank You for Listening

**[www.rcbpo.co.uk](http://www.rcbpo.co.uk)**



R.C.B

Primary  
Opportunities