Client: Chi Med

Source: The Daily Telegraph (Your Money)

Date: 01 March 2014

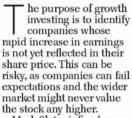
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Why should I invest with you?

This week: Jessica Winch questions **Mark Slater**, manager of the MFM Slater Growth fund



the stock any higher.

Mark Slater is fixed on finding growth. He screens a universe of companies for those growing earnings steadily and sustainably, and with low debt, then tries to buy them at a reasonable price.

His £70m Slater

His £70m Slater Growth fund performed spectacularly between 2009 and 2011, but suffered a dip in performance in 2012, trailing its peers by 4pc as growth companies fell out of favour and several key holdings stumbled.

The fund is now delivering solid performance with returns of 66pc over the past three years, which will have turned a £10,000 investment into £16,600.

The £32m Slater
Recovery fund has had a
tougher time, with returns
of 24pc against 37pc for
the sector over three years.
Mr Slater also launched an
income fund in 2011, which
has returned 29pc over
one year versus the IMA
UK Equity Income sector
average of 20pc.

One buy for the growth

fund in 2014 has been photo booth operator Photo-Me International, listed on the FTSE SmallCap index. Mr Slater said the core business was doing well and the company is diversifying into launderettes. It also pays a growing dividend, he said. Another tip was

Another tip was womenswear retailer Bonmarché, which listed on the junior Aim market in November 2013. Mr Slater said there was plenty of scope to improve business by extending its range and online offering, as well as adding new stores.

The growth fund's top holding is <u>Hutchison</u> China MediTech, a healthcare business that operates in China but is listed in the UK.

"The nice thing about healthcare, especially in China, is the wind is at your back," said Mr Slater. "I would be more worried [about emerging market volatility] if we were investing in a steel company or a property company in China, but healthcare is an area where there is significant tailwind."

Watch online

To watch the latest Your Money, Their Hands with Mark Slater of Slater Investments and find out where his portfolio is invested, go to **telegraph**. **co.uk/money**

Alternatives

ark Slater deserves credit for his stock selection over the years, according to Ben Willis of Whitechurch Securities, but the MFM Slater Growth fund must be considered a long-term hold.

Mr Slater can invest in smaller companies and firms listed on the Alternative Investment Market (Aim) and these make up the bulk of the portfolio. "Several of the fund's top 10 are punchy positions in companies with less than £100m in market capitalisation," said Mr Willis. "Due to where Mr Slater seeks his stock opportunities, investors must accept the associated volatility of investing in these areas."

MrWillis tipped the Cazenove UK Opportunities fund and the Aberforth UK Smaller Companies fund as suitable alternatives.

The Cazenove UK
Opportunities fund,
managed by Julie Dean,
sits in the same sector as
the Slater Growth fund but
has a markedly different
approach to investing
with a bias towards
large and medium-sized
UK companies. It has

returned 78pc to investors over three years.

The Aberforth UK Smaller Companies fund, launched in 1991, is run by a team of managers focused solely on investing in UK smaller company shares.

company shares.

The team are "value" investors, so they seek out undervalued areas of the stock market that have fallen out of favour with strong recovery potential.



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