

An aerial photograph of London, England, featuring the River Thames and the Tower Bridge. The image is overlaid with a semi-transparent teal color. The text is positioned in the upper right quadrant.

# Active UK Funds Positioning Insights

August 2024

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In this month's report:

#### **Health Care: Underweight Hits Record Highs**

UK fund managers are positioned at record underweights in the Health Care sector, as a growing number of funds move away from an overweight stance. AstraZeneca is the core driver of the sector-level underweight as ownership growth stalls, whilst GSK becomes the most widely owned company in the sector. Haleon and ConvaTech show strong Sentiment among managers.

#### **UK Banks: Key Stocks Fuel Sector Comeback**

Exposure to the UK Banking sector is approaching all-time highs as funds rotate back into key stocks after the 2020 sell-off. Average fund weights have increased to 6.98%, with 88.6% of funds now invested in the sector. HSBC and Natwest lead the recovery, while Value managers show the highest exposure levels.

#### **Diageo plc: Slide Continues as Funds Cut Stakes**

UK fund managers continue to trim their holdings in Diageo, with average fund weights and the percentage of funds invested in the stock on a downward trend since late 2021. Despite remaining a top 3 holding in the Consumer Staples sector, net fund outflows persist, particularly among Growth funds, reflecting fragile sentiment among UK investors.

#### **National Grid: Surges to Top Spot with Record Fund Ownership**

National Grid has become the most widely owned stock in the Utilities sector, with average fund weights and the percentage of funds invested reaching 12-year highs. The stock's growing appeal spans Value, Yield, and increasingly, Growth funds, positioning it as a key player in the sector's current landscape.

Copley Fund Research

August 26, 2024

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For further information on our data collection and calculation methodology, as well as how we classify fund Styles, please view the Appendices at the back of this report.



# Health Care

## Underweight Hits Record Highs

# Health Care: Underweight Hits Record Highs

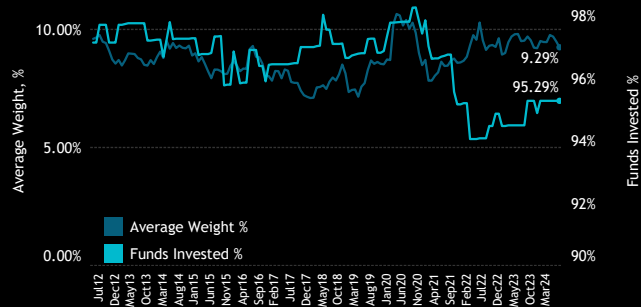
**UK active managers are at their maximum underweight in the Health Care sector.** Whilst average fund weights sit in the middle of the long-term range at 9.3%, an increasing number of funds are switching away from an overweight stance in Health Care stocks, driven by a reluctance to match the benchmark weight in AstraZeneca.

Long-term sector allocations show a persistent decline in the percentage of UK funds positioned overweight Health Care, with managers instead placing overweight bets on Consumer Discretionary and Technology stocks. On a stock level, AZN is the core driver of the sector-level underweight as ownership growth stalls, whilst GSK becomes the most widely owned company in the sector. Haleon and ConvaTech show strong Sentiment among managers.

The reduction in Health Care exposure is most notable among Value and Yield strategies, though all style groups are currently holding less than the FTSE All Share index weight.

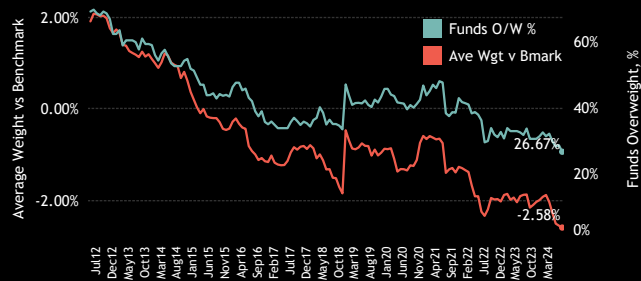
## 1. Stable allocations in Health Care, with the majority of funds invested.

Health Care: Average Fund Weight vs Funds Invested



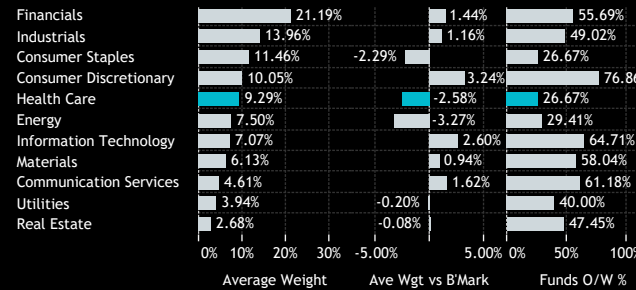
## 2. Versus the benchmark, record net underweight and record number of funds positioned underweight.

Health Care: Average Weight vs FTAL vs Funds Overweight %



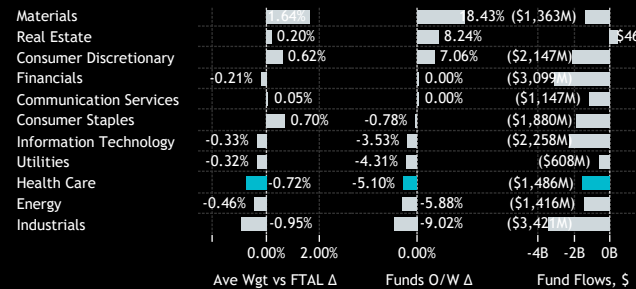
## 3. Health Care is the 5th largest sector weight, but has the lowest number of funds positioned overweight.

Key Ownership Statistics per Sector



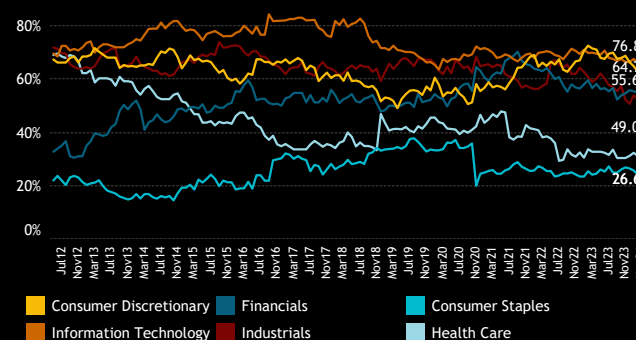
## 4. Benchmark relative ownership metrics have fallen over the last 12 months, with 5.1% of funds making the switch to underweight.

Sectors: Change in Ave Wgt vs FTAL, Funds O/W, Net Fund Flows, \$\*



## 5. Decrease in Health Care Overweights as More Funds Shift to Overweight the Discretionary Sector

Percentage of UK Funds Overweights: Key Sectors



## 6. Health Care is at depressed positioning levels, with Momentum on the left side of centre in relation to sector peers.

Sector Level Sentiment Grid, \*



## 7. All fund styles are positioned underweight, declines led by Value and Yield investors.

Health Care: Average Fund Weight vs FTAL by Fund Style



Source: Factset, Copley Fund Research  
\* Between 7/31/2023 and 7/31/2024

# Health Care: Underweight Hits Record Highs

## 8. AstraZeneca and GSK at opposite ends of the Momentum and Positioning scales. Strong Sentiment in ConvaTec Group and Haleon.

Health Care: Stock Level Sentiment Grid\*



## 9. Haleon small fund inflows, AstraZeneca big outflows.

Health Care: Largest Aggregate Fund Flows by Stock, \$\*

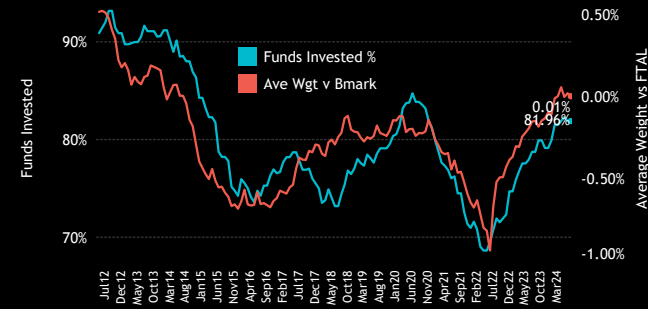


Source: Factset, Copley Fund Research

\* Between 7/31/2023 and 7/31/2024

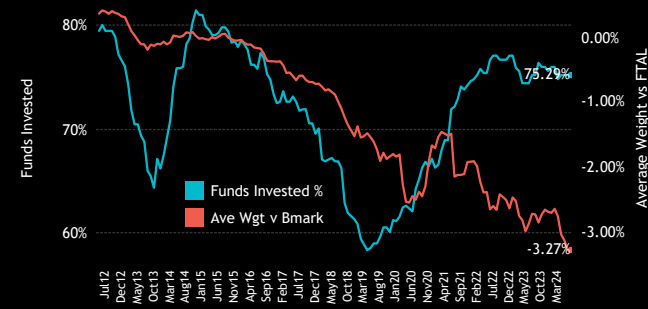
## 10. GSK benefits from rising ownership, net underweight collapses.

GSK plc: Average Weight / Average Weight vs FTAL



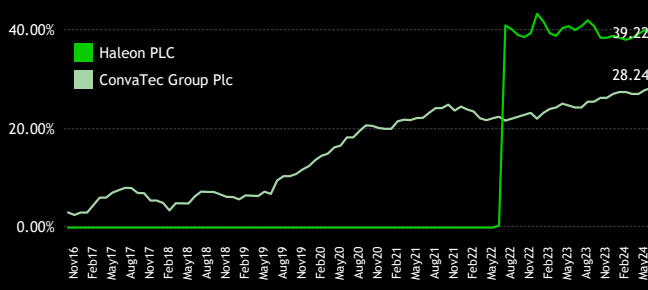
## 11. AZN ownership stalls, underweight falls to record lows.

AstraZeneca PLC: Average Weight / Average Weight vs FTAL



## 12. ConvaTec Group hits record fund ownership, Haleon maintains post-spinoff levels.

Percentage of Funds Invested: Haleon vs ConvaTec Group



## 13. GSK most widely held stock, but AZN held is greater size. Smith & Nephew and Haleon PLC well owned.

Health Care: Aggregate Stock Ownership Statistics

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight vs..	Fund AUM \$
GSK-GB	GSK plc	81.96%	2.45%	0.01%	\$4,440M
AZN-GB	AstraZeneca PLC	75.29%	4.28%	-3.27%	\$7,069M
SN-GB	Smith & Nephew plc	41.57%	0.61%	0.21%	\$1,151M
HLN-GB	Haleon PLC	39.22%	0.54%	-0.45%	\$914M
CTEC-GB	ConvaTec Group Plc	28.24%	0.40%	0.25%	\$581M
HIK-GB	Hikma Pharmaceuticals Plc	19.61%	0.17%	0.05%	\$374M
INDV-GB	Indivior PLC	11.76%	0.04%	0.04%	\$88M
ROG-CH	Roche Holding Ltd Divide..	6.27%	0.10%	0.10%	\$304M
SPI-GB	Spire Healthcare Group P..	5.88%	0.05%	0.02%	\$123M
SAN-FR	Sanofi	5.49%	0.11%	0.11%	\$256M
NOVO.B-DK	Novo Nordisk A/S Class B	5.49%	0.06%	0.06%	\$118M
SYNC-GB	Syncona Ltd GBP	5.10%	0.03%	0.01%	\$33M

## 14. AZN the key underweights, ConvaTec Group and Smith & Nephew small overweights.

Health Care: Top overweight and underweight positions

Ticker	Stock Name	Average Weight vs..	Funds Invested %	Average Weight %	Fund AUM \$
CTEC-GB	ConvaTec Group Plc	0.25%	28.24%	0.40%	\$581M
SN-GB	Smith & Nephew plc	0.21%	41.57%	0.61%	\$1,151M
SAN-FR	Sanofi	0.11%	5.49%	0.11%	\$256M
ROG-CH	Roche Holding Ltd Divide..	0.10%	6.27%	0.10%	\$304M
NOVO.B-DK	Novo Nordisk A/S Class B	0.06%	5.49%	0.06%	\$118M
IBT-GB	International Biotechnolo..	-0.01%	1.96%	0.00%	\$23M
BBH-GB	Bellevue Healthcare Trus..	-0.03%	0.78%	0.00%	\$0M
WWH-GB	Worldwide Healthcare Tr..	-0.08%	1.18%	0.00%	\$6M
HLN-GB	Haleon PLC	-0.45%	39.22%	0.54%	\$914M
AZN-GB	AstraZeneca PLC	-3.27%	75.29%	4.28%	\$7,069M

## 15. ConvaTec Group and GSK capture largest increases in funds invested. Non-UK holdings Roche and Bayer see ownership fall.

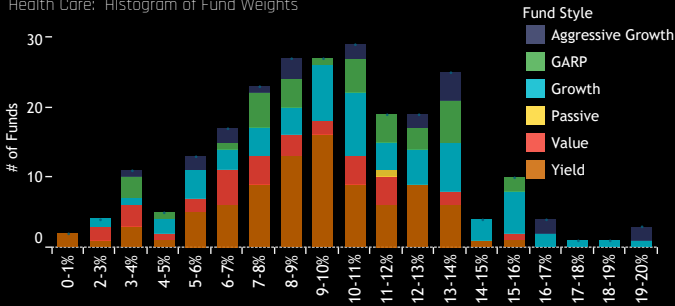
Health Care: Largest changes in stock ownership\*

Ticker	Stock Name	Funds Invest..	Ave Wgt % Δ	Fund Flows, \$
CTEC-GB	ConvaTec Group Plc	3.92%	0.05%	(\$49M)
GSK-GB	GSK plc	3.14%	0.23%	(\$27M)
SYNC-GB	Syncona Ltd GBP	1.18%	0.00%	\$4M
W7L-GB	Warpaint London PLC	0.78%	0.00%	(\$14M)
SPI-GB	Spire Healthcare Group PLC	0.78%	0.01%	(\$5M)
LLY-US	Eli Lilly and Company	0.78%	0.01%	\$6M
ABCM-US	Abcam PLC Sponsored ADR	-1.96%	-0.03%	(\$50M)
SN-GB	Smith & Nephew plc	-2.75%	-0.07%	(\$56M)
ERGO-GB	Ergomed PLC	-3.14%	-0.01%	(\$16M)
BAYN-DE	Bayer AG	-3.14%	-0.06%	(\$87M)
ROG-CH	Roche Holding Ltd Dividend R..	-4.71%	-0.08%	(\$57M)
DPH-GB	Dechra Pharmaceuticals PLC	-12.55%	-0.14%	(\$154M)

# Health Care: Underweight Hits Record Highs

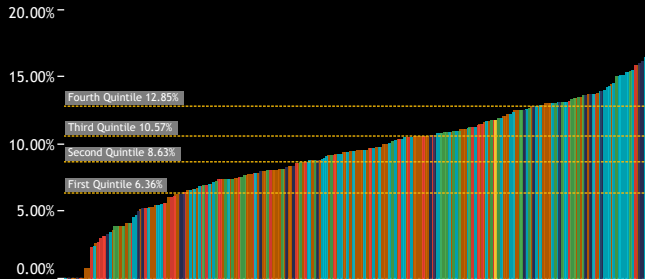
## 16. Allocations centered between 7%-14%, with the upside tail reaching 20%.

Health Care: Histogram of Fund Weights



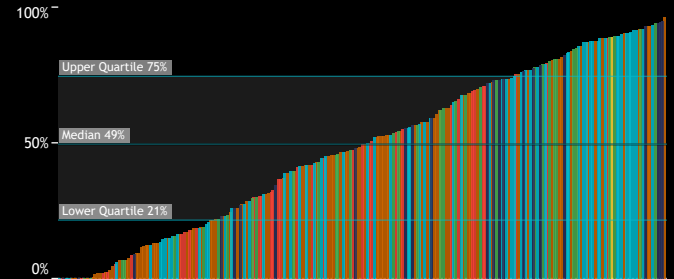
## 19. 60% of UK funds hold between 6.4% and 12.9% in the Health Care sector.

Health Care: Distribution of Fund Weights, %



## 22. Historical exposure on a fund-level spread evenly across the universe.

Health Care: Z-Score of Fund Allocations



## 17. Growth funds dominate the top holders list, led by SWIP UK Ethical.

Health Care: Top Fund Allocations, %

Fund Name	Allocation (%)
SWIP UK & Income ICVC - Ethical Fund	19.49%
Ninety One Funds Series III - UK Sustainable Equity ..	19.44%
BNY Mellon Investment Fds. - Sustainable UK Oppor...	19.16%
Schroder Invt. Fund Company - Sustainable UK Equi...	18.40%
BNY Mellon Investment Fds. - UK Equity Fund	17.07%
Threadneedle Specialist Invt. Fds. - UK Sustainable ..	16.57%
Aviva Investors Funds ACS - AI Stewardship UK Equi...	16.48%
Aegon Asset Mgmt. UK ICVC - UK Sustainable Oppor...	16.17%
Royal London Sustainable Leaders Trust	16.01%
Jupiter Responsible Income Fund	15.84%
Aviva Investors Funds ACS - AI UK Listed Equity ex ..	15.78%
M&G Investment Funds (2) OEIC - UK Select Fund	15.55%

## 20. Royal London Sust' Leaders tops the AUM list. 5 Funds above \$500M.

Health Care: Top Fund Allocations, \$

Fund Name	AUM (\$M)
Royal London Sustainable Leaders Trust	\$699M
Border to Coast UK Listed Equity Fund	\$669M
HBOS UK Invt. Fds. ICVC - UK Growth	\$625M
Columbia Threadneedle Invt. Fds. UK ICVC - CT UK ..	\$506M
PUTM ACS Lothian UK Listed Equity Fund	\$501M
Artemis Income Fund	\$469M
PUTM ACS UK All Share Listed Equity Fund	\$469M
SWIP UK & Income ICVC - UK Growth Fund	\$367M
IFSL Eventode Investment Funds ICVC - Income Fund	\$360M
St. James's Place Unit Trust - UK Unit Trust	\$336M
St. James's Place UK Equity Income Unit Trust	\$299M
Fidelity Invt. Funds - Special Situations Fund	\$294M

## 23. AstraZeneca dominates the list of large fund-level positions.

Health Care: Top stock Level Fund Allocations, %

Fund Name	Stock Name	Allocation (%)
Legal & General Future World Sustai..	AstraZeneca PLC	9.85%
Aviva Investors Funds ACS - AI Stewa..	AstraZeneca PLC	9.80%
TT International Funds Plc - UK Equit..	AstraZeneca PLC	9.66%
PUTM ACS Lothian UK Listed Equity F..	AstraZeneca PLC	9.63%
Family Charities Ethical Trust	AstraZeneca PLC	9.58%
UBS (CH) Institutional Fund - Equitie..	AstraZeneca PLC	9.53%
Volare UK Equity Offshore Fund	AstraZeneca PLC	9.43%
WS Canada Life Investments Fund - ..	AstraZeneca PLC	9.41%
BlackRock Institutional Equity Funds ..	AstraZeneca PLC	9.39%
AEGON Asset Mgmt. UK ICVC - UK Eq..	AstraZeneca PLC	9.29%
BNY Mellon Investment Fds. - Sustain..	AstraZeneca PLC	9.29%
Threadneedle Specialist Invt. Fds. - U..	AstraZeneca PLC	9.27%

Funds Invested  $\Delta^*$

Average Weight  $\Delta^*$

# New Positions\*

# Closed Positions\*

# Funds Buying\*

# Funds Selling\*

Estimated Net Fund Flows, \$\*

0.78%

-0.26%

4

2

72

158

(\$1,485.8M)

## 18. BlackRock Income Funds reduce stakes, Aviva UK Equity moves higher.

Health Care: Largest Change in Fund Weight\*

Fund Name	New or..	Change (%)
Aviva Investors Invt. Fds. ICVC - UK Listed Eq..	New	8.09%
MGTS AFH DA Fund - UK Alpha Fund	New	6.12%
BNY Mellon Investment Fds. - Sustainable UK ..	New	5.95%
Royal London Equity Funds ICVC - UK Opport..	New	5.44%
CT (Lux) - UK Equities	New	5.07%
JOHCM UK - Opportunities Fund	New	4.40%
Threadneedle Invt. Funds ICVC - UK Fund	New	4.38%
Threadneedle Pensions UK Equity High Alpha	New	4.18%
IFSL Avellerny Multi-Manager OEIC - UK Equit..	New	-3.37%
SEI Global Master Fund Plc - UK Equity Fund ..	New	-3.39%
SYS Church House UK Equity Growth Fund	New	-3.49%
EdenTree Invt. Fds. - Ser. 1 - Responsible & ..	New	-4.15%
Sanlam Universal Fds. Plc - Active UK Fund	New	-4.32%
BlackRock Unit Trusts Retail - UK Income Fund	New	-4.81%
BlackRock Income & Growth Investment Trus..	New	-6.09%
PrivilEdge - Liontrust UK Select Growth	New	-8.10%

## 21. UK Funds highly active in GSK and AZN

Health Care: Top Stock-Level Fund Inflows and Outflows, \*

Fund Name	Stock Name	New ..	Change (\$M)
Threadneedle Invt. Funds ICVC - ..	AstraZeneca PLC	New	\$66M
St. James's Place UK Equity Inco..	GSK plc	New	\$46M
Royal London Sustainable Leaders..	GSK plc	New	\$46M
Invesco UK Invt. Ser. - Equity Hig..	Haleon PLC	New	\$43M
Aviva Investors Invt. Fds. ICVC - ..	AstraZeneca PLC	New	\$39M
Jupiter UK Income Fund	Hikma Pharmaceutic..	New	\$38M
BNY Mellon Investment Fds. - UK ..	Sanofi	New	\$37M
Royal London Sustainable Leaders..	ConvaTec Group Plc	New	\$33M
St. James's Place UK Equity Inco..	AstraZeneca PLC	New	(\$51M)
JPMorgan Fund ICVC - UK Equity ..	AstraZeneca PLC	New	(\$55M)
Columbia Threadneedle Invt. Fds..	Haleon PLC	Close	(\$57M)
BlackRock Sol. Fds. ICAV - Counts ..	AstraZeneca PLC	Close	(\$58M)
JOHCM UK - Dynamic	GSK plc	Close	(\$63M)
Columbia Threadneedle Invt. Fds..	AstraZeneca PLC	Close	(\$70M)
Invesco UK Invt. Ser. - Equity Hig..	AstraZeneca PLC	Close	(\$80M)
JOHCM UK - Dynamic	ConvaTec Group Plc	Close	(\$83M)

## 24. Threadneedle UK funds open AZN, Dechra Pharma delisting evident.

Health Care: Largest Changes in Stock-Level Fund Weights, \*

Fund Name	Stock Name	New o..	Change (%)
Threadneedle Invt. Funds ICVC - U..	AstraZeneca PLC	New	7.16%
Threadneedle Pensions UK Equity ..	AstraZeneca PLC	New	7.02%
CT (Lux) - UK Equities	AstraZeneca PLC	New	6.74%
JOHCM UK - Opportunities Fund	Haleon PLC	New	4.12%
BNY Mellon Investment Fds. - Sust..	GSK plc	New	3.99%
Aviva Investors Invt. Fds. ICVC - U..	AstraZeneca PLC	New	3.89%
Ocean Investment Funds - Ocean E..	GSK plc	New	3.60%
BlackRock Sol. Fds. ICAV - Counts ..	AstraZeneca PLC	New	3.34%
BlackRock Income & Growth Inves..	Smith & Nephew plc	Close	-3.42%
Dunedin Income Growth Investme..	AstraZeneca PLC	Close	-3.64%
Ocean Investment Funds - Ocean E..	Dechra Pharmaceutic..	Close	-3.72%
SYS Church House UK Equity Grow..	Dechra Pharmaceutic..	Close	-3.98%
Fidelity Invt. Funds - UK Select Fu..	Novo Nordisk A/S Cla..	Close	-4.04%
abrdn Life UK Equity Fund	AstraZeneca PLC	Close	-4.09%
EdenTree Invt. Fds. - Ser. 1 - Resp..	Dechra Pharmaceutic..	Close	-4.48%
PrivilEdge - Liontrust UK Select Gr..	AstraZeneca PLC	Close	-5.41%

Source: Factset, Copley Fund Research

\* Between 7/31/2023 and 7/31/2024



# UK Banks

Key Stocks Fuel Sector Comeback

# UK Banks: Key Stocks Fuel Sector Comeback

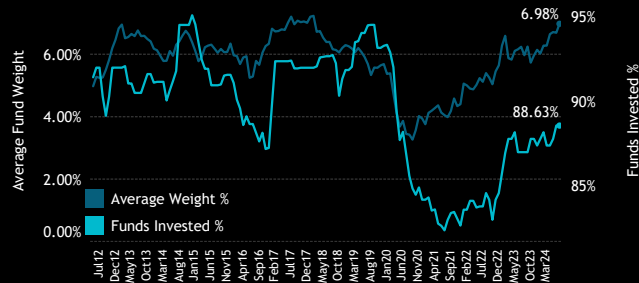
**Exposure to the UK Banking sector is nearing all-time highs as funds rotate back into the sector following the 2020 sell-off.** Average fund weights are approaching record levels at 6.98%, while the percentage of funds invested has reached a 4-year high of 88.6%. However, UK active funds still remain underweight compared to the FTSE All Share benchmark, with just under one-third of funds positioned ahead of the index.

Banks now represent the third-largest industry allocation, driven by the strongest increase in average weight seen in 2024. This rise has resulted from a broad rotation into various stocks within the sector. HSBC is experiencing a robust recovery in ownership, and Natwest has reached record levels of UK fund ownership.

At the fund level, there is a clear buy-side bias, with four funds opening new positions compared to just one closure in 2024. Value managers are the most exposed to UK Banks, while Agg' Growth funds lag behind their style peers.

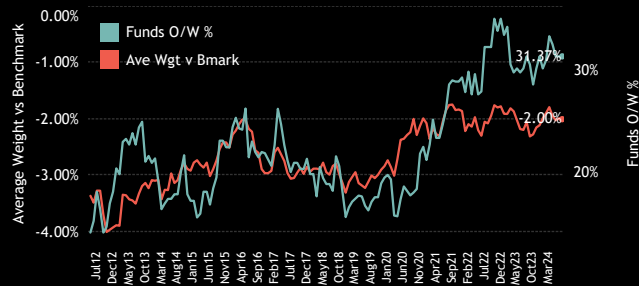
## 1. Average exposure to UK Banks nears all-time highs. UK funds return to Banking sector after 2020 sell-off.

Banks: Average Fund Weight vs Funds Invested %



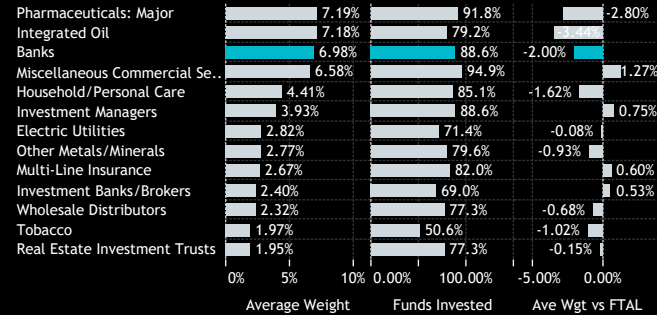
## 2. Majority of UK funds positioned underweight, but benchmark relative measures are well off the lows.

Banks: Average Fund Weight vs FTAL, Funds Overweight %



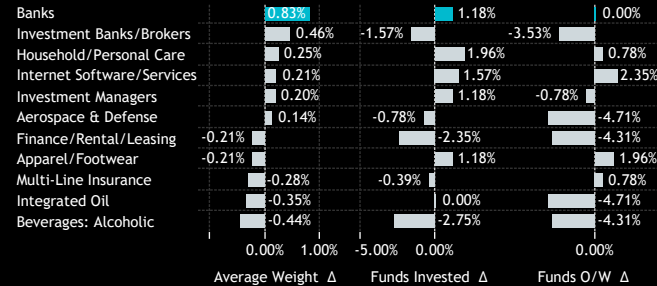
## 3. UK Banks move to the 3rd largest Industry exposure.

UK Industry Groups: Key Fund Ownership Statistics



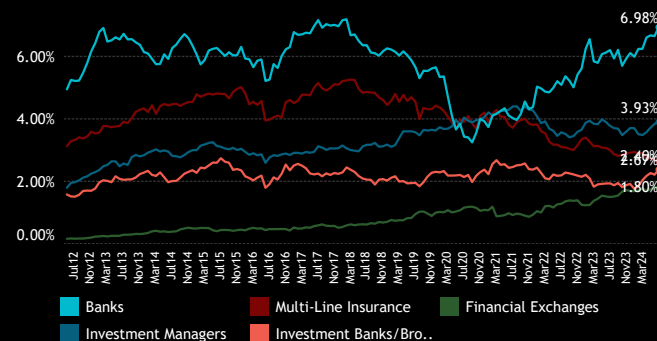
## 4. Banks see largest increase in average fund weight across all Industry groups in 2024.

Industry Groups: Change in Average Weight, Funds Invested, Funds O/W\*



## 5. Banks cement their position as the top Industry level Financials sector weight as Insurance sees long-term decline.

Financials Sector: Average Fund Weight by Industry (top 5)



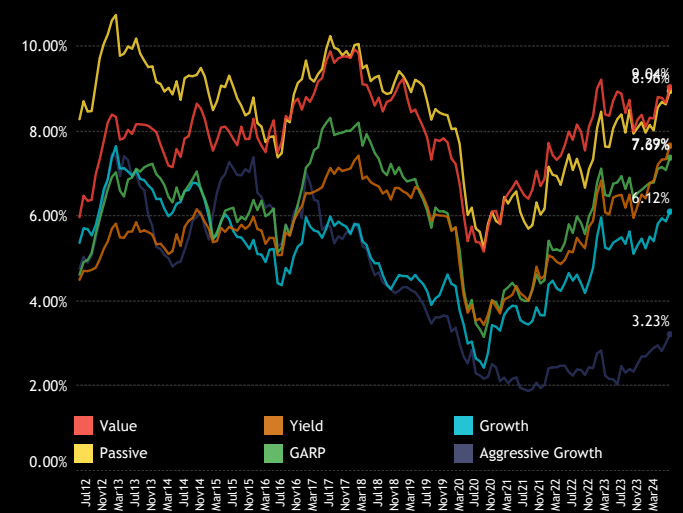
## 6. Banks show good Momentum and are well positioned, yet there remains room for growth.

Industry Level Sentiment Grid\*



## 7. Aggressive Growth Funds lagging behind Style peers in the move higher.

Banks: Average Fund Weight by Fund Style



Source: Factset, Copley Fund Research  
\* Between 12/31/2023 and 7/31/2024



# UK Banks: Key Stocks Fuel Sector Comeback

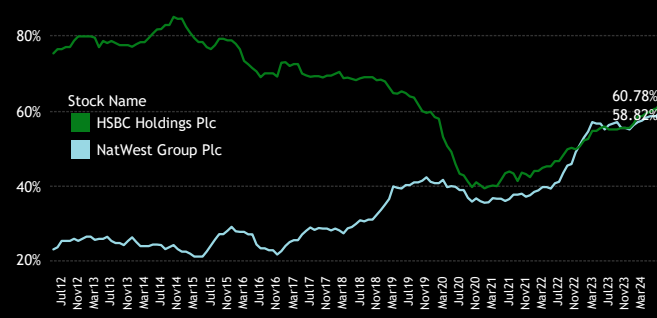
## 8. Natwest near peak ownership, HSBC recovering, Standard Chartered losing momentum.

Banks: Stock Level Sentiment Grid\*



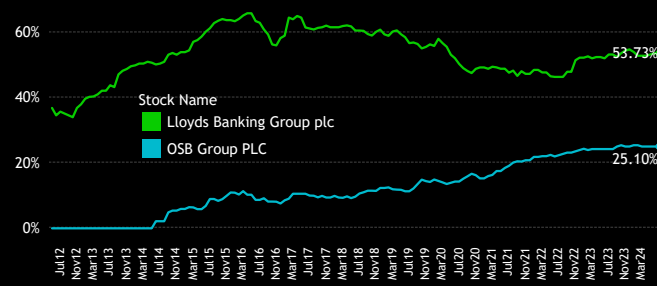
## 10. Natwest Group hits record highs, HSBC Recovering from ownership lows.

Percentage of Funds Invested: Natwest Group vs HSBC Holdings.



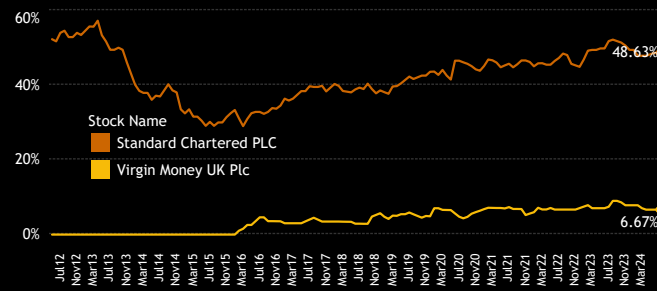
## 11. Lloyds Banking Group range-bound, OSB Group plateauing after sustained increases in fund ownership.

Percentage of Funds Invested: OSB Group vs Lloyds Banking Group



## 12. Standard Chartered consolidates long-term gains, Virgin Money UK failing to gain traction.

Percentage of Funds Invested: Standard Chartered vs Virgin Money UK.



## 13. HSBC the most widely held stock, Natwest heads the 2nd tier.

Banks: Aggregate Stock Ownership Statistics

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight vs..	Fund AUM \$
HSBA-GB	HSBC Holdings Plc	60.78%	2.32%	-3.08%	\$4,423M
NWG-GB	NatWest Group Plc	58.82%	1.53%	0.60%	\$3,305M
LLOY-GB	Lloyds Banking Group plc	53.73%	1.33%	-0.21%	\$2,490M
STAN-GB	Standard Chartered PLC	48.63%	1.01%	0.34%	\$2,280M
OSB-GB	OSB Group PLC	25.10%	0.31%	0.21%	\$429M
PAG-GB	Paragon Banking Group P..	16.08%	0.15%	0.08%	\$351M
BGEO-GB	Bank of Georgia Group Plc	12.16%	0.06%	-0.01%	\$90M
TBCG-GB	TBC Bank Group Plc	8.24%	0.03%	-0.03%	\$69M
VMUK-GB	Virgin Money UK Plc	6.67%	0.01%	-0.09%	\$41M
PAY-GB	PayPoint plc	5.49%	0.02%	0.00%	\$39M
STB-GB	Secure Trust Bank Plc	4.71%	0.01%	0.00%	\$12M
EQLS-GB	Equals Group Plc	1.96%	0.02%	0.02%	\$11M

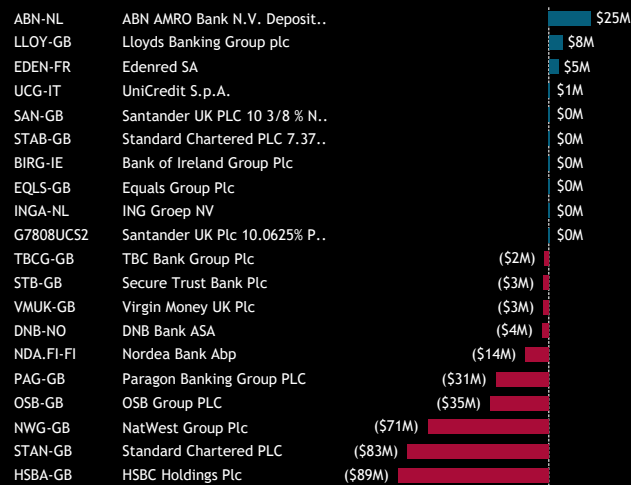
## 14. HSBC the marquee underweight among UK funds. Natwest and Standard Chartered held net overweight.

Banks: Top overweight and underweight positions

Ticker	Stock Name	Average Weight vs..	Funds Invested %	Average Weight %	Fund AUM \$
NWG-GB	NatWest Group Plc	0.60%	58.82%	1.53%	\$3,305M
STAN-GB	Standard Chartered PLC	0.34%	48.63%	1.01%	\$2,280M
OSB-GB	OSB Group PLC	0.21%	25.10%	0.31%	\$429M
PAG-GB	Paragon Banking Group P..	0.08%	16.08%	0.15%	\$351M
DNB-NO	DNB Bank ASA	0.04%	1.96%	0.04%	\$36M
MTR0-GB	Metro Bank PLC	-0.01%	1.57%	0.00%	\$1M
TBCG-GB	TBC Bank Group Plc	-0.03%	8.24%	0.03%	\$69M
VMUK-GB	Virgin Money UK Plc	-0.09%	6.67%	0.01%	\$41M
LLOY-GB	Lloyds Banking Group plc	-0.21%	53.73%	1.33%	\$2,490M
HSBA-GB	HSBC Holdings Plc	-3.08%	60.78%	2.32%	\$4,423M

## 9. Standard Chartered, Natwest Group and HSBC suffer the bulk of the industry level outflows.

Banks: Largest Aggregate Fund Flows by Stock, \$\*



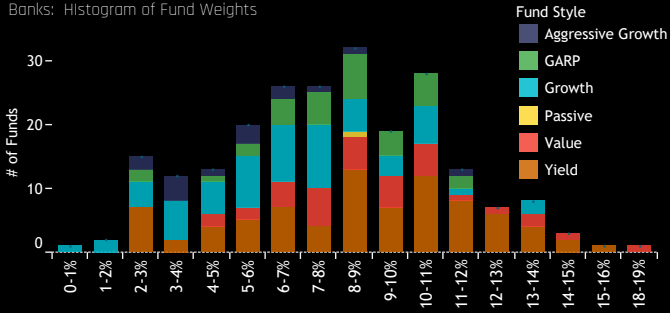
Source: Factset, Copley Fund Research

\* Between 12/31/2023 and 7/31/2024

# UK Banks: Key Stocks Fuel Sector Comeback

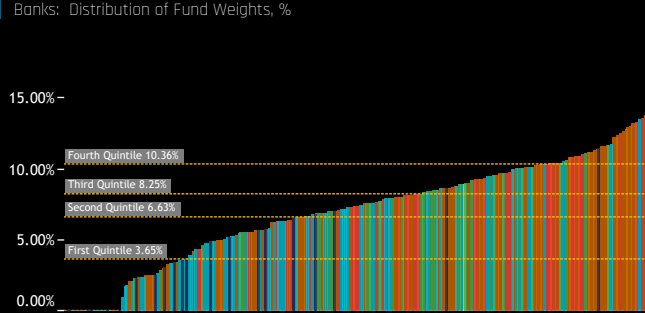
## 16. Normal distribution topping out at 19%. 8-9% the most common weight.

Banks: Histogram of Fund Weights



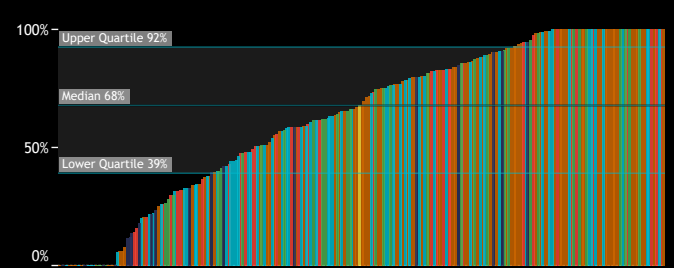
## 19. 20% of funds hold less than a 3.65% allocation to UK Banks.

Banks: Distribution of Fund Weights, %



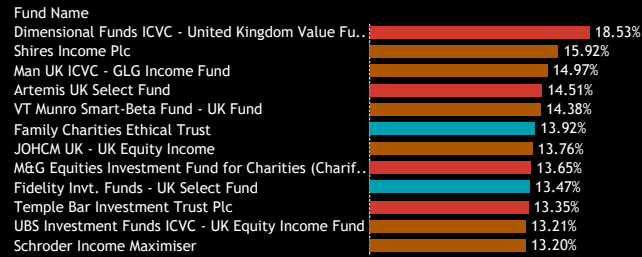
## 22. UK Funds well exposed to Banks vs history. 50% of funds above 68% Z-Score, 25% above 92% Z-Score.

Diageo plc: Z-Score of Fund Allocations



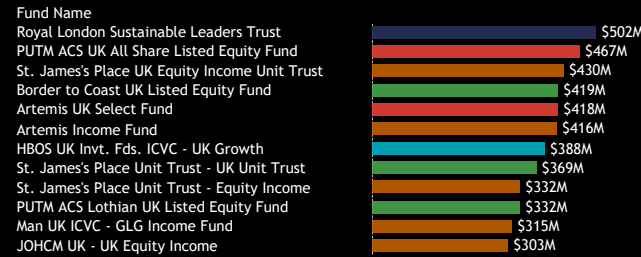
## 17. Value and Yield funds the top holders. 61 funds above 10% allocation.

Banks: Top Fund Allocations, %



## 20. RL Sustainable Leaders and PUTM All Share top the AUM list.

Banks: Top Fund Allocations, \$



## 23. HSBC and Natwest prominent among the larger fund positions.

Banks: Top stock Level Fund Allocations, %



Funds Invested Δ\*

1.18%

Average Weight Δ\*

0.83%

# New Positions\*

4

# Closed Positions\*

1

# Funds Buying\*

62

# Funds Selling\*

107

Estimated Net Fund Flows, \$\*

(\$301.1M)

## 18. 4 opens vs 1 closure this year. Aviva and PrivilEdge among the larger opening positions.

Banks: Largest Opening and Closing Positions\*



## 21. HSBC sees 2-way activity. BNY buying vs Jupiter selling.

Banks: Top Stock-Level Fund Inflows and Outflows, \*



## 24. Natwest among larger openings, Artemis SmartGARP close HSBC.

Banks: Largest Changes in Stock-Level Fund Weights, \*



Source: Factset, Copley Fund Research

\* Between 12/31/2023 and 7/31/2024

An aerial photograph of London, England, featuring the River Thames and the Tower Bridge. The image is overlaid with a semi-transparent teal color. The text is positioned in the upper right quadrant.

# Diageo plc

## Slide Continues as Funds Cut Stakes

# Diageo plc: Slide Continues as Funds Cut Stakes

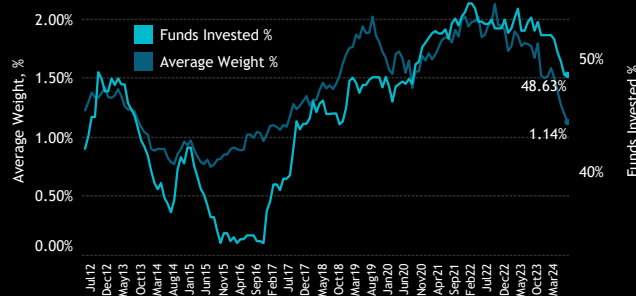
**UK fund managers are continuing to reduce their positions in Diageo.** Both the percentage of funds invested in Diageo and the average weight of the stock in UK portfolios have been on a downward trajectory since reaching a peak in late 2021.

Despite remaining the third most popular holding in the Consumer Staples sector, 2024 has seen a net 3.5% of funds exiting their positions, with more sellers than buyers and overall net outflows. Rotation within the sector sees BATS and Reckitt's joining Diageo, whilst Tesco, Britvic and Cranswick make sustained gains. Growth investors have driven Diageo's decline, while Value funds have historically shown little interest in the stock.

A small number of Aggressive Growth and Yield investors still hold more than a 5% weight in Diageo, but significant exits from Axa Framlington, abrdn, and PrivilEdge have reduced average fund exposure to its lowest point since 2017. Among UK managers, sentiment around Diageo remains fragile.

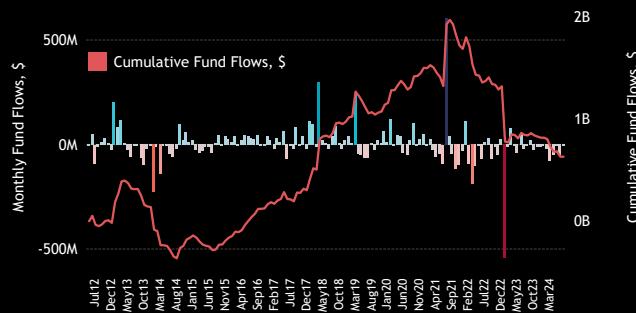
## 1. Diageo ownership continues to move lower from the 2022 highs.

Diageo plc: Average Fund Weight vs Funds Invested



## 2. Fund flows turn south from late 2021 onwards.

Diageo plc: Monthly Fund Flows vs Cumulative Fund Flows, \$



Source: Factset, Copley Fund Research  
\* Between 12/31/2023 and 7/31/2024

## 3. Diageo is the 3rd most widely held stock in the Consumer Staples sector and the 3rd largest underweight.

Consumer Staples: Aggregate Stock Ownership Statistics

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight v..	Fund AUM \$
ULVR-GB	Unilever PLC	78.82%	3.55%	-1.25%	\$6,481M
TSCO-GB	Tesco PLC	58.82%	1.17%	0.22%	\$2,634M
DGE-GB	Diageo plc	48.63%	1.14%	-1.06%	\$2,468M
RKT-GB	Reckitt Benckiser Group plc	45.88%	0.76%	-0.44%	\$1,451M
IMB-GB	Imperial Brands PLC	40.78%	0.96%	0.22%	\$2,418M
BATS-GB	British American Tobacco p.l...	39.61%	0.97%	-1.27%	\$1,850M
CWK-GB	Cranswick plc	30.20%	0.47%	0.36%	\$610M
ABF-GB	Associated British Foods plc	23.92%	0.27%	-0.07%	\$363M
TATE-GB	Tate & Lyle PLC	23.14%	0.28%	0.17%	\$394M
BVIC-GB	Britvic plc	22.75%	0.30%	0.17%	\$554M
SMWH-GB	WH Smith PLC	16.86%	0.14%	0.06%	\$233M
SBRY-GB	J Sainsbury plc	15.69%	0.15%	-0.05%	\$335M
GRG-GB	Greggs plc	15.69%	0.17%	0.05%	\$356M

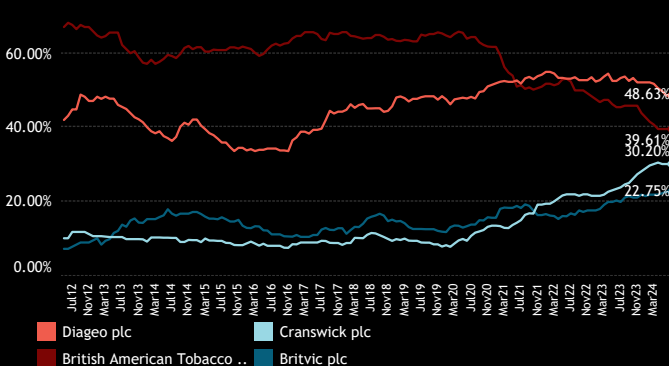
## 4. Diageo is losing UK investors along with BATS and Reckitt. Tesco and Sainsbury see ownership growth.

Consumer Staples: Largest changes in stock ownership\*

Ticker	Stock Name	Funds Invested % Δ	Ave Wgt % Δ	Fund Flows, \$
TSCO-GB	Tesco PLC	2.75%	0.10%	(\$67M)
SBRY-GB	J Sainsbury plc	2.35%	0.02%	\$43M
ABF-GB	Associated British Foods plc	2.35%	0.02%	\$14M
CWK-GB	Cranswick plc	1.96%	0.08%	(\$30M)
CCEP-US	Coca-Cola Europacific Partne..	1.57%	0.03%	\$39M
SMWH-GB	WH Smith PLC	1.18%	0.02%	\$35M
KO-US	Coca-Cola Company	-0.78%	-0.01%	(\$11M)
HOTC-GB	Hotel Chocolat Group Plc	-0.78%	-0.01%	(\$5M)
IMB-GB	Imperial Brands PLC	-1.18%	0.04%	(\$186M)
GRG-GB	Greggs plc	-1.18%	0.03%	(\$4M)
RKT-GB	Reckitt Benckiser Group plc	-3.53%	-0.33%	\$46M
DGE-GB	Diageo plc	-3.53%	-0.37%	(\$176M)
BATS-GB	British American Tobacco p.l...	-4.31%	0.05%	(\$11M)

## 5. Diageo and BATS see falling ownership. Britvic and Cranswick make sustained gains.

Select Consumer Staples Stocks: Funds Invested %



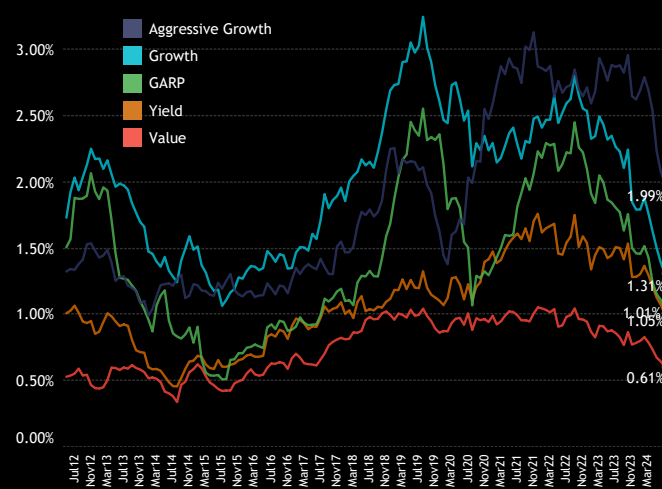
## 6. Diageo's bottom-left position in the Grid indicates poor momentum and depressed positioning.

Consumer Staples Sector: Stock Level Sentiment Grid\*



## 7. Little appetite from Value investors, while Growth and Aggressive Growth funds see large drop in exposure.

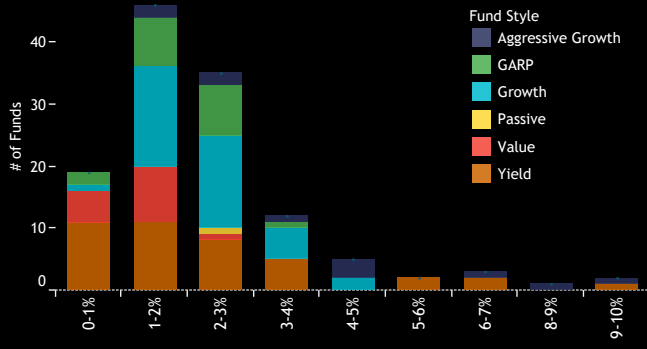
Diageo plc: Average Weight by Fund Style



# Diageo plc: Slide Continues as Funds Cut Stakes

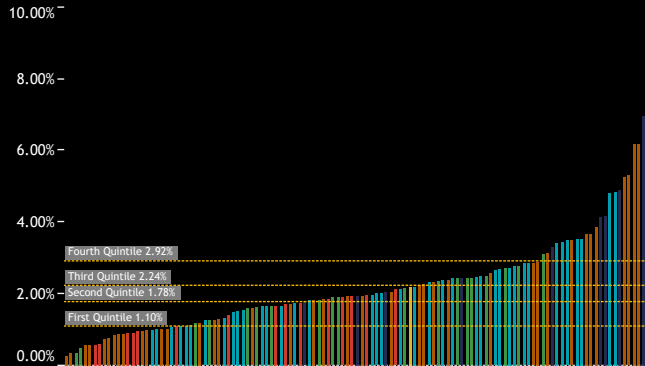
## 8. Most investors hold at sub 3% weight, but tail extends to 9%.

Diageo plc: Histogram of Fund Weights



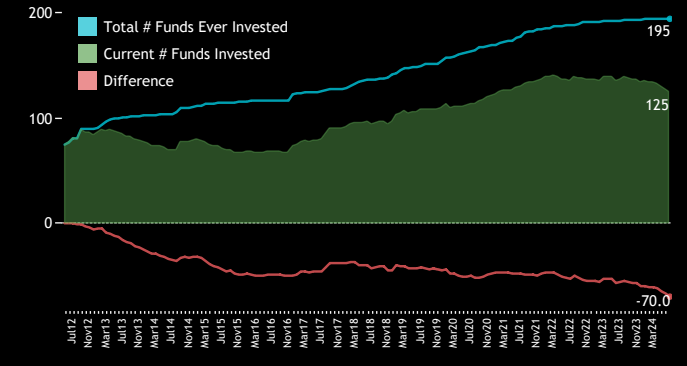
## 9. 60% of the investor base has between a 1.1% and 2.92% weight in Diageo.

Diageo plc: Distribution of Fund Weights, %



## 10. 70 previous investors have closed out positions in Diageo.

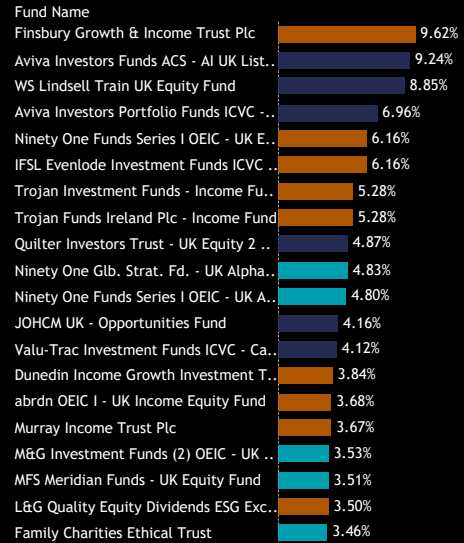
Diageo plc: Gap Analysis



Funds Invested Δ*	Average Weight Δ*	# New Positions*	# Closed Positions*	# Funds Buying*	# Funds Selling*	Estimated Net Fund Flows, \$*
-3.53%	-0.37%	1	10	22	62	(\$176.1M)

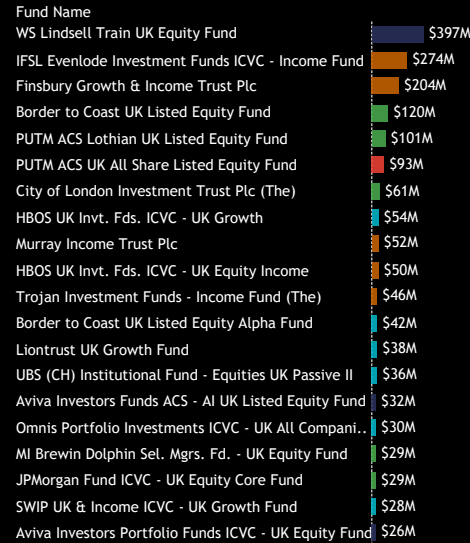
## 11. Agg' Growth and Yield funds are the top holders, led by Finsbury Growth & Income and Aviva Listed UK.

Diageo plc: Top Fund Allocations, %



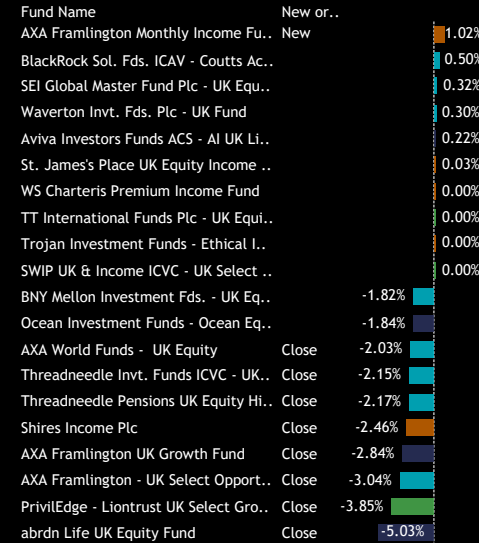
## 12. Large dollar investments from Lindsell Train, Evenlode and Finsbury Growth & Income.

Diageo plc: Top Fund Allocations, \$



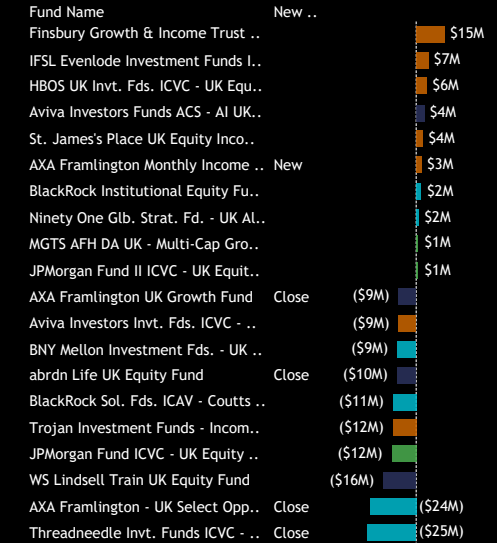
## 13. 10 closed positions versus 1 open. abrdn, PrivilEdge and Axa Framlington among the closures.

Diageo plc: Largest Change in Fund Weight\*



## 14. A net \$176m of fund outflows, led by Threadneedle, Axa Framlington and Lindsell Train.

Diageo plc: Top Fund Inflows and Outflows, \*



Source: Factset, Copley Fund Research  
\* Between 12/31/2023 and 7/31/2024



**National Grid plc**  
Surges to Top Spot  
with Record Fund Ownership

# National Grid plc: Surges to Top Spot with Record Fund Ownership

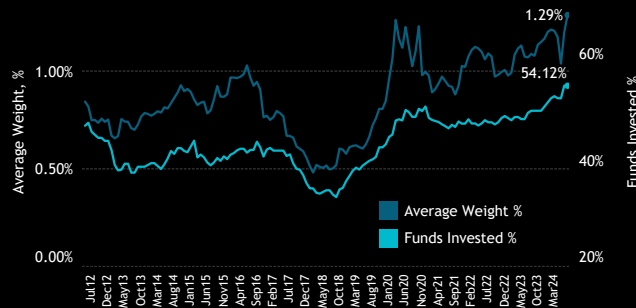
**National Grid Positioning Continues to Strengthen.** The bull market in National Grid positioning shows no signs of slowing down. Average fund weights and the percentage of funds invested in National Grid have reached 12-year highs. Over the past six months, ownership increases have been the highest among Utilities peers, propelling National Grid to the most widely owned stock in the sector.

While National Grid's growth has traditionally been driven by Value and Yield investors, there has recently been an uptick in interest from Growth, GARP, and Aggressive Growth funds. Notably, significant stakes are held by the Aggressive Growth funds of JOHCM UK Opps and Ninety One UK Sustainable.

Within the Utilities sector, National Grid and SSE have solidified their positions as industry leaders, each held by more than 50% of funds. Centrica has experienced a long-term decline in fund ownership, and Drax, DCC, and Severn Trent remain lightly held by UK active managers.

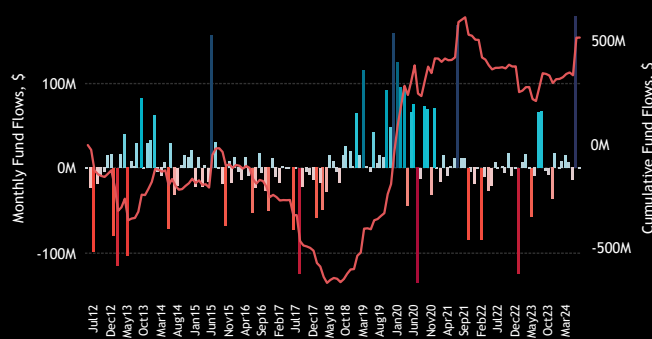
## 1. National Grid prints new highs in Average Weight and Funds Invested

National Grid plc: Average Fund Weight vs Funds Invested



## 2. Big fund inflows between 2019-2021, reigniting again in 2024

National Grid plc: Monthly Fund Flows vs Cumulative Fund Flows, \$



Source: Factset, Copley Fund Research  
\* Between 12/31/2023 and 7/31/2024

## 3. National Grid is the most widely owned Utilities stock in the UK

Utilities Sector: Aggregate Stock Ownership Statistics

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight v..	Fund AUM \$
NG-GB	National Grid plc	54.12%	1.29%	-0.65%	\$2,184M
SSE-GB	SSE plc	53.33%	0.97%	0.15%	\$1,870M
CNA-GB	Centrica plc	29.02%	0.45%	0.15%	\$1,172M
DRX-GB	Drax Group plc	23.53%	0.36%	0.28%	\$616M
DCC-GB	DCC Plc	23.53%	0.27%	0.06%	\$468M
SVT-GB	Severn Trent Plc	17.65%	0.18%	-0.09%	\$340M
TEP-GB	Telecom Plus PLC	16.08%	0.16%	0.11%	\$177M
UU-GB	United Utilities Group PLC	14.12%	0.11%	-0.17%	\$180M
PNN-GB	Pennon Group Plc	8.24%	0.05%	-0.03%	\$88M
TRIG-GB	Renewables Infrastructure Gr..	4.31%	0.02%	-0.07%	\$24M
ENGI-FR	ENGIE SA.	1.57%	0.01%	0.01%	\$31M
TGA-ZA	Thungela Resources Limited	1.18%	0.01%	0.01%	\$12M
SAE-GB	SIMEC Atlantis Energy Ltd.	0.78%	0.00%	0.00%	\$1M

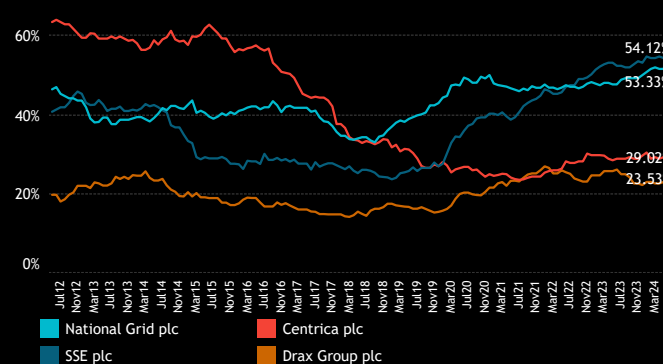
## 4. National Grid captured investment from a further 3.9% of funds this year, whilst Centrica saw modest outflows.

Utilities Sector: Largest changes in stock ownership\*

Ticker	Stock Name	Funds Invested % Δ	Ave Wgt % Δ	Fund Flows, \$
NG-GB	National Grid plc	3.92%	0.12%	\$205M
DRX-GB	Drax Group plc	1.18%	0.08%	(\$15M)
SVT-GB	Severn Trent Plc	0.78%	0.00%	(\$2M)
KSK-GB	KSK Power Ventur plc	0.78%	0.00%	\$1M
DCC-GB	DCC Plc	0.78%	-0.06%	(\$64M)
TEP-GB	Telecom Plus PLC	0.39%	0.01%	(\$6M)
GTT-FR	Gaztransport & Technigaz SA	0.39%	0.00%	\$3M
ALK.XX1-GB	Alkane Energy plc	0.00%	0.00%	\$0M
A3KLYP-DE	Orsted Green Bonds 2021-18...	0.00%	0.00%	\$0M
29265WAA6	Enel S.p.A. 8.75% 24-SEP-2073	0.00%	0.00%	\$0M
2638-HK	HK Electric Investments & HK..	0.00%	0.00%	\$0M
135-HK	KunLun Energy Co. Ltd.	0.00%	0.00%	\$0M
CNA-GB	Centrica plc	-0.78%	-0.11%	(\$155M)

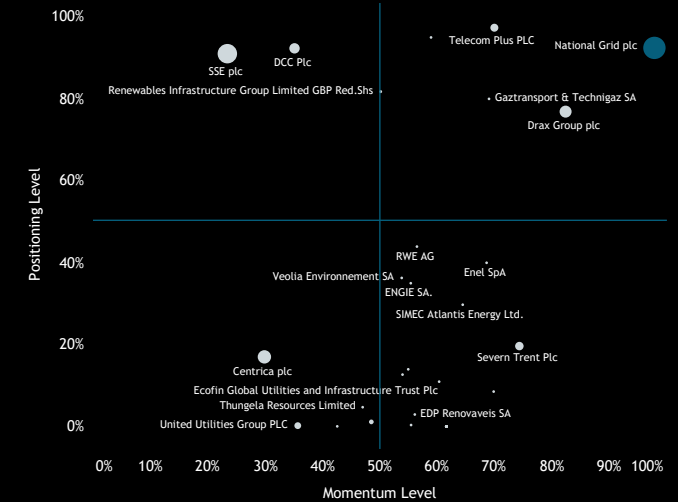
## 5. National Grid overtakes SSE as the most widely held Utilities stock. Centrica suffers long-term decline, Drax lightly held.

Top 4 UK Utilities Stocks: Funds Invested %



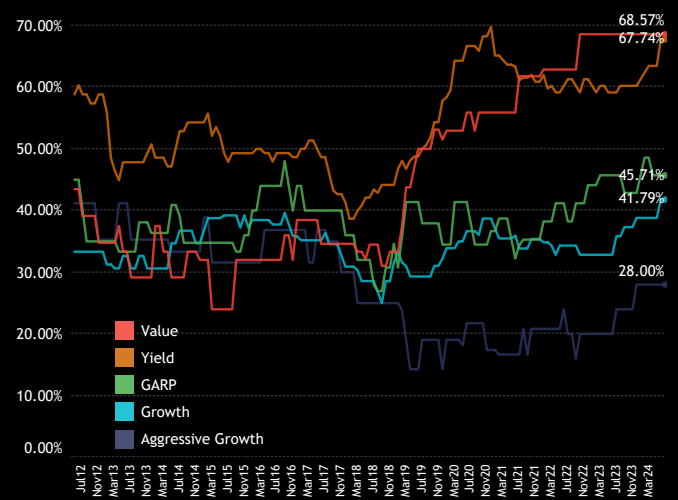
## 6. The key Utility companies are a different stages of their positioning and momentum ranges. National Grid is a standout positive.

UK Utilities: Stock Level Sentiment Grid\*



## 7. Two-thirds of Value and Yield funds are invested in National Grid. Increasing number of Growth and GARP investors entering the stock.

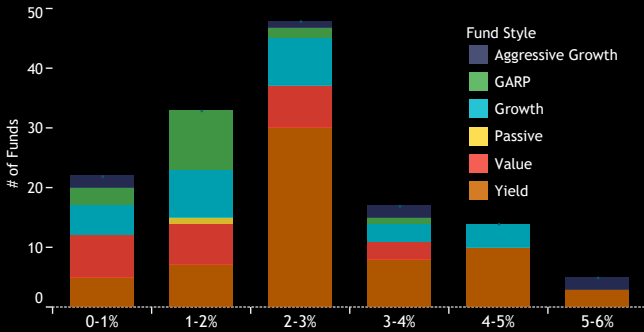
National Grid plc: Percentage of Funds Invested by Fund Style



# National Grid plc: Surges to Top Spot with Record Fund Ownership

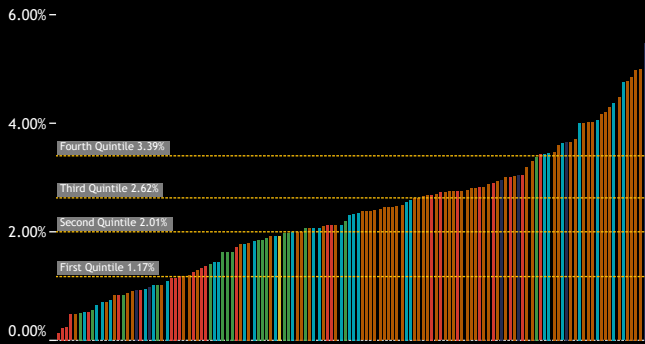
## 8. National Grid fund weights clustered between 2-3%, capping out at 6%.

National Grid plc: Histogram of Fund Weights



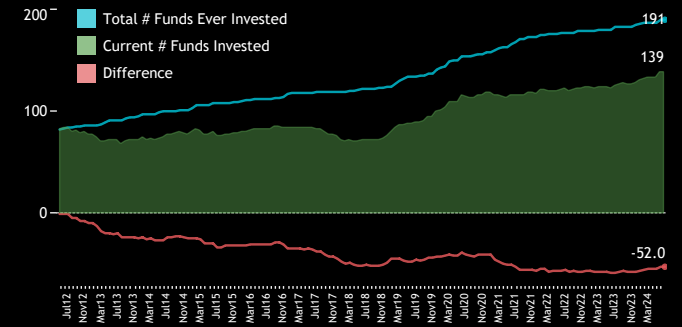
## 9. 60% of the investor base has between a 1.2% and 3.4% weight in National Grid.

National Grid plc: Distribution of Fund Weights, %



## 10. Growing investor base complimented by past investors buying back in (rising red line)

National Grid plc: Gap Analysis



Funds Invested Δ\*

3.92%

Average Weight Δ\*

0.12%

# New Positions\*

11

# Closed Positions\*

1

# Funds Buying\*

56

# Funds Selling\*

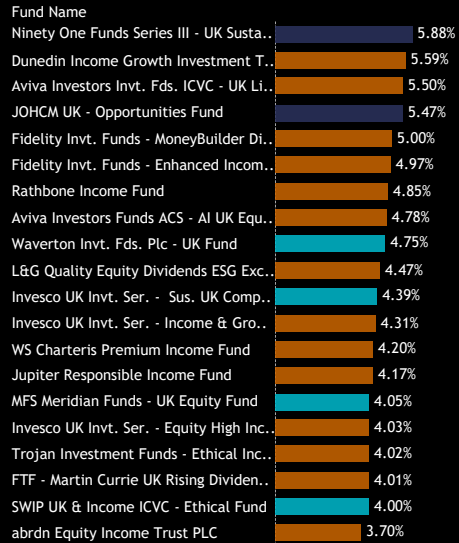
35

Estimated Net Fund Flows, \$\*

\$205.3M

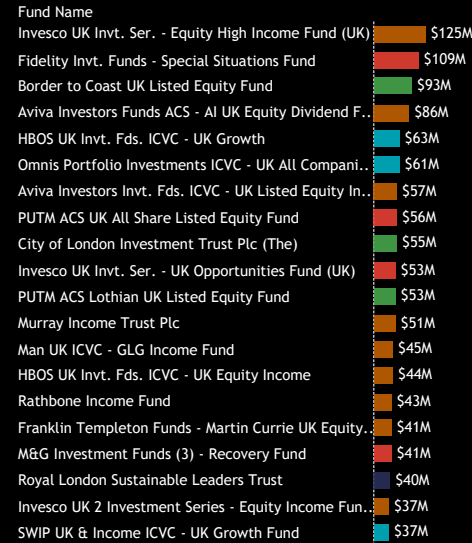
## 11. Yield funds dominate top holders, but Ninety One and JOHCM show appetite among High Growth Funds.

National Grid plc: Top Fund Allocations, %



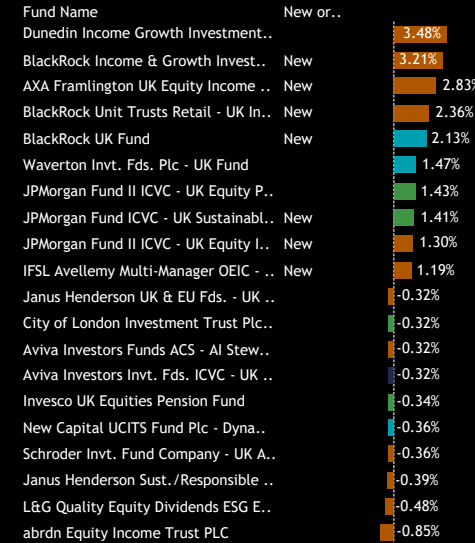
## 12. Only 2 funds with \$100m+ investments in National Grid.

National Grid plc: Top Fund Allocations, \$



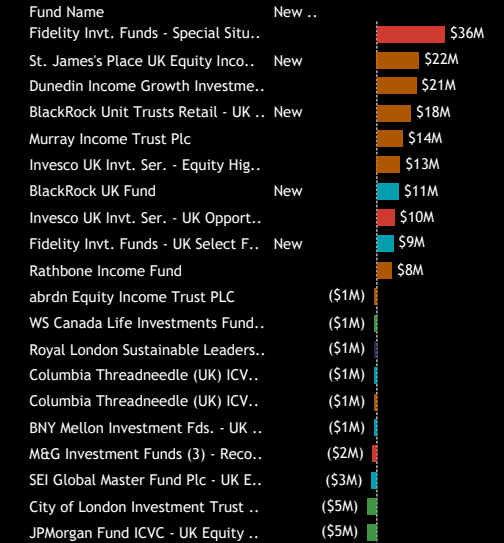
## 13. 11 new positions versus 1 closure. BlackRock, Axa Framlington and JP Morgan among the new investors.

Diageo plc: Largest Change in Fund Weight\*



## 14. A net \$205m of fund inflows, led by Fidelity, St James's Place and Dunedin.

Diageo plc: Top Fund Inflows and Outflows, \*



Source: Factset, Copley Fund Research

\* Between 12/31/2023 and 7/31/2024



## Methodology

Copley uses Factset Ownership data for the majority of its source holdings. This data benefits from various inputs such as fund interim and monthly statements, 13F Forms, and other timely sources utilized by Factset. For US funds, data is usually updated quarterly with varying degrees of lag. However, due to agreements with asset management firms and the incorporation of press releases, Factset often provides updates more quickly. By leveraging these additional sources, Factset ensures a shorter time lag for many data points beyond the standard quarterly fund statements. Copley uses the latest published holdings for each fund and adjusts weights based on price movements between the last filing and the end of the most recent month. The typical average lag ranges from 60 to 90 days depending on the time of year.

For benchmark comparisons, we use the SSGA SPDR ETFs Europe I Plc - FTSE UK All Share UCITS ETF, proportionally adjusted to remove any cash holdings. All Fund Flow calculations are on a best estimates basis. We use monthly position changes and month end prices to estimate the net buying and selling value for each stock within each fund in our analysis.

# Calculations

Copley uses 6 key measures of fund ownership throughout our analysis. Our chart packs presents these metrics in formats such as time series, snapshots at specific points, or comparisons between two time periods.

**Average Weight:** The sum of all fund weights in any dimension (region, country, sector, industry, stock) divided by the total number of funds (255) in the analysis.

**Average Weight vs FTAL:** The average weight minus the weight in the SSgA SPDR ETFs Europe I Plc - FTSE UK All Share UCITS ETF (cash removed and weights adjusted).

**Funds Invested %:** The total number of funds with any exposure to a dimension divided by the total number of funds (255) in the analysis.

**Funds O/W:** The total number of funds with a larger weight in any dimension than the SSgA SPDR ETFs Europe I Plc - FTSE UK All Share UCITS ETF, divided by the total number of funds (255) in the analysis.

**AUM, \$:** The combined AUM allocated to a particular dimension across the 255 active UK funds in our analysis, in US Dollars

**Estimate Fund Flows, \$:** The difference in share quantity between 2 periods for each stock in a fund multiplied by the price. These figures are rolled up to provide aggregate fund flows across countries, sectors and stocks.

## Style Classifications

Each fund is split into a Style category based on the P/E and P/B ratios of their portfolio compared to the benchmark

**Aggressive Growth:** At least 70% of the portfolio in stocks with a higher P/E than the SSgA SPDR ETFs Europe I Plc - FTSE UK All Share UCITS ETF average, and at least 70% with a higher P/B ratio.

**Growth:** At least 50% of the portfolio in stocks with a higher P/E than the SSgA SPDR ETFs Europe I Plc - FTSE UK All Share UCITS ETF average, and at least 50% with a higher P/B ratio.

**Value:** Either by the fund description, or at least 50% of the portfolio in stocks with a lower P/E ratio than the SSgA SPDR ETFs Europe I Plc - FTSE UK All Share UCITS ETF average, and at least 50% with a lower P/B ratio

**Yield:** As per the fund description only (i.e Yield, Dividend, Income funds).

**GARP:** All other iterations that do not fit under the above classifications.

Fund P/E vs P/B  
Size of Bubble = Dividend Yield



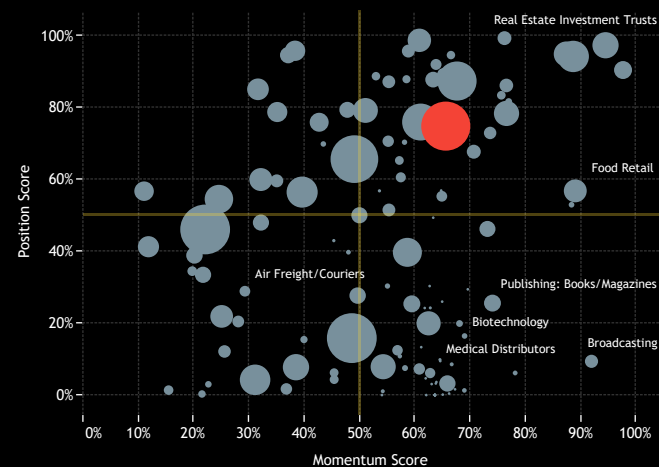
## Sentiment Grid

We use the Sentiment Grid in our analysis as a way of combining long-term positioning with shorter dated manager activity across all dimensions (country, sector, stock). Here we outline the metrics that go in to the Sentiment Grid calculation.

The Y-Axis measures where today's ownership levels in each dimension sit relative to the long-term range. We calculate the Z-Score of today's average weight, funds invested % and funds o/w % relative to all monthly observations in our fund history (going back to 5/31/2012). A figure close to 100% would indicate today's positioning is close to its maximum ever level, a figure close to zero, the lowest.

The X-axis provides a measure of short-term fund activity, or 'Momentum', by looking at the changes in average weight, funds invested %, funds o/w % and the net buyers vs sellers between 12/31/2023 and 7/31/2024, relative to each dimension. A figure above 50% means a dimension has seen relative increases in ownership, a figure below 50% indicates a relative decrease in positioning. The size of the bubble represents the average weight of each dimension

Country Sentiment Grid  
Momentum Measure Between 12/31/2023 - 7/31/2024



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