



Where the Kepler team are investing their ISAs

The Kepler team spills the beans on their favourite ISA funds.

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Benjamin Franklin famously observed, “In this world, nothing can be said to be certain except death and taxes.” Death may remain non-negotiable but thankfully tax leaves more room for manoeuvre - and with the UK’s tax burden at a 70-year high, there’s plenty to be said for making full use of every (legal) tax shelter available.

Step forward the ISA, with more than 22 million Brits squirrelling away their hard-earned money inside one. The average ISA is worth around £34,000, with over 5,000 people crossing the million-pound mark and, at the very top of the food chain, a quietly (or loudly) smug cohort are sitting on £10-million-plus pots.

Getting from £34,000 to £10 million may feel harder than calculating the stamp duty correctly on your second home but we’re here to help (our readers that is, not the former Secretary of State for Housing). We’ve quizzed colleagues on how they invest their own ISAs, and rounded things off with our guide to the best ISA providers in the UK.

Ryan Lightfoot-Aminoff | Associate Director, Kepler Trust Intelligence

Having recently emptied the coffers for a family house, I’ve embarked on a new investing strategy which can broadly be divided into two categories: long term buy-and-holds and short-term ‘mispriced’ opportunities.

Whilst the sensible theory says I should tilt towards the former, the release of pressure of “only” needing to pay a 30-year mortgage (rather than also fund a growing deposit) has meant I’ve tilted towards the latter of these approaches recently.

This has led me to a couple of investment trusts I think look good value at this point. Firstly, there is **Montanaro UK Smaller Companies (MTU)**, which has struggled with the dual headwinds of being in a challenging sector of smaller UK equities, with manager Charles Montanaro’s investment style also being out-of-favour. However, looking at the long-term success of both manager and the asset class, I am confident things will turn around, leading to a strong rally.

Similarly, I have pounced on the depressed share price of **Greencoat UK Wind (UKW)**. A mixture of low wind generation,

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tweaks to regulations and concerns over asset values means the trust’s share price is now below the IPO level. As such, it now pays an income of over 10% per annum, which I believe is well supported by revenues and can lead to good total returns over the medium-term.



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Ryan joined Kepler in August 2022 as an investment trust research analyst. Prior to this, he spent seven years as a senior research analyst at Chelsea Financial Services where he worked on fund selection for their retail clients and on their multi-asset fund range. He holds an MSc in Finance & BA in Accounting & Finance from the University of the West of England.



David Brenchley | Investment specialist, Kepler Trust Intelligence

With stock markets trading at or close to all-time highs, there aren't many places that a mild contrarian would be comfortable putting new money, but there are some areas of opportunity.

The **quality style of investing is underperforming** to an extent not seen for a long time, so I'm topping up two of my three quality-biased global equity funds. **IFSL Evenlode Global Equity** and **Rathbone Global Opportunities** are down 12% and 4% respectively over one year, despite having attractive enough portfolios to suggest performance will turn around soon. Top holdings include the likes of Alphabet, Microsoft, Costco and Mastercard.

India is another stock market that has underperformed both global and emerging market peers, yet the long-term investment case for the country appears undimmed. My view is that valuations became very stretched after an impressive run of performance and are now being corrected, providing a potential buying opportunity. I was early to **Ashoka India Equity (AIE)**, but remain happy to buy the ongoing dip.

Contributions into my stocks and shares ISA have been on pause while I buy my first house, but I've elected to get my money back from **Smithson (SSON)**, which is being rolled over into an open-ended fund in March. The proceeds will go into regional smaller company funds including **Nippon Active Value (NAVF)**, **AVI Japan Opportunity (AJOT)**, **European Smaller Companies Trust (ESCT)** and **SPDR MSCI USA Small Cap Value Weighted UCITS ETF (USSC)**.

I'm considering taking profits on **Temple Bar (TMPL)**, where gains are around 70% since investing and recycling them into **Finsbury Growth & Income (FGT)**, another quality-style strategy that has performed poorly despite having a portfolio of great companies like Rightmove, London Stock Exchange Group and Experian.



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David is an investment specialist for Kepler Trust Intelligence and joined Kepler Partners in June 2024. Before joining, he worked as money reporter for The Times and The Sunday Times where he wrote about all facets of investment for retail investors. He has previously worked for Money Observer magazine, Interactive Investor, Morningstar and Investment Week. He graduated from the University of Huddersfield with a degree in Media and Sports Journalism.

Alan Ray | Investment trust analyst, Kepler Trust Intelligence

I think any investment trust enthusiast could find a home for the **Unicorn Mastertrust** fund. Since 2002, its diversified portfolio of investment trusts has generated top quartile returns. The emphasis is on traditional equity strategies, and areas such as small companies or private equity that make best use of the investment trust structure.

Don't think of it as a deep discount value fund, but as a slice of what's best about investment trusts, and it's a great way for even the most dedicated investment trust investor to balance their own portfolio. The irony of being an open-ended fund itself is obvious, but investors may prefer that the discount upside and downside in the portfolio isn't doubled up by the fund's own structure.

3i Infrastructure's (3IN) recent write-down of one of its holdings, for a c. 5% hit to NAV, is a timely reminder that 3IN operates in a higher-risk part of the infrastructure spectrum than many peers, taking a private equity approach to the asset class with control stakes in a range of businesses with infrastructure characteristics. So, yes, equity risk, but usually anchored by the long-term revenue streams that are familiar to infrastructure investors.

While the recent hit to NAV might be painful, 3IN has built a niche for itself as a leading investor in businesses that, as they grow, are becoming increasingly attractive acquisitions for larger global infrastructure investors. Recent price weakness following the write-down looks like a good opportunity to me.



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Alan joined Kepler in October 2022. He has worked in the investment funds industry for over 25 years. The first half of his career was as an investment trust analyst, leading a highly-rated sell-side research team. More recently he has worked in corporate advisory and investment banking roles, with a focus on alternative asset classes.

William Heathcoat Amory | Managing Partner, Kepler Partners

Long experience (or should that be painful experience?) has taught me to ignore the temptation to pick single stocks, and leave it to the professionals. Technology funds first came to real prominence in the dot.com era. It's amazing to think that there was a period in the wilderness for them during the early noughties. Post GFC, interest in specialist funds exposed to tech companies picked up again, and it kept building.



I have been a long-term holder of **Allianz Technology Trust (ATT)**, as a highly active way of introducing high-growth names into my portfolio without taking single stock risks. The team are based right in the centre of the action in San Francisco and have a good track record of identifying innovative growth themes well ahead of the crowd. The trust tends to have an overweight to mid-cap names, which makes it differentiated to a passive exposure to the sector.

Over five years, the share price total return has been 70%, which is a strong return in absolute terms, but behind the mega-cap dominated index, and the underperformance exacerbated by a premium rating giving way to a discount over the five years.

Way back, I remember feeling nervous of the impressive gains I had experienced since purchase, and the superstitious in me meant that when the share price reached 123 pence for the first time, I saw an opportune time to top-slice. I did the same when the shares reached £3. Needless to say, I have ignored any impulses to sell any shares since, given that tech consistently appears to be the only growth game in town. I am confident that the team will continue to do well for me over the long term, even if the AI bubble bursts.



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Jo Groves | Investment specialist, Kepler Trust Intelligence

I'm not sure whether to confess that my investing journey started with the predecessor to the ISA, the trusty PEP. In the immortal words of Meat Loaf, I'd do (pretty much) anything for returns - and it's been a reliable sidekick to my mortgage over the years.

Most of my ISA is held in active funds, with a sprinkling of stocks. I like having a core of global holdings, leaving the experts to make the big calls, so I hold **Alliance Witan (ALW)** for its best-ideas portfolio, alongside the ever-popular **Scottish Mortgage (SMT)** which offers a healthy dose of the Magnificent Seven alongside private disruptors such as SpaceX.

While **NVIDIA (NVDA)** hogs the headlines (and yes, I caved to FOMO on that one), my real winners have been closer to home. UK small-cap fund **Rockwood Strategic (RKW)** has delivered a 135% return in the five years I've owned it, proving that a high-conviction portfolio can really pay off if you pick the winners.

At the other end of the spectrum, **Barclays (BARC)** has nearly tripled my investment in two years, and UK smaller caps **Vanquis Bank (VANQ)**, **Funding Circle (FCH)** and **Capita (CPI)** have all outperformed even the mighty NVIDIA over the last year.

Looking overseas, I've backed the big-hitting, on-the-ground teams of **BlackRock Frontiers (BRFI)**, **Schroder Oriental Income (SOI)** and **Schroder Japan (SJJ)** to uncover the best opportunities in under-researched Asian markets. The two Schroder funds are up more than 40% in the last year, with BRFI not far behind on 30%.



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Closing thoughts

Five investors, five approaches but the same conclusion: whether you're a fan of investment trusts, global funds or the occasional opportunistic stock pick, the best ISA is the one that's invested and making your allowance count. Pick your strategy, take the plunge and let compounding work its magic in a tax-free wrapper.

All numbers as at 23/02/2026 unless stated otherwise.



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