

Monthly Fact Sheet

31 August 2017

Launch Date	20th October 2014
Fund Size	£97.5m

Share Price (as at 31.08.17)

Shares	Income	Accumulation
B Shares	189.09p	193.25p

Codes (B Shares)

	Income	Accumulation
Sedol	BP85595	BP855B7
ISIN	GB00BP855954	GB00BP855B75

Annual Management Fee (%)

B Shares	0.75
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Minimum Investment

B Shares	£1,000
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Fund Managers



James Baker

a history graduate from Cambridge University, has over 30 years of equity market experience on both buy and sell sides, specialising for all of his career in UK Small and Mid caps stock selection. He has

worked for several organisations over the years, but most notably spent 11 years from 1999 to 2011 as part of the ABN Amro, Small Mid cap sales team, which was consistently top ranked by Extel. Prior to joining Chelverton he worked as the Assistant fund manager on the Rathbone UK Recovery Fund.



David Taylor

began his career as an analyst in the research department at Wedd Durlacher and moved into fund management in 1987 with the Merchant Navy Officers Pension Fund. He joined Gartmore Investment Limited in 1991, during this

time, he ran a combination of institutional funds and investment trusts, namely the Clydesdale Investment Trust and London & Strathclyde Trust. In 1995, he moved to LGT to manage small cap retail funds and latterly spent nearly seven years as head of UK smaller companies at HSBC Asset Management. He joined Chelverton Asset Management in January 2006 and has co-managed the Chelverton UK Equity Income Fund since launch.

MI Chelverton UK Equity Growth Fund

Investment Objective and Policy

The objective of the Fund is to achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities.

Investment Approach

The Fund Managers are looking for companies that can both grow faster than the market and are highly cash generative enabling them to fund their own growth. Typically these companies will have some form of sustainable competitive advantage, such as a unique product, or a dominant position in a particular market, leading to high margins and the ability to generate surplus cash.

Monthly Manager Commentary

Up until this summer, we have seen a one way trade post BREXIT out of UK cyclicals into overseas earners. This was initially driven by Sterling's devaluation and has been fuelled this year by commentary on a deteriorating UK macro outlook, when compared to a relatively strong US economy and a broadly based recovery in the Eurozone. This trade has now continued to the extent that the rating disparity between overseas earners and UK consumer cyclicals is quite extreme. However, a number of factors could start to challenge the perceived merits of these two asset classes. The recent strength of Sterling, prompted by the prospect of higher UK interest rates to head off inflation, is creating an earnings translation headwind for the already relatively highly rated overseas earners. Interestingly, despite the gloomy top-down forecasts, UK employment has so far remained persistently strong. Against this back-drop and with government heralding a softening of the public sector pay cap, we could see a pick-up in wage inflation. Provided that any rate rise is not too aggressive, these two factors if they play out should improve the outlook for UK discretionary spending, which has been undermining the valuations of UK consumer cyclicals. The timing of any change in sentiment is likely to be affected by the tone of BREXIT negotiations which so far have only tended to undermine business confidence, but from a Fund perspective we certainly need to be alert to any in change economic trends, having focussed on structural growth and overseas earners where we have seen reasonable value post BREXIT.

Over the summer the market has been flip-flopping around with no discernible theme or direction, and August was no exception. The Fund had an uneventful month, marginally outperforming its IA UK All Companies benchmark, with no major individual stock movements either up or down. During the month we took advantage of the weakness in Spectris' share price to build up our holding from a relatively small weighting, as the company shifts its emphasis from being an industrial controls and instrumentation electronics business to a full service productivity solutions provider with an integrated hardware and software offering. We also started a holding in SThree, the international staffing agency focussed on the technology and life science sectors.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	22.56	0.85	3.62	18.09	34.34	93.25
Sector Rank	7/255	105/257	7/257	5/257	3/251	1/239
Quartile Ranking	1st	2nd	1st	1st	1st	1st
IA UK All Companies (%)	8.97	0.48	-0.77	5.81	13.49	36.06

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 31.08.2017

Discrete Annual Performance

	31.08.16	31.08.15	31.08.14	31.08.13	31.08.12
	31.08.17	31.08.16	31.08.15	31.08.14	31.08.13
Fund (%)	34.34	17.30	-	-	-

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 31.08.2017

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ACD
Maitland Institutional Services Limited

Investment Advisor
Chelverton Asset Management Ltd

Administrator
Maitland Institutional Services Limited

Income Paid Annually

XD Dates 31 December

Valuation 12 Noon

Dealing Line 0345 305 4217

Dealing Fax 0845 280 0188

MI Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. StatPro Group	Technology	2.1
2. Liontrust Asset Management	Financials	2.0
3. Strix	Industrials	2.0
4. Eckoh	Technology	1.9
5. Revolution Bars Group	Consumer	1.9
6. Avon Rubber	Industrials	1.9
7. Wilmington	Media	1.9
8. Games Workshop Group	Consumer	1.8
9. Spectris	Industrials	1.8
10. Euromoney Institutional Investor	Media	1.7
11. Tyman	Construction	1.7
12. Tarsus Group	Media	1.7
13. Amino Technologies	Technology	1.6
14. Photo-Me International	Consumer	1.6
15. Acal	Industrials	1.6
16. Clarkson	Support Services	1.6
17. Morgan Advanced Materials	Industrials	1.5
18. Dairy Crest Group	Consumer	1.5
19. Proactis Holdings	Technology	1.5
20. IMImobile	Technology	1.4

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	24.2
Industrials	18.8
Consumer	16.3
Financials	8.4
Support Services	6.6
Media	5.6
Construction	5.5
Healthcare	4.9
Resources	0.7
Property	0.2
Cash	8.8

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	14.2	13
£500m - £1bn	20.6	18
£250m - £500m	14.4	12
£100m - £250m	31.2	27
Below £100m	10.8	16
Cash and Income	8.8	N/A
Total	100.0	86

Source: Chelverton Asset Management Limited

FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

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Disclaimer: This fund invests in smaller companies and carries a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The fund can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risks described above. This document is provided for information purposes only and should not be interpreted as investment advice. If you have any doubts as to the suitability of an investment, please consult your financial adviser. The information contained in this document has been obtained from sources that Chelverton Asset Management Limited ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy or completeness of the information provided, and therefore no investment decision should be based solely on this data. Past performance is not a guide to future performance. This document is issued by CAM, Authorised and regulated by the Financial Conduct Authority. This document does not represent a recommendation by CAM to purchase shares in this Fund. We recommend private investors seek the services of a Financial Adviser. Maitland Institutional Services Limited are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email Chelverton@maitlandgroup.co.uk or call +44 (0) 1245 459 962.