

Monthly Fact Sheet

31 May 2017

Launch Date	20th October 2014
Fund Size	£77.5m

Share Price (as at 31.05.17)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	182.49p	186.50p

Codes (B Shares)

	<i>Income</i>	<i>Accumulation</i>
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

Regular and unexpected election results seem to be the new norm for the UK. This time the market seems to have taken the poor showing by the Conservative Party in its stride as investors have focused on the economic implications of a softer BREXIT, whatever that may entail, rather than worrying about the new found electability of a Labour Party that is more left-wing than we've seen for decades, if not ever. In the meantime there's evidence that the domestic economy is finally softening as the consequences of weaker sterling, particularly on the consumer, start to bite with purchases of discretionary large ticket items coming under pressure. This phenomenon won't be helped by the uncertainty caused by a hung Parliament and the MPC's most recent vote taking us closer to a rise in rates to curtail the growing inflationary pressure caused by weak Sterling.

After the "super-soar-away" April, the Fund had a more pedestrian month, performing in line with its IA UK All Companies benchmark in May. We enjoyed strong performance from Eckoh and Coats Group on the back of strong trading updates. Alpha FX continued its strong run from its listing in April. GB Group reacted well to an earnings enhancing acquisition and On The Beach moved ahead strongly on the back of reassuring results. On the downside, Revolution Bars fell back very sharply after warning on profits late in its financial year, having failed to pick up on the full impact of business rate and wage inflation in its business. Operationally, underlying sales and gross margins continued to perform as expected and its accountancy function has been strengthened by the appointment of a new CFO with industry relevant experience, so we are persevering with our involvement, believing the shares may have over-reacted to the disappointing news.

During the month we sold some of our more highly rated holdings exiting Porvair, which has served us well since the Funds inception, on valuation grounds whilst reducing our holdings in Ascential, Gamma Communications and Spectris. We started a holding in Maintel Holdings, a unified telecommunications service provider to the SME market with high levels of recurring revenues. It trades on a relatively low valuation in stark contrast to the equipment providers to the same market, like Gamma Communications. We also started holdings in Castleon Technologies, an IT solutions and managed service provider to the UK social housing market, and JackpotJoy, Britain's largest online bingo operator, a highly cash generative and growing business, which is trading at a significant discount to other online gaming companies.

With UK economic growth showing signs of stalling, we are focusing more and more on companies with resilient revenue streams, overseas exposure and structural growth opportunities, which hopefully will still drive growth in a slowing economic environment. With the Fund having performed relatively well so far this year we are constantly looking to engineer better value into the portfolio, which explains our new investments above.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	18.28	3.39	13.97	24.83	37.09	86.50
Sector Rank	9/258	162/260	5/260	3/257	1/254	1/243
Quartile Ranking	1st	3rd	1st	1st	1st	1st
IA UK All Companies (%)	9.77	3.56	6.60	13.90	21.11	36.95

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 31.05.2017

Discrete Annual Performance

	31.05.16	31.05.15	31.05.14	31.05.13	31.05.12
	31.05.17	31.05.16	31.05.15	31.05.14	31.05.13
Fund (%)	37.09	14.77	-	-	-

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 31.05.2017

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31 May 2017

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	2.5
2. Coats Group	Industrials	2.2
3. Atkins (WS)	Support Services	2.0
4. On the Beach	Consumer	2.0
5. Games Workshop Group	Consumer	1.9
6. IMImobile	Technology	1.9
7. Euromoney Institutional Investor	Media	1.9
8. Eckoh	Technology	1.8
9. Acal	Industrials	1.8
10. Wilmington	Media	1.8
11. Avon Rubber	Industrials	1.8
12. Liontrust Asset Management	Financials	1.8
13. XP Power	Industrials	1.7
14. Alliance Pharma	Healthcare	1.7
15. GB Group	Technology	1.7
16. Tarsus Group	Media	1.7
17. Tyman	Construction	1.7
18. Quixant	Technology	1.7
19. Iomart	Technology	1.6
20. Equiniti Group	Support Services	1.6

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	26.3
Consumer	17.0
Industrials	14.4
Financials	8.4
Support Services	7.5
Construction	6.8
Media	6.2
Healthcare	5.7
Resources	1.2
Property	0.5
Cash	6.0

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	16.0	13
£500m - £1bn	18.3	13
£250m - £500m	20.7	17
£100m - £250m	25.3	21
Below £100m	13.7	16
Cash and Income	6.0	N/A
Total	100.0	80

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.