

Monthly Fact Sheet 31 May 2018

Investment Objective and Policy

The objective of the fund is to deliver long term capital growth to investors by investing in a diversified portfolio of European (ex-UK) companies. The fund has an unconstrained approach investing across the size spectrum down to a minimum market capitalisation of c.€50m.

Investment Approach

The managers believe there are both structural and cyclical inefficiencies in the way equity markets function and seek to apply a 'Modern Value Investing' approach to exploit these inefficiencies. The managers are looking for companies with undervalued cash flows delivered by healthy but overlooked companies.

Launch Date	6th March 2018
IA Sector	IA Europe ex UK

Share Price (as at 31.05.18)		
	<i>Income</i>	<i>Accumulation</i>
B Shares	100.83p	101.73p

Codes (B Shares)		
	<i>Income</i>	<i>Accumulation</i>
Sedol	BFNL2N1	BFNL2P3
ISIN	GB00BFNL2N15	GB00BFNL2P39

Fund Managers



Dale Robertson joined Chelverton in 2017. He began his career as a chartered accountant at Arthur Anderson, moving to Edinburgh Fund Managers in 1995. He then managed European funds at SWIP before moving to Edinburgh Partners where he managed the EP European Opportunities Fund from 2003 – 2016.



Gareth Rudd joined Chelverton in 2017. He began his career in financial services in 1996 at Edinburgh Fund Managers. He then moved to ABN Amro where he was a long/short investor within Principal Strategies until 2009. Before joining Chelverton, Gareth was a partner at Willis Welby, a boutique research house.

MI Chelverton *European Select Fund*

Monthly Manager Commentary

European markets were lower during May, weighed down mainly by macro concerns, focussing mainly on the significant political instability in Italy. The potential implications for the third largest economy in Europe's future within the EU unsettled markets generally, with financial stocks suffering in particular.

The fund itself fared better during the month, posting a positive result over the period. Performance was driven by strong performances from Ringmetall, Bravida, Glanbia and Subsea 7. At the other end of the performance spectrum, the main detractors were, unsurprisingly, financial companies generally and Italian stocks specifically, with Unicredit being the worst performer over the month. Our Italian holdings, which constitute around 10% of the current fund, are internationally focussed businesses, and as a result, our actual exposure to the Italian domestic economy from these holdings is much lower, at only 2.8%. Given this, we remain comfortable with our investments here and are not concerned by any indiscriminate mark-down of share prices in our companies, such as we have recently seen.

In terms of investment activity, we continue to use a steady inflow of monies to top up a number of our holdings. Also, following a very strong share price performance, the decision was taken to sell our holding in Hexpol, where the margin of safety from our analysis was no longer sufficiently attractive, compared with other opportunities. We purchased two new holdings over the month. We made an investment in ICF group, a small Italian company which specialises in adhesives to the shoe manufacturing and global automotive sectors. Also, following a company meeting, we purchased a holding in Data Respons, a Swedish IT service provider which is working with many of the large German and Swedish industrial companies on their digitalisation strategies. With a large margin of safety, double-digit top line growth and a 3.5% dividend yield, it is an addition to our mini-cluster of similar businesses including Siili Solutions and Cap Gemini.

Top 20 Holdings

<i>Holding</i>	<i>Sector</i>	<i>% of Portfolio</i>
1. Sanofi	Health Care	2.9
2. Roche	Health Care	2.9
3. Zurich Insurance	Financials	2.6
4. ING Groep	Financials	2.6
5. Leonardo	Industrials	2.6
6. UBS	Financials	2.6
7. Ageas	Financials	2.4
8. Dormakaba	Industrials	2.3
9. Dometic	Consumer Goods	2.3
10. Nilorngruppen	Consumer Goods	2.3
11. Ringmetall	Industrials	2.3
12. Schneider	Industrials	2.2
13. Glanbia	Consumer Goods	2.2
14. RELX	Consumer Services	2.2
15. Subsea 7	Oil & Gas	2.2
16. Kion Group	Industrials	2.2
17. Siemens	Industrials	2.2
18. Bayer	Health Care	2.1
19. TKH	Industrials	2.1
20. Unilever	Consumer Goods	2.1

Source: Chelverton Asset Management Limited

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ACD
Maitland Institutional Services Limited

Investment Advisor
Chelverton Asset Management Limited

Administrator
Maitland Institutional Services Limited

Income Paid Biannually

XD Dates 30 June, 31 December

Valuation 12 Noon

Annual Management Fee (%)

B Shares 0.75

Minimum Investment

B Shares £1,000

Ongoing Charge (%)

B Shares 1.00

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FURTHER INFORMATION

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Sector Breakdown

	% of Portfolio	
Industrials	28.4	
Financials	18.3	
Consumer Goods	14.5	
Health Care	11.4	
Oil & Gas	7.4	
Technology	6.9	
Consumer Services	3.6	
Basic Materials	3.4	
Other	1.3	
Cash	4.8	

Geographic Breakdown

	% of Portfolio	
Netherlands	14.3	
Switzerland	13.3	
Italy	11.2	
Sweden	11.2	
Germany	10.5	
France	9.0	
Norway	8.2	
Ireland	7.2	
Belgium	3.6	
Denmark	3.2	
Finland	2.1	
Spain	1.4	
Cash	4.8	

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	48.7	23
€2bn - €5bn	15.2	8
Below €2bn	31.3	19
Cash and Income	4.8	N/A
Total	100.0	50

Disclaimer: The value of any investment, and any income from it, can rise and fall with movements in stockmarkets, currencies and interest rates. These can move irrationally and can be affected unpredictably by diverse factors, including political and economic events. This could mean that you won't get back the amount you originally invested. This fund can invest 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. 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.