

Monthly Fact Sheet **30 June 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 IA Sector		6th March 2018 IA Europe ex UK
Share Pr	rice (as at 30.06.18)	
	Income	Accumulation
B Shares	99.72p	100.73p
Codes (B	Shares)	
	Income	Accumulation
Sedol	BFNL2N1	BFNL2P3
ISIN	GB00BFNL2N15	GBooBFNL2P39

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 fairly directionless during June, though the general sentiment feels cautious. Macro issues such as the Trump tariff situation continue to rumble on, leaving a general sense of unease.

The fund was slightly lower also, during the month. There was little to note in terms of performance, though given the general comments about market caution, it was no surprise to see companies like Sanofi, Roche and Fresenius SE all posting positive returns, as investors sought safety in non-cyclical/defensive areas like pharma and medical technology, while more industrial/cyclical names such as Kion and Inwido sold off.

In terms of investment activity, we purchased three new holdings. Tessenderlo is a diversified company whose main business is agricultural fertilisers. The company has a high single digit free cashflow yield, and a very significant management stake. Novartis almost made it into the portfolio at launch. Following recent share price weakness, the free cashflow yield of 6.5% plus a 4% dividend yield for very stable cashflows looks attractive. Bolsas y Mercados Espanoles is the operator of the Spanish stock exchange. It is ungeared, with a 6% free cashflow yield, and a 5% dividend yield. There is the added optionality of M&A in a consolidating industry. We decided to switch out of a couple of Scandinavian holdings – selling Veidekke and Svenska Handelsbanken. We also sold

The net effect of these transactions provides more diversification for the portfolio, plus an average increase in margin of safety of 14% for the purchases versus the sales.

Top 20 Holdings

Но	lding	Sector	% of Portfolio
1.	Sanofi	Health Care	3.0
2.	Roche	Health Care	2.9
3.	PostNL	Industrials	2.7
4.	Zurich Insurance	Financials	2.6
5.	ING Groep	Financials	2.6
6.	UBS	Financials	2.5
7.	Novartis	Health Care	2.5
8.	Leonardo	Industrials	2.5
9.	Ageas	Financials	2.3
10.	TKH	Industrials	2.3
11.	Subsea 7	Oil & Gas	2.2
12.	Glanbia	Consumer Goods	2.2
13.	Siili	Technology	2.2
14.	Saras	Oil & Gas	2.2
15.	Bayer	Health Care	2.1
16.	Schneider	Industrials	2.1
17.	Siemens	Industrials	2.1
18.	RELX	Consumer Services	2.1
19.	Tenaris	Basic Materials	2.1
20.	Dometic	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

Dealing Fax

Maitland Institutional Services Limited

Income Paid	Biannually	
XD Dates	30 June, 31 December	
Valuation	12 Noor	
Annual Management	Fee (%)	
B Shares	0.75	
Minimum Investmen	t	
B Shares	£1,000	
Ongoing Charge (%)		
B Shares	1.00	
Dealing Line	0345 305 4217	

0845 280 0188

FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

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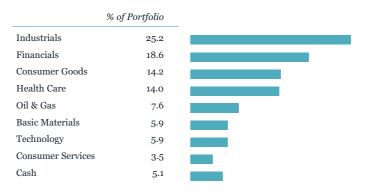
Email chelverton@springcapitalpartners.com

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MI Chelverton European Select Fund

Sector Breakdown



Geographic Breakdown



Market Cap Breakdown

% oj	Portfolio	No. of Stocks	
Above €5bn	47.2	22	
€2bn - €5bn	16.0	8	
Below €2bn	31.7	18	
Cash and Income	5.1	N/A	
Total	100.0	48	

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.