

Monthly Fact Sheet 31 August 2018

Launch Date	20th October 2014
Fund Size	£285m
Historic Yield (%)*	0.93

Share Price (as at 31.08.18)

Shares	Income	Accumulation
B Shares	217.16p	224.14p

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.

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.



Edward Booth

graduated from the London School of Economics with a degree in Economics with Economic History, and qualified as a Chartered Accountant at

Deloitte, where he focused on the Insurance sector. Prior to joining Chelverton, he worked as a Business Analyst for Barclays, focusing on a number of areas including Investment Bank Revenue and Group Capital performance.

*The historic yield reflects distributions over the past 12 months as a percentage of the bid price of the B share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.

MI Chelverton UK Equity Growth Fund

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

The Fund had a better August after a period of relative underperformance over the preceding few months, generating a 1.0% return compared with a negative -1.3% return for its IA UK All Companies benchmark, benefitting from the outperformance of small caps, the Fund's main focus, over large caps, which were impacted by trade war concerns. Domestic stocks took the interest rate rise in their stride, suggesting the move was widely anticipated and priced in to the market.

The main contributors to the Fund's performance were all driven by positive trading news with Boku moving ahead sharply in anticipation of strong interim results, On The Beach rallying strongly on the back of a reassuring update after a period of share price weakness, and TT Electronics and Elektron Technology both responding well to positive updates. On the negative side Chemring was weak after an explosion at its UK Countermeasures facility, which tragically resulted in a fatality and caused the company to warn on this year's and next year's profit outlook. XP Power was weak despite reporting good results, however the impact on our overall return was marginal as we had previously been reducing our holding on valuation grounds.

The recent market volatility has enabled us to re-engage with several companies in our screened universe as they have come back to valuations that we regard as attractive. We have used the volatility in XP Power's price to start rebuilding our holding as well as bringing Elementis, an old favourite, and Convatec back into the portfolio. We also invested in Jadestone, an Asia Pac based oil producer, which is acquiring non-core assets from major operators on seemingly low valuations. Finally, we have started a holding in Spirent, the mobile networks and device testing business, which we expect to benefit from a pick-up in activity as the next 400G Ethernet network and 5G mobile phone technology cycles take off, following a prolonged period of market weakness. On the sell-side we exited Victrex, Next Fifteen and Anpario on valuation grounds.

Looking forwards, BREXIT remains a curate's egg with conciliatory noises towards an accommodation coming from the EU being counterbalanced by more noise from domestic political factions. We remain cognisant that any resolution is likely to drive a rebound in oversold UK cyclical names. Meanwhile global trade wars continue to ramp up, clouding the outlook for global GDP growth.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	6.60	1.02	1.34	4.13	15.98	82.78	124.14
Sector Rank	26/254	12/260	34/259	201/255	7/252	1/238	1/233
Quartile Ranking	1st	1st	1st	4th	1st	1st	1st
IA UK All Companies (%)	1.83	-1.31	-0.86	5.80	6.28	31.24	44.93

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.08.2018

Discrete Annual Performance

	31.08.17	31.08.16	31.08.15	31.08.14	31.08.13
Fund (%)	31.08.18	31.08.17	31.08.16	31.08.15	31.08.14
IA UK All Companies (%)	15.98	34.34	17.30	-	-
IA UK All Companies (%)	6.28	13.42	9.08	-	-

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.08.2018

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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

Codes (B Shares)

	Income	Accumulation
Sedol	BP85595	BP855B7
ISIN	GB00BP855954	GB00BP855B75

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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MI Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Equiniti Group	Support Services	2.0
2. CentralNic	Technology	1.8
3. Castleton Technology	Technology	1.8
4. Future plc	Media	1.8
5. Polypipe Group	Construction	1.8
6. Strix	Industrials	1.7
7. Coats Group	Industrials	1.7
8. Elektron Technology	Industrials	1.6
9. Tyman	Construction	1.6
10. Renew Holdings	Support Services	1.6
11. Tarsus Group	Media	1.6
12. Quixant	Technology	1.6
13. Liontrust Asset Management	Financials	1.6
14. RPS Group	Support Services	1.5
15. Morgan Advanced Materials	Industrials	1.5
16. Diversified Gas & Oil	Resources	1.5
17. XPS Pensions Group	Support Services	1.5
18. Clinigen	Healthcare	1.4
19. Brooks MacDonald	Financials	1.4
20. Oxford Metrics	Technology	1.4

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	24.0
Industrials	21.8
Financials	10.0
Support Services	9.6
Consumer	8.1
Healthcare	7.4
Construction	5.3
Media	5.2
Resources	3.9
Cash	4.7

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	14.7	14
£500m - £1bn	16.7	15
£250m - £500m	30.0	25
£100m - £250m	16.3	19
Below £100m	17.6	26
Cash and Income	4.7	N/A
Total	100.0	99

Source: Chelverton Asset Management Limited

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.