

Monthly Fact Sheet 31 July 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 31.07.18)

	Income	Accumulation
B Shares	101.23p	103.90p

Codes (B Shares)

	Income	Accumulation
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 generally strong during July. Focus was mainly on the results season, rather than on broader macro issues.

The fund was also up during the month. Leonardo, the Italian defence company, was the top performing holding in the fund, up over 20% during the month as positive results reassured the market that past issues are being resolved by the new CEO. Positive results from Roche, Sanofi and Novartis drove notable performance in all three holdings over the month. At the other end of the performance spectrum, Glanbia, which focuses primarily on sports nutrition, was down over 10% on no newsflow. It has since largely recovered, ahead of results due in early August. Subsea 7, an oil services company was the other notably weak performer, down 9%. The market continues to focus on the very short-term performance of the business and ignoring the improving trend in orders. The longer-term prospects for Subsea 7 are, in our opinion, excellent – the company is well placed to benefit from expected increases in capex from Oil exploration and development. We have been adding to our position into this short-term weakness.

In terms of investment activity, we purchased one new holding – Akka Technologies. Akka is a French engineering and R&D outsourcing company. With a forward free cashflow yield approaching 6%, we see a decent margin of safety. Founders/management own over 40% of the company, which should ensure good stewardship of capital. Elsewhere, we continue to top up existing holdings on an opportunistic basis, as we receive new flows into the fund.

Top 20 Holdings

Rank	Holding	Sector	% of Portfolio
1.	Roche	Health Care	2.8
2.	Sanofi	Health Care	2.8
3.	UBS	Financials	2.8
4.	Leonardo	Industrials	2.6
5.	PostNL	Industrials	2.5
6.	Novartis	Health Care	2.4
7.	Dometic	Consumer Goods	2.4
8.	ING Groep	Financials	2.4
9.	Zurich Insurance	Financials	2.4
10.	Ageas	Financials	2.2
11.	Bayer	Health Care	2.2
12.	Tessenderlo	Basic Materials	2.2
13.	Tenaris	Basic Materials	2.1
14.	Akka Technologies	Industrials	2.1
15.	Unilever	Consumer Goods	2.1
16.	Fugro	Oil & Gas	2.1
17.	Nordea	Financials	2.1
18.	Unicredit	Financials	2.1
19.	Siili	Technology	2.1
20.	ISS	Industrials	2.0

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	26.8	
Financials	19.0	
Consumer Goods	14.5	
Health Care	13.3	
Oil & Gas	7.3	
Basic Materials	6.2	
Technology	5.5	
Consumer Services	3.1	
Cash	4.3	

Geographic Breakdown

	% of Portfolio	
Netherlands	14.2	
Switzerland	13.2	
Sweden	11.4	
Italy	10.6	
France	10.2	
Germany	9.4	
Norway	7.2	
Ireland	6.5	
Belgium	4.4	
Denmark	3.5	
Spain	3.0	
Finland	2.1	
Cash	4.3	

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	49.0	23
€2bn - €5bn	12.6	7
Below €2bn	34.1	19
Cash and Income	4.3	N/A
Total	100.0	49

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.