

Monthly Fact Sheet 31 July 2018

Launch Date	20th October 2014
Fund Size	£274m
Historic Yield (%)*	0.94

Share Price (as at 31.07.18)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	214.97p	221.87p

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.

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

Our best performers in July were all technology stocks. Boku (software to enable online subscriptions to be paid through mobile phone bills) rose on a positive trading update and dotDigital bounced back strongly after a period of underperformance, caused by client spending slowing around the introduction of GDPR, as the company reassured on a resumption of growth. Finally, both IMIMobile and SDL performed well on the back of earnings enhancing acquisitions. On the negative tack, Wilmington fell back when it warned that recent investment in its business had failed to stimulate the commensurate pick-up in sales, and Proactis remained weak in the absence of any newsflow, with investor confidence still shaken by the surprise profits warning in April. Finally, Equiniti's share price remained under pressure, despite the company stating that 2018 profits were likely to be at the top end of market expectations. Equiniti has high levels of repeating revenues and we feel the shares are oversold, but with heavy investment in its US acquisition putting short-term pressure on cash flow, it may lack a catalyst for a re-rating in the immediate future.

On the trading front, we took some profits in more highly rated stocks, such as IMIMobile, which has enjoyed a significant re-rating at a time when its cash conversion has deteriorated due to high levels of capitalised development cost. We exited our holding in Melrose Industries, following its promotion to the FTSE100 index. We added a holding in Future, a B2C technology publishing business, after it announced a proposed acquisition of an online US publishing business, which gives it a leading market position in that geography. We also bought a holding in CentralNic, an internet domain name services business with high levels of recurring revenues, by participating in a placing to finance a significant acquisition.

As we move through the year, the market's direction has become increasingly hard to read and volatility has picked up. Concerns at the beginning of the month centred on Trump's trade war rhetoric and actions, but after his more conciliatory meeting with Claude Juncker, the market has reverted to fretting about the direction of interest rates. At the Mid to Small end of the market, where the Fund invests, the constant stream of fund raisings has started to impact on institutional liquidity and undermine secondary market prices. This scenario coupled with higher levels of individual stock volatility is throwing up quite a high number of investment opportunities at attractive valuations from our screened universe of cash generative stocks with high levels of revenue visibility.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	5.52	0.13	2.47	2.23	15.78	79.35	121.87
Sector Rank	40/255	208/262	184/257	211/256	10/252	1/239	1/234
Quartile Ranking	1st	4th	3rd	4th	1st	1st	1st
IA UK All Companies (%)	3.18	0.65	3.27	4.05	8.15	26.86	46.80

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.07.2018

Discrete Annual Performance

	31.07.17	31.07.16	31.07.15	31.07.14	31.07.13
	31.07.18	31.07.17	31.07.16	31.07.15	31.07.14
Fund (%)	15.78	41.64	9.36	-	-
IA UK All Companies (%)	8.15	16.17	1.11	-	-

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.07.2018

*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.

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31 July 2018

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	2.0
3. Clinigen	Healthcare	1.9
4. Strix	Industrials	1.8
5. Morgan Advanced Materials	Industrials	1.8
6. Coats Group	Industrials	1.8
7. Castleton Technology	Technology	1.8
8. Tyman	Construction	1.7
9. Tarsus Group	Media	1.7
10. Polypipe Group	Construction	1.6
11. Diversified Gas & Oil	Resources	1.6
12. Renew Holdings	Support Services	1.6
13. Liontrust Asset Management	Financials	1.6
14. Quixant	Technology	1.6
15. RPS Group	Support Services	1.6
16. XPS Pensions Group	Support Services	1.5
17. Elektron Technology	Industrials	1.4
18. Oxford Metrics	Technology	1.4
19. IMI	Industrials	1.4
20. Eco Animal Health Group	Healthcare	1.4

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	23.9
Industrials	22.5
Support Services	10.1
Financials	10.0
Consumer	8.7
Healthcare	7.8
Construction	5.4
Media	5.3
Resources	3.2
Cash	3.1

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	17.9	15
£500m - £1bn	14.5	13
£250m - £500m	30.1	26
£100m - £250m	18.2	21
Below £100m	16.2	25
Cash and Income	3.1	N/A
Total	100.0	100

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.