

## Monthly Fact Sheet 31 October 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.

<b>Launch Date</b>	6th March 2018
<b>IA Sector</b>	IA Europe ex UK

### Share Price (as at 31.10.18)

	Income	Accumulation
B Shares	91.97p	94.46p

### 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.

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#### 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.

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## MI Chelverton *European Select Fund*

### Monthly Manager Commentary

European markets were off sharply over the month of October. There were many issues, predominantly macro-related which fuelled this move down. Concerns over interest rate rises, especially in the US, dented confidence globally. Fears over further trade war acceleration was also an issue. Fears that corporate earnings may have peaked, and concerns over global growth generally were also apparent in market commentaries. Finally, unstable domestic political situations in the Eurozone generally also weighed on sentiment.

The fund was down over the month. However, there were some positive share price performances worth highlighting: Our recent purchase of BE Semiconductor, on a very attractive valuation, was up strongly. Grieg Seafood continued to perform strongly. Given this, and the now elevated valuation, the holding was sold. ICF group, the financial services business also enjoyed a strong month in terms of share price performance. On the negative side, Silli Solutions, an IT services business warned that short term profits would be affected by poor execution of International expansion. We believe that these issues are short term and continue to see the valuation as being very attractive. Dometic, the supplier of products to the recreational vehicle and marine markets was also down on the month, after a fairly bland trading update was taken poorly by the market. Post NL was also weak over the month, despite the Dutch mail and parcels company announcing positive news regarding cashflows. We took advantage of the weakness to add to this holding.

In terms of investment activity, we took profits in Greig Seafood as mentioned above. We also took profits in Glanbia, the nutritional products specialist. We took the decision to sell Naturhous after a review of recent trading updates left us nervous about the prospects for the Spanish diet franchise business. We took advantage of weak markets to add to a number of our holdings, and made three new purchases, buying BE Semiconductor Industries, Renault and Randstad.

Following market moves, plus the portfolio activity, the fund now has very attractive valuation characteristics. The 2019 PE is 11.6x, the current expected dividend yield is 4% gross and the average free cashflow yield is 6.6%.

### Top 20 Holdings

Rank	Holding	Sector	% of Portfolio
1.	PostNL	Industrials	3.5
2.	UBS	Financials	2.8
3.	Leonardo	Industrials	2.8
4.	ISS	Industrials	2.7
5.	Novartis	Health Care	2.7
6.	Inwido	Industrials	2.7
7.	Sanofi	Health Care	2.6
8.	Capgemini	Technology	2.6
9.	Bayer	Health Care	2.5
10.	Roche	Health Care	2.5
11.	Renault	Consumer Goods	2.4
12.	ING Groep	Financials	2.4
13.	Ringmetall	Industrials	2.4
14.	Fugro	Oil & Gas	2.4
15.	Nordea	Financials	2.3
16.	Dometic	Consumer Goods	2.3
17.	Bravida	Industrials	2.2
18.	Schneider	Industrials	2.2
19.	Subsea 7	Oil & Gas	2.2
20.	Bolsas y Mercados	Financials	2.2

Source: Chelverton Asset Management Limited



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**31 October 2018**

**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**

Please contact Spring Capital Partners, in the first instance.

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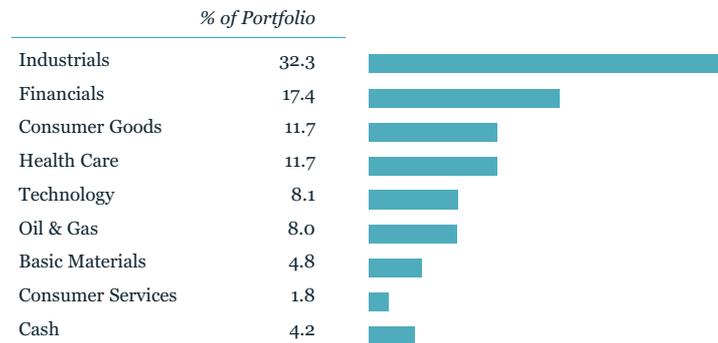
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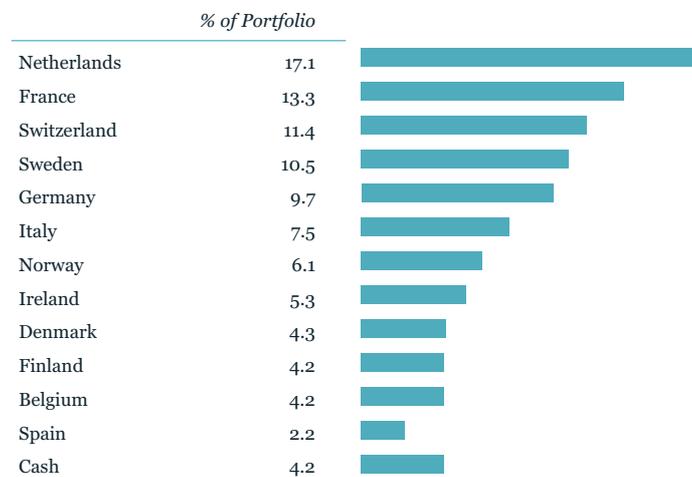


# MI Chelverton *European Select Fund*

## Sector Breakdown



## Geographic Breakdown



## Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	51.9	24
€2bn - €5bn	5.8	3
Below €2bn	38.1	20
Cash and Income	4.2	N/A
<b>Total</b>	<b>100.0</b>	<b>47</b>

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](mailto:Chelverton@maitlandgroup.co.uk) or call +44 (0) 1245 459 962.