

## Monthly Fact Sheet 31 October 2018

<b>Launch Date</b>	20th October 2014
<b>Fund Size</b>	£274m
<b>Historic Yield (%)*</b>	1.02

### Share Price (as at 31.10.18)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	197.58p	203.93p

### 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

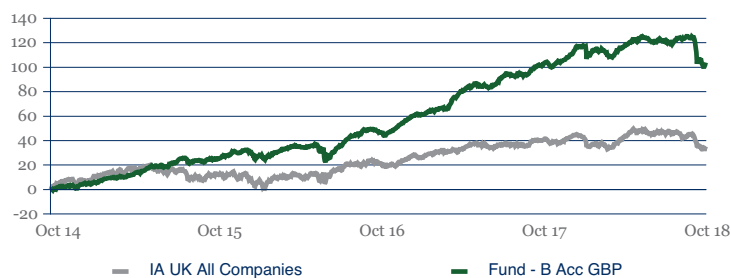
### Monthly Manager Commentary

The Fund had its worst month since launch in October as concerns over monetary tightening and trade wars caused a sharp market correction. The Fund was particularly badly hit partly due to its heavy weighting in AIM shares with investors perceiving them as being higher risk. The Fund's AIM weighting is largely driven to get exposure to the structural growth dynamics of technology stocks, which are for the most part listed on the junior market. As managers we assess risk according to the strength of a company's cashflow, balance sheet and earnings visibility, characteristics we screen for as part of our investment process, not the market its shares trade on. It's interesting that after the initial indiscriminate sell-off, individual companies like dotDigital and Elektron Technology have rallied on the back of reassuring news-flow. Another notable feature has been a fairly remorseless sell-off of the overseas industrials, as the market frets about the impact of trade tariffs on global industrial production, with stocks like IMI, Morgan Advanced Materials and Elementis falling back to valuations we haven't seen since the 2014/15 oil price collapse.

Overall, from a trading point of view, we have raised cash from our more highly rated holdings, particularly where they have held up well, exiting the Fund's relatively small positions in GB Group, RWS and Blancco Technology and top-slicing holdings in Porvair, Alpha FX, Boku, Tatton and Oxford Metrics, to name a few, whilst topping up the likes of Polypipe, Elektron Technology, dotDigital and RPS, which we felt had oversold in the correction.

It's not clear where the market goes from here and when we'll see an end to the current levels of volatility. Any resolution of Trump's trade war with China would provide welcome relief for the overseas industrial segment. Similarly, an acceptable deal on BREXIT would lift the oversold UK domestic segment, which held up relatively well in the recent sell-off, but events over the last few days only serve to prove how difficult it's going to be to achieve any consensus in Parliament. Against this backdrop, it's worth reiterating that the Fund continues to focus on cash generative stocks with pricing power and high levels of revenue visibility, with many stocks manifesting structural growth and non-correlated dynamics to GDP. Having been working hard to keep a lid on the Fund's overall valuation over this summer and post the recent sell-off, the Fund trades on its lowest average forward PER since launch.

### Performance Since Launch (%)



### Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	-3.01	-8.88	-8.09	-5.81	0.89	62.84	103.93
Sector Rank	41/252	221/258	128/258	142/254	19/252	1/239	1/231
Quartile Ranking	1st	4th	2nd	3rd	1st	1st	1st
IA UK All Companies (%)	-5.63	-6.75	-8.50	-5.56	-3.99	19.28	34.31

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.10.2018

### Discrete Annual Performance

	31.10.17	31.10.16	31.10.15	31.10.14	31.10.13
	31.10.18	31.10.17	31.10.16	31.10.15	31.10.14
Fund (%)	0.89	37.74	17.19	23.55	-
IA UK All Companies (%)	-3.99	15.37	7.85	7.41	-

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.10.2018

Monthly Fact Sheet  
**31 October 2018**

**ACD**  
Maitland Institutional Services Limited

**Investment Advisor**  
Chelverton Asset Management Ltd

**Administrator**  
Maitland Institutional Services Limited

**Income Paid** Anually  
**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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**springcapital**

## MI Chelverton UK Equity Growth Fund

### Top 20 Holdings

Holding	Sector	% of Portfolio
1. Polypipe Group	Construction	2.1
2. Future plc	Media	2.1
3. Clinigen	Healthcare	2.0
4. Tarsus Group	Media	2.0
5. Strix	Industrials	1.9
6. CentralNic	Technology	1.8
7. Alliance Pharma	Healthcare	1.7
8. XPS Pensions Group	Support Services	1.7
9. Coats Group	Industrials	1.7
10. Castleton Technology	Technology	1.6
11. Alpha FX	Financials	1.6
12. XP Power	Industrials	1.6
13. Renew Holdings	Support Services	1.6
14. Brooks MacDonald	Financials	1.5
15. Diversified Gas & Oil	Resources	1.5
16. Liontrust Asset Management	Financials	1.5
17. Elektron Technology	Industrials	1.5
18. Quixant	Technology	1.5
19. Tyman	Construction	1.5
20. dotDigital	Technology	1.4

Source: Chelverton Asset Management Limited

### Sector Breakdown

	% of Portfolio
Technology	22.6
Industrials	21.7
Financials	12.5
Support Services	9.7
Consumer	7.8
Healthcare	7.4
Media	5.7
Construction	5.5
Resources	3.9
Cash	3.2

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	15.6	13
£500m - £1bn	15.1	13
£250m - £500m	29.4	24
£100m - £250m	18.2	19
Below £100m	18.5	26
Cash and Income	3.2	N/A
<b>Total</b>	<b>100.0</b>	<b>95</b>

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.