

Monthly Fact Sheet 30 November 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 30.11.18)

	Income	Accumulation
B Shares	89.98p	92.41p

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 generally weaker again during November. The ongoing uncertainty caused by a number of macroeconomic issues (cyclical fears, trade wars, geopolitical uncertainty etc) continues to weigh on sentiment. European markets remain volatile and directionless. There has been a significant flight to perceived safe havens – companies which are not correlated to any form of economic cycle. Thus, areas such as Pharmaceuticals, Utilities and Telcos have performed well. We have a number of holdings in Pharmaceutical companies where we continue to find valuations attractive. However, we continue to struggle to see long term value in Telcos or Utilities – generally these are heavily indebted companies with poor track records of cash conversion facing structural challenges. Hence, we currently have no holdings in these areas.

The fund was also down over the month. The main detractors were our Oil Service companies, which were very weak, tracking the fall in the oil price, which was down some 31% over the month. Short term volatility in the oil price does not change our investment thesis that these companies are well capitalised, and well positioned to benefit from an uptick in exploration and production capex which is expected to increase from here. Despite the recent fall in the oil price, Brent Crude still remains above \$60 per barrel. It would take a significant further fall in the oil price from here before capex plans were de-railed materially, and we remain comfortable with our positions. It was not all doom and gloom however – with notably strong performances from Relx, Roche and Vestas.

In terms of investment activity, we took profits in Vestas, following a strong run in the share price. Vestas remains an interesting business, but we felt that the margin of safety was no longer attractive enough following the share price move. We added three new holdings to the portfolio over the month. We purchased Total, where the shares had fallen due to the weak oil price. On a PE of under 10x, and a dividend yield in excess of 5%, the valuation looks attractive here. We purchased Santander, adding to our financials exposure. Santander trades on a PE of 9x, with a 5% dividend yield and 0.7x price to book. We also purchased a small position in GAM Holding, the asset management company which has endured a torrid time recently, with an acquisition write-down and the suspension of a key fund manager. It is definitely a special/distressed situation, but there could be significant value here.

Top 20 Holdings

Holding	Sector	% of Portfolio
1. PostNL	Industrials	3.6
2. Novartis	Health Care	2.9
3. UBS	Financials	2.8
4. Inwido	Industrials	2.8
5. ISS	Industrials	2.8
6. Roche	Health Care	2.7
7. Sanofi	Health Care	2.7
8. Leonardo	Industrials	2.6
9. ING Groep	Financials	2.5
10. Bayer	Health Care	2.5
11. Nordea	Financials	2.4
12. Ringmetall	Industrials	2.3
13. Dometic	Consumer Goods	2.3
14. Fugro	Oil & Gas	2.3
15. Renault	Consumer Goods	2.3
16. Schneider	Industrials	2.2
17. BE Semiconductor	Technology	2.2
18. Unilever	Consumer Goods	2.2
19. Bravida	Industrials	2.2
20. Borr Drilling	Oil & Gas	2.2

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

Please contact Spring Capital Partners, in the first instance.

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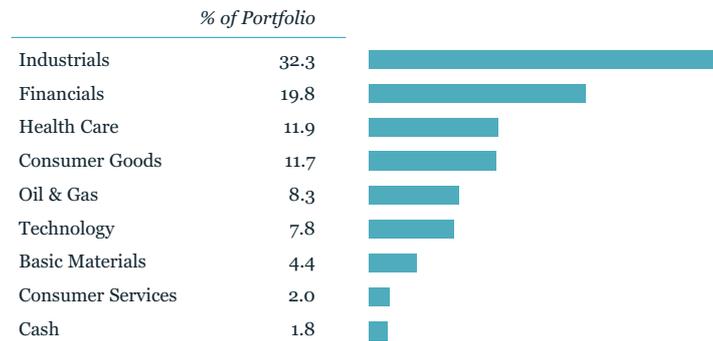
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MI Chelverton *European Select Fund*

Sector Breakdown



Geographic Breakdown



Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	53.5	25
€2bn - €5bn	4.9	3
Below €2bn	39.8	20
Cash and Income	1.8	N/A
Total	100.0	48

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.