

## Monthly Fact Sheet 31 May 2019

<b>Launch Date</b>	20th October 2014
<b>Fund Size</b>	£343m
<b>Historic Yield (%)*</b>	1.02

### Share Price (as at 31.05.19)

Shares	Income	Accumulation
B Shares	217.21p	226.91p

## 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

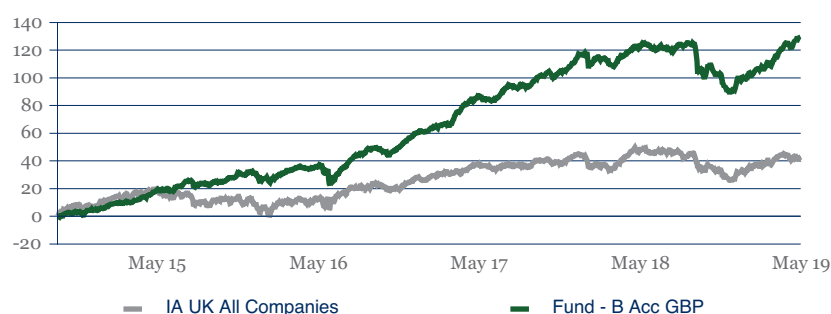
The Fund held up well in May, generating a modest positive return, against the backdrop of a falling market. This outperformance was helped by a bid for Tarsus, one of the Fund's larger holdings and strong performances from Future (its largest holding) and CentralNic, both on the back of well-received results. On the bear tack, our industrial stocks experienced weakness across the board on the renewal of trade wars, with Synthomer, Victrex, Elementis, XP Power and IMI all producing negative returns.

During the month we topped up several of the aforementioned industrial holdings, namely Elementis, Synthomer and Victrex. We added to our position in Rank Group after its accretive acquisition of Stride Gaming to strengthen its online Bingo offering. We built up the Fund's holding in Avon Rubber to a meaningful sized position after reassuring results and similarly added to Ideagen and Tatton Asset Management, taking advantage of recent share price weakness. In terms of new holdings, we participated in the IPO of Essensys, a software provider to the growing serviced office market, playing to the same theme we bought into with IWG, a major serviced office provider, which has heralded a move away from being a capital-intensive space provider to a capital light franchise model.

From a sale perspective, we exited On the Beach, the online holiday operator. Whilst we like the company's business model, we're concerned about the outlook for the UK short-haul holiday market with the inexorable drag from an extended BREXIT. We took a profit in Clipper Logistics, which rallied very sharply after our initial purchase before we had built up a meaningful holding. We also top sliced the Fund's holdings in Boku, JTC, Keystone Law and Future on the back of strong share price moves and Shield Therapeutics, which has now nearly doubled since our purchase in February.

Looking forwards, the market remains as hard to read as ever with political issues clouding normal economic considerations, with trade wars, BREXIT coming back to the fore after the EU elections and the upcoming Conservative Party leadership elections raising the perceived level of political risk. For now, momentum stocks, which sold off so sharply in Q4 2018, are back in vogue with some commentators suggesting it doesn't matter what price you pay for growth with reasonable visibility. The valuation gap between these stocks and unloved UK and industrial cyclicals continues to polarise to quite extreme levels. From the Fund's perspective we continue to look for cash generative companies and growth at acceptable valuations, taking advantage where we can of the high levels of volatility we are seeing across the market.

## Performance Since Launch (%)



Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.05.2019

## Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	18.48	0.77	10.37	12.32	2.59	66.80	126.91
Sector Rank	9/256	9/257	11/256	8/255	24/252	1/236	1/226
Quartile Ranking	1st	1st	1st	1st	1st	1st	1st
IA UK All Companies (%)	10.16	-3.23	2.88	4.93	-5.02	22.49	38.93

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.05.2019

## Discrete Annual Performance

	31.05.18 31.05.19	31.05.17 31.05.18	31.05.16 31.05.17	31.05.15 31.05.16	31.05.14 31.05.15
Fund (%)	2.59	18.60	37.09	14.77	-
IA UK All Companies (%)	-5.02	6.37	21.46	-5.49	-

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.05.2019

**Monthly Fact Sheet**  
**31 May 2019**

**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. Future plc	Media	2.4
2. Clinigen	Healthcare	2.0
3. Restore	Support Services	2.0
4. CentralNic	Technology	1.9
5. Euromoney Institutional Investor	Media	1.8
6. Strix	Consumer	1.7
7. Alliance Pharma	Healthcare	1.7
8. Volution Group	Construction	1.6
9. XPS Pensions Group	Financials	1.6
10. Tarsus Group	Media	1.6
11. Castleton Technology	Technology	1.6
12. Avon Rubber	Aerospace & Defence	1.6
13. IMImobile	Technology	1.6
14. Tyman	Construction	1.6
15. Renew Holdings	Support Services	1.5
16. Diversified Gas & Oil	Resources	1.5
17. Elementis	Industrials	1.5
18. Elektron Technology	Industrials	1.5
19. Brooks MacDonald	Financials	1.4
20. SDL	Technology	1.4

Source: Chelverton Asset Management Limited

### Sector Breakdown

	% of Portfolio
Technology	27.0
Industrials	13.2
Financials	11.6
Healthcare	9.6
Support Services	9.2
Consumer	6.4
Media	6.1
Construction	5.4
Resources	4.4
Aerospace & Defence	3.9
Cash	3.2

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	13.6	12
£500m - £1bn	14.9	13
£250m - £500m	33.8	28
£100m - £250m	19.9	24
Below £100m	14.6	26
Cash and Income	3.2	N/A
<b>Total</b>	<b>100.0</b>	<b>103</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.