

Monthly Fact Sheet

30 June 2019

About the Fund

The objective of the Chelverton European Select Fund is to generate long term compounding outperformance of major Continental European indices and peers. The aim is to deliver capital growth to investors over the longer term and achieve this by buying companies with strong free cash flow characteristics that the managers believe are being undervalued by the market.

The fund is a Europe ex-UK equity fund managed within the Investment Association guidelines for its sector. It invests solely in the equity securities of companies listed in Europe, but outside of the UK, across the size spectrum down to a minimum market capitalisation of €50m.

Launch Date	6th March 2018
IA Sector	IA Europe ex UK

Share Price (as at 30.06.19)		
	<i>Income</i>	<i>Accumulation</i>
B Shares	97.63p	100.59p

Codes (B Shares)		
	<i>Income</i>	<i>Accumulation</i>
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.



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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Monthly Manager Commentary

European markets rebounded strongly in June, recouping much of their losses from May. Mario Draghi's dovish comments regarding potential future ECB interest rate cuts were taken positively. Hopes of a resolution to the current US China trade dispute were also heightened ahead of the meeting between Donald Trump and Mr Xi, taking place at the G20 summit in Japan at the end of the month.

The fund performed strongly over the month. The best performer was TKH, a technology business focussed on four core technologies – vision and security, mission critical communication, connectivity and smart manufacturing systems. The shares responded very positively to an update at a capital markets day whereby TKH increased its guidance and planned to divest of non-core businesses. Bayer also had a good month, with the shares reacting positively to the news that it has set up a committee to focus on the Glyphosate litigation issues and retained a legal expert to strengthen its negotiation team. Also noteworthy was the strong performance of our Semiconductor cluster, driven by hopes of a resolution to the US China trade dispute. There were no significant detractors from performance over the month.

Two new holdings were purchased during the month. Lastminute.com was a well-known cheap online flight business which came to prominence during the dot com boom. It has returned to the public market as a technology driven business, having developed a dynamic packaging platform which allows customers to select various combinations of flights, accommodation, car hire etc. Booking.com, the largest online travel agent with a 50% market share in Europe attempted to build this technology but didn't succeed, and now licenses from Lastminute.com. It is an asset light business, with a strong balance sheet, good growth prospects and a double digit free cashflow yield. It is an exciting investment prospect. Bouvet is an addition to our IT services cluster, an area with good long-term structural growth prospects. Bouvet is focussed on the Oil and Gas, and Public Sector verticals. It has a net cash balance sheet, a free cashflow yield approaching 6% and revenue growth prospects of over 8% for the next three years.

The fund sold out of JM, a Swedish housebuilder. The shares have performed well, as the Swedish housing market shows signs of recovery, and the valuation is no longer compelling. We also exited Ageas, the multi-line insurance business, for a modest profit. The sale was driven more by the opportunity cost of better ideas elsewhere in the portfolio, rather than any specific issue relating to Ageas itself.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	19.14	7.30	9.27	19.14	-0.14	-	0.59
Sector Rank	21/104	14/107	39/106	21/104	80/103	-	69/102
Quartile Ranking	1st	1st	2nd	1st	4th	-	3rd
IA Europe ex UK (%)	16.42	6.36	8.54	16.42	2.83	-	3.96

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 30.06.2019

Discrete Annual Performance

	30.06.18	30.06.17	30.06.16	30.06.15	30.06.14
	30.06.19	30.06.18	30.06.17	30.06.16	30.06.15
Fund (%)	-0.14	-	-	-	-
IA Europe ex UK (%)	2.83	-	-	-	-

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 30.06.2019

Sector Breakdown

	% of Portfolio
Industrials	23.2
Healthcare	16.2
Technology	15.3
Financials	15.2
Consumer Goods	10.7
Oil & Gas	7.9
Consumer Services	5.0
Basic Materials	2.1
Cash	4.4

Geographic Breakdown

	% of Portfolio
Netherlands	21.6
France	18.4
Switzerland	14.2
Germany	8.9
Sweden	7.9
Norway	5.8
Denmark	5.0
Ireland	3.9
Spain	3.7
Finland	3.1
Italy	3.1
Cash	4.4

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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

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Top 20 Holdings

Holding	Sector	% of Portfolio
1. Novartis	Healthcare	3.1
2. Kaufman & Broad	Consumer Goods	3.1
3. Bayer	Healthcare	3.0
4. Roche	Healthcare	2.8
5. BE Semiconductor	Technology	2.8
6. Danone	Consumer Goods	2.7
7. Unilever	Consumer Goods	2.7
8. RELX	Consumer Services	2.6
9. Novo Nordisk	Healthcare	2.6
10. UBS	Financials	2.6
11. Arcadis	Industrials	2.5
12. Akka Technologies	Industrials	2.5
13. Sanofi	Healthcare	2.5
14. ASM International	Technology	2.4
15. ISS	Industrials	2.4
16. Lastminute.com	Consumer Services	2.4
17. Santander	Financials	2.4
18. Zurich Insurance	Financials	2.4
19. TGS	Oil & Gas	2.3
20. PostNL	Industrials	2.3

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	47.3	20
€2bn - €5bn	15.4	7
Below €2bn	32.9	17
Cash and Income	4.4	N/A
Total	100.0	44

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.