

Monthly Fact Sheet 31 October 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 31.10.19)		
	<i>Income</i>	<i>Accumulation</i>
B Shares	98.06p	103.29p

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.

MI Chelverton European Select Fund

Monthly Manager Commentary

European markets were lower generally over the month. Focus has switched from macroeconomic issues to company results. Results have been mixed, though there are tentative signs that some of the more economically sensitive areas of the market are starting to see some stabilisation of demand.

The fund was flat, in performance terms, over the month. Positive results from some of the fund's industrial businesses, including Hexpol (advanced polymer compound producer), Valmet (equipment and services to the pulp and energy markets), and BE Semiconductor (packaging equipment for semiconductor industry) drove good share price performance. Bank of Ireland, and D'Teteren (a recent addition to the fund) also performed strongly over the month.

On the negative side, Subsea 7 (oil services) was weaker, as continued lower oil prices are delaying the expected capex increases from oil producers. This feels like a timing issue, and with the stock trading at a material discount to book value and with a net cash balance sheet, we took advantage of the recent weakness and added to our holding. Kaufman and Broad, the French housebuilder, was also weaker over the month, on short term concerns about disruption to planning from the upcoming French Municipal elections. Having spoken to the company, we feel that this is a short-term timing issue, rather than a fundamental concern and remain very comfortable with our investment.

The fund made one new purchase over the month. Recticel specialises in polyurethane processing. It is streamlining its operations, following a failed attempt by a competitor to buy the business. Growth prospects are good for the insulation business which the company will focus on, and the free cashflow yield is attractive at almost 7%.

The fund took profits in Bravida, exiting the holding. Recent strong share price performance at the Swedish heating ventilation and electricity specialist has driven the valuation up to less attractive levels and it was felt that we had better opportunities elsewhere. We also sold Aubay from our IT services cluster, adding to other existing holdings in the area on more attractive valuations.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	22.33	-0.11	0.16	5.02	9.35	-	3.29
Sector Rank	10/119	23/122	11/122	21/121	54/119	-	67/118
Quartile Ranking	1st	1st	1st	1st	2nd	-	3rd
IA Europe ex UK (%)	15.86	-1.30	-2.85	2.73	8.51	-	3.64

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.10.2019

Discrete Annual Performance

	31.10.18	31.10.17	31.10.16	31.10.15	31.10.14
Fund (%)	9.35	-	-	-	-
IA Europe ex UK (%)	8.51	-	-	-	-

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.10.2019

Sector Breakdown

	% of Portfolio
Industrials	16.1
Health Care	16.0
Financials	15.6
Technology	14.3
Consumer Goods	12.5
Oil & Gas	9.1
Consumer Services	7.8
Basic Materials	4.3
Cash	4.3

Geographic Breakdown

	% of Portfolio
Netherlands	18.4
France	15.4
Switzerland	15.3
Sweden	8.1
Germany	8.1
Norway	7.1
Finland	6.8
Belgium	4.6
Ireland	4.2
Spain	2.8
Denmark	2.7
Belgium	2.2
Cash	4.3

Monthly Fact Sheet
31 October 2019

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

Dealing Line 0345 305 4217

Dealing Fax 0845 280 0188

FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

Tel +44 (0)20 3195 0076

Email chelverton@springcapitalpartners.com

Visit springcapitalpartners.com

springcapital

MI Chelverton *European Select Fund*

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Lastminute.com	Consumer Services	3.6
2. Nordea	Financials	3.2
3. Arcadis	Industrials	3.0
4. Kaufman & Broad	Consumer Goods	2.9
5. Roche	Healthcare	2.9
6. Novartis	Healthcare	2.9
7. Santander	Financials	2.8
8. Infotel	Technology	2.8
9. Bayer	Healthcare	2.8
10. Total	Oil & Gas	2.7
11. Novo Nordisk	Healthcare	2.7
12. CPL Resources	Industrials	2.5
13. Fresenius	Healthcare	2.5
14. Valmet	Industrials	2.5
15. UBS	Financials	2.4
16. Swedish Match	Consumer Goods	2.4
17. Recticel	Basic Materials	2.4
18. BE Semiconductor	Technology	2.4
19. Zurich Insurance	Financials	2.3
20. Sanofi	Healthcare	2.3

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	46.6	20
€2bn - €5bn	19.9	10
Below €2bn	29.2	14
Cash and Income	4.3	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. The contents of this document are intended for Professional Investors and Eligible Counterparties only. 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.