

Monthly Fact Sheet 31 January 2020

Launch Date	20th October 2014
Fund Size	£545m
Historic Yield (%)*	1.13

Share Price (as at 31.01.20)

Shares	Income	Accumulation
B Shares	256.22p	270.69p

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

After the very strong end to 2019 in the wake of the Conservative party election victory, January turned out to be somewhat underwhelming, with investor enthusiasm dampened by the short BREXIT trade deal timetable and the heightened risk of no-deal coming to the fore again. The Fund had an underwhelming month, returning just 0.54%, ahead of its IA All Companies benchmark but roughly in line with small caps, its investment focus, which outperformed.

There were few stand-out performers. Liontrust Asset Management and dotDigital were the best contributors with strong gains following on from positive trading updates in the month. On the negative side, Elementis fell back after a weak trading update and Accesso Technology sold off sharply when its longstanding formal sales process was terminated with no bid being recommended by the board.

With heavy inflows into the Fund after the conclusive election result and the very strong performance seen last year, which had driven up the overall forward valuation on the Fund, we have been active on the dealing front, deploying inflows and engineering more value back into the fund. To this end, we top-sliced several holdings which have performed very strongly and where we felt short-term valuations were getting somewhat stretched, like Keystone Law, IMIMobile and Ideagen. We exited Avon Rubber and Oxford Metrics, two longstanding favourites, which have served the Fund very well, on valuation grounds. We bought more Accesso Technology after its bid talks collapsed as we feel the underlying business case is sound and the shares are undervalued. Likewise, we kept adding to Elementis on weakness. Apart from this we topped up a wide number of holdings where we felt valuations remain relatively attractive and added several new holdings, namely Vitec (professional camera and broadcast accessories), Weir (mining equipment), Next Fifteen (digital marketing consultancy) and River and Mercantile (asset management) on what we regard as relatively attractive valuations.

Looking forwards, the election of a majority Conservative government has removed some of the uncertainty and perceived risks overhanging the domestic economy and provides a clear direction of travel, so that businesses can now plan for the future and make investment decisions that were increasingly being stalled because of central government inertia. Early signs of housing market activity picking up and the likelihood of increased government spending, particularly on infrastructure, have boosted the previously unloved and oversold construction sector. These stocks and ongoing strength in the momentum growth segment have been the main drivers of UK mid and small caps so far this year. On the global front, with trade tensions between the USA and China now easing, the COVID-19 coronavirus outbreak has now emerged as the main threat to global GDP growth, with the extended New Year holiday shut-down and travel restrictions in China already impacting industrial supply chains with possible implications for the supply of consumer durables into the retail market. Hopefully, the disease can be contained with only modest implications for global growth, whilst any general contagion would obviously undermine the wider economy, albeit for a limited period of time.

Performance Since Launch (%)



Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.01.2020

Cumulative Performance

	YTD	1 m	3 m	1 yr	3 yr	5 yrs	Since Launch
Fund (%)	0.54	0.54	15.27	34.74	67.78	155.75	170.69
Sector Rank	15/253	15/253	4/253	3/250	1/241	1/225	1/221
Quartile Ranking	1st	1st	1st	1st	1st	1st	1st
IA UK All Companies (%)	-2.38	-2.38	4.87	13.35	20.39	37.03	51.17

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.01.2020

Discrete Annual Performance

	31.01.19	31.01.18	31.01.17	31.01.16	31.01.15
	31.01.20	31.01.19	31.01.18	31.01.17	31.01.16
Fund (%)	34.74	-7.43	34.52	26.76	20.25
IA UK All Companies (%)	13.35	-5.58	12.48	17.58	-3.19

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.01.2020

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31 January 2020

ACD
Maitland Institutional Services Limited

Investment Advisor
Chelverton Asset Management Ltd

Administrator
Maitland Institutional Services Limited

Income Paid Annually

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 0.91

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FURTHER INFORMATION

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MI Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. dotDigital	Technology	2.3
2. Future plc	Media	2.2
3. Volution Group	Construction	2.0
4. Clinigen	Healthcare	1.9
5. Sthree	Support Services	1.8
6. Elementis	Industrials	1.6
7. Euromoney Institutional Investor	Media	1.6
8. SDL	Technology	1.6
9. Liontrust Asset Management	Financials	1.6
10. CentralNic	Technology	1.6
11. Codemasters	Consumer	1.5
12. Renew Holdings	Support Services	1.5
13. Consort Medical	Healthcare	1.5
14. Morgan Advanced Materials	Industrials	1.5
15. Weir Group	Industrials	1.4
16. Alliance Pharma	Healthcare	1.4
17. Vitec Group	Media	1.4
18. Restore	Support Services	1.4
19. Tyman	Construction	1.4
20. Chemring	Aerospace & Defence	1.3

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	20.6
Healthcare	10.4
Financials	10.0
Consumer	9.7
Industrials	9.5
Construction	9.3
Support Services	8.3
Media	6.5
Resources	4.5
Aerospace & Defence	2.0
Cash	9.2

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	14.3	13
£500m - £1bn	17.2	14
£250m - £500m	28.6	27
£100m - £250m	20.2	28
Below £100m	10.5	28
Cash and Income	9.2	N/A
Total	100.0	110

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. 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)345 305 4217.