

## Monthly Fact Sheet

**31 May 2020**

**Launch Date** 20 October 2014

**Fund Size** £602m

**Historic Yield\*** 1.32%

**Share Price** (as at 31.05.20)

Shares	Income	Accumulation
B Shares	218.99p	231.36p

### 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

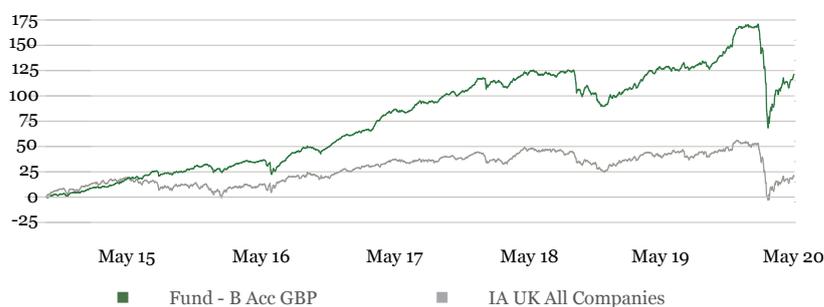
Apart from a period of softness at the beginning of the month, the Fund and wider market continued to rally in May, with investor confidence growing as economies around the world emerged tentatively from lockdown. The healthcare sector was the primary driver of the Fund's performance in May with Clinigen, its largest holding, returning 21% and notably strong performances from Renalytix, Amryt Pharma and EKF Diagnostics as well. Future (media), the fund's second largest holding, made the largest individual contribution to the Fund's performance returning over 33% in the month.

During May, we progressively reduced the Fund's cash position from 10.3% to 6.3%. We supported a fund raising by Accesso Technology, the online ticketing business for theme parks and events, to strengthen its balance sheet for a period of no trading. We added to a broad range of existing stocks which we felt remained undervalued across the construction (Tyman, Severfield, VP), media (Ascential, Euromoney, Next Fifteen, Tremor International) and industrial (Elementis, Trifast, Bodycote) sectors as well as building up holdings in Inchcape, RPS and Brooks MacDonald. New investments included Premier Foods, where new management are reviving a collection of classic British grocery brands such as Oxo, Ambrosia and Mr Kipling. We also bought a position in Xaar, a market leader in industrial inkjet printing technology, something of a fallen star, which is also being revived by new management.

On the sell side we top-sliced some of the Fund's strongly performing healthcare stocks, notably EKF Diagnostics, which had doubled from the level we paid in March, and Renalytix. Evidence of the quite extreme individual share price volatility we've witnessed recently was provided by Future, which we trimmed 40% above the level we'd paid for shares earlier in May, as its price responded to reassuring results, and 115% above the price paid in March, at the nadir of the market.

Looking forwards we've been surprised by the strength of the market rally, the rapidity of which we've not witnessed as the economy has emerged from previous recessions, but no doubt in part fuelled by the prodigious amounts of monetary stimulus by central banks, driving liquidity into the equity market. The rally has now extended beyond the safe haven "bond proxies" and growth stocks, where it started, to more economically sensitive sectors. However, it's not clear that the economy will bounce straight back from the effects on the lockdown, and other issues such as trade wars and BREXIT have not gone away, but if anything been exacerbated by recent events. We are comfortable, therefore, that we've tilted the emphasis in the portfolio to less economically correlated shares with relatively robust earnings even in an economically challenged environment. The exception to this is the Fund's more elevated exposure to the construction sector, which will hopefully benefit from being at the front end of any recovery, as the government pulls its fiscal levers to jump start the economy.

### Performance Since Launch (%)



Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.05.2020

### Cumulative Performance

	YTD	1 m	3 m	1 yr	3 yrs	5 yrs	Since Launch
Fund (%)	-14.07	4.00	-5.12	1.96	24.05	95.20	131.36
Rank in sector	61/251	60/251	70/251	14/250	6/239	1/224	1/220
Quartile	1st	1st	2nd	1st	1st	1st	1st
IA UK All Companies (%)	-18.24	2.92	-7.58	-9.31	-7.76	5.90	26.60

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.05.2020

### Discrete Annual Performance (%)

	31.05.19 31.05.20	31.05.18 31.05.19	31.05.17 31.05.18	31.05.16 31.05.17	31.05.15 31.05.16
Fund (%)	1.96	2.59	18.60	37.10	14.77
IA UK All Companies (%)	-9.31	-4.73	6.76	21.71	-5.67

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.05.2020



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**31 May 2020**

**ACD**  
Maitland Institutional Services Limited

**Investment Advisor**  
Chelverton Asset Management Limited

**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 0.90

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### FURTHER INFORMATION

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# MI Chelverton UK Equity Growth Fund

## Top 20 Holdings

Holding	Sector	% of Portfolio
1. Clinigen	Healthcare	2.4
2. Future	Media	2.2
3. dotDigital	Technology	1.7
4. Diversified Gas & Oil	Resources	1.6
5. Alliance Pharma	Healthcare	1.5
6. Volution Group	Construction	1.5
7. Synthomer	Industrials	1.5
8. CentralNic	Technology	1.5
9. Restore	Support Services	1.4
10. IMImobile	Technology	1.4
11. SDL	Technology	1.4
12. Renew Holdings	Support Services	1.4
13. Weir Group	Industrials	1.4
14. Gamesys	Consumer	1.3
15. FRP Advisory	Financials	1.3
16. Liontrust Asset Management	Financials	1.3
17. Vitec group	Media	1.3
18. Morgan Advanced Materials	Industrials	1.2
19. Zegona Communications	Telecoms	1.2
20. IWG	Support Services	1.2

Source: Chelverton Asset Management Limited

## Sector Breakdown

	% of Portfolio
Technology	19.7
Healthcare	13.2
Consumer	9.9
Financials	9.3
Industrials	9.3
Support Services	9.2
Media	7.5
Construction	7.5
Resources	4.2
Aerospace & Defence	2.7
Telecoms	1.2
Cash	6.3

## Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	14.8	13
£500m - £1bn	11.3	11
£250m - £500m	30.2	31
£100m - £250m	26.1	36
Below £100m	11.3	32
Cash and Income	6.3	N/A
<b>Total</b>	<b>100.0</b>	<b>123</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. 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.