

Monthly Fact Sheet

31 July 2020

About the Fund

The objective of the fund is to deliver long term capital growth to investors by investing in a diversified portfolio of European (ex-UK) companies. The fund has an unconstrained approach investing across the size spectrum down to a minimum market capitalisation of c.€50m.

Using cashflow analysis, the strong valuation discipline will always deliver a material premium to the market in terms of free cashflow yield, and will always have a risk constraint of having lower net debt to EBITDA than the market at the portfolio level. These two commitments will be delivered whilst being invested in companies which have good long-term growth prospects.

Launch Date	6 March 2018
IA Sector	IA Europe ex UK

Share Price (as at 31.07.20)	<i>Income</i>	<i>Accumulation</i>
	B Shares	95.12p

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

Corporate reporting season was in full swing during July, with the market looking for further clues as to how Covid is affecting various companies and sectors. Results were, as expected, varied, with some businesses heavily affected by Covid restrictions, while others, able to adapt quickly to a work from home model, saw only limited effects. US-China tensions escalated somewhat over the month, and this, combined with some poor macroeconomic data, served to curb investor demand, leaving European indices lower over the month.

The fund was down slightly over the month. The results season was understandably mixed for our holdings. We were pleased to see the resilience of business models generally. However, some investments in a diverse portfolio were always going to be affected more significantly by Covid restrictions in the second quarter. We are confident that our more affected investments have the necessary balance sheet strength to endure these tougher times and emerge strongly going forward.

On the positive side, very reassuring updates from a number of our IT service companies led to very strong share price performances, with Ordina, Sword, Infotel and Knowit all enjoying double digit share price performances over the month. Elsewhere, Kaufman and Broad, a French housebuilder was the strongest performer in the fund over the month, rising on news that a rival firm had acquired over 13% of Kaufman's equity. Rejlers and Arcadis, two technical consultancy holdings, also performed well following positive updates. Signify, which specialises in lighting, also enjoyed a positive share price reaction to reassuring results.

On the negative side Barco, a technology company with exposure to the cinema and entertainment business had an understandably mixed trading update, and the shares were weaker despite the company having a very strong net cash balance sheet and seeing some signs of recovery. Hexpol, an industrial polymers business with exposure to the Automotive industry was also weak. Hexpol continues to generate healthy levels of free cashflow, and also has a very strong balance sheet. Relx, which focusses on legal and scientific publications, was also weak as its Exhibitions business, although small in comparison to its other business areas, was heavily affected by global lockdowns.

Over the month we sold our position in ST Microelectronics. Our semiconductor holdings have performed very strongly and we decided to lock in some profits.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	-7.86	-0.79	10.96	-5.51	-1.83	-	1.24
Rank in sector	95/118	78/119	84/119	93/119	57/117	-/-	73/113
Quartile	4th	3rd	3rd	4th	2nd	-	3rd
IA Europe Ex UK (%)	-2.16	-0.13	12.58	-0.63	-1.25	-	5.35

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.07.2020

Discrete Annual Performance (%)

	31.07.19	31.07.18	31.07.17	31.07.16	31.07.15
Fund (%)	-1.83	-0.75	-	-	-
IA Europe Ex UK (%)	-1.25	1.74	-	-	-

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.07.2020

Sector Breakdown

	% of Portfolio
Technology	26.8
Industrials	16.6
Consumer Goods	14.9
Health Care	13.7
Financials	8.3
Consumer Services	6.8
Basic Materials	4.4
Oil & Gas	2.8
Cash	5.7

Geographic Breakdown

	% of Portfolio
Netherlands	24.1
France	18.0
Switzerland	12.0
Sweden	11.5
Germany	6.4
Belgium	6.2
Finland	5.3
Ireland	3.1
Italy	3.1
Norway	2.4
Denmark	2.2
Cash	5.7

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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	3.7
2. Sword	Technology	3.3
3. Roche	Healthcare	3.2
4. CPL Resources	Industrials	3.1
5. Arcadis	Industrials	3.0
6. Knowit	Technology	2.9
7. Siili	Technology	2.7
8. Danone	Consumer Goods	2.7
9. ASM International	Technology	2.7
10. Ahold Delhaize	Consumer Services	2.6
11. Recticel Common	Basic Materials	2.5
12. Signify	Industrials	2.5
13. Sanofi	Healthcare	2.5
14. BE Semiconductor Industries	Technology	2.5
15. Unilever	Consumer Goods	2.4
16. Relx	Consumer Services	2.4
17. Handelsbanken	Financials	2.4
18. Rjellers	Industrials	2.4
19. Kaufman & Broad	Consumer Goods	2.3
20. Intofel	Technology	2.2

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	45.1	20
€2bn - €5bn	10.5	6
Below €2bn	38.7	18
Cash and Income	5.7	N/A
Total	100.0	44

Source: Chelverton Asset Management Limited

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.