

Monthly Fact Sheet

31 August 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 31.08.20)

	Income	Accumulation
B Shares	99.22p	105.60p

Codes (B Shares)

	Income	Accumulation
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 equity markets posted positive returns over August, despite the continuation of US-China trade tensions. More economically sensitive areas of the market continued to make gains, as investors continued to digest information from the interim results season, which is now largely complete.

The fund performed strongly over the month. Performance was largely driven by smaller companies within the portfolio as a result of generally very robust interim results. There were few outright negative contributors to performance, but these generally came from our more defensive or less economically sensitive holdings.

There were strong gains from a number of our smaller IT service businesses, including Siili and Knowit. There have been a number of bids in the sector, generally private equity backed management buyouts, which has started to pique investor interest. We remain very positive about this area of the market, believing that these companies offer the opportunity to be invested in businesses with cheap, growing cashflows and structural tail winds. To this end we have added a further two holdings over the month – Adesso, a fast-growing German IT consultant and Novabase, a Portuguese consultant which offers a good combination of growth and also a committed high dividend pay-out. Elsewhere, Rejlers, a Scandinavian based technical consultant also posted strong share price gains over the month.

As previously stated, there were few outright negative performances from our holdings. Less economically sensitive companies such as Unilever, Sanofi and Danone lagged the market in terms of performance. Kaufman and Broad, our French housebuilding holding, gave back some of its strong gains over the previous month as the market switched focus away from recent stake-building in the company.

Over the month we sold our positions in Adidas and Kardex, following strong share price performances from both in recent months, leaving valuations less attractive. We continue to admire the business models of both, but for now we can see more attractive opportunities elsewhere.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	-3.89	4.31	9.08	5.54	4.67	-	5.60
Rank in sector	88/118	11/119	18/119	86/119	41/117	-/-	65/113
Quartile	3rd	1st	1st	3rd	2nd	-	3rd
IA Europe Ex UK (%)	0.35	2.57	6.92	8.61	3.34	-	8.06

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.08.2020

Discrete Annual Performance (%)

	31.08.19	31.08.18	31.08.17	31.08.16	31.08.15
Fund (%)	4.67	-1.77	-	-	-
IA Europe Ex UK (%)	3.34	0.33	-	-	-

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.08.2020

Sector Breakdown

	% of Portfolio
Technology	30.7
Industrials	15.9
Consumer Goods	13.0
Health Care	12.8
Financials	8.3
Consumer Services	7.0
Basic Materials	4.5
Oil & Gas	3.6
Cash	4.2

Geographic Breakdown

	% of Portfolio
Netherlands	24.1
France	17.0
Sweden	11.8
Switzerland	10.5
Germany	7.1
Belgium	6.2
Finland	5.8
Norway	3.2
Italy	3.0
Ireland	3.0
Portugal	2.1
Denmark	2.0
Cash	4.2

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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

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FURTHER INFORMATION

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MI Chelverton *European Select Fund*

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Novartis	Healthcare	3.5
2. Siili	Technology	3.2
3. Arcadis	Industrials	3.1
4. Roche	Healthcare	3.0
5. CPL Resources	Industrials	3.0
6. Sword	Technology	2.9
7. Knowit	Technology	2.7
8. Signify	Industrials	2.6
9. Intofel	Technology	2.6
10. Danone	Consumer Goods	2.5
11. ASM International	Technology	2.5
12. Ahold Delhaize	Consumer Services	2.5
13. BE Semiconductor Industries	Technology	2.5
14. Rjelers	Industrials	2.5
15. Relx	Consumer Services	2.4
16. Recticel Common	Basic Materials	2.4
17. Handelsbanken	Financials	2.4
18. Sanofi	Healthcare	2.3
19. Unilever	Consumer Goods	2.2
20. Ordina	Technology	2.2

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	42.3	19
€2bn - €5bn	13.1	7
Below €2bn	40.4	18
Cash and Income	4.2	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.