

Monthly Fact Sheet

30 September 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 30.09.20)

	Income	Accumulation
B Shares	99.80p	106.23p

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 were fairly volatile over the month, ending up largely unchanged. Investor focus began shifting back to the rising number of Covid cases generally, and concerns about the effect of these on the early stages of economic recovery.

The fund was slightly up over the month. The biggest positive contribution to performance came from one of our Industrial holdings, Signify, which is the former Philips Lighting business. Signify has recovered strongly in recent months and is starting to gain the attention of environmental investors, given its credentials as an energy-saving business. It remains very attractively valued, despite the recent outperformance. CPL Resources (temporary and permanent recruitment) was also up strongly, following the publication of results which reassured the market. With net cash equating to almost 1/3rd of its market capitalisation, and strong free cash generation, we continue to believe that CPL is materially mispriced. Hexpol, a Scandinavian based global polymers business has also recovered strongly in recent months. Here, we decided to exit the holding as the valuation now appears quite full.

Banks continued to be under pressure in the month. The return of concerns over economic recovery and the challenge of making money in a low interest rate environment were at the core of this underperformance. We continue to see Svenska as a quality bank, with a strong track record of delivering returns on equity in excess of 12% per annum. We own ING primarily due to its core strength as an online challenger bank and would cite the recent agreement with Amazon in the German market as an example of these strengths. Nevertheless, the banks can and do get caught up in short term sentiment – we continue to back both.

As well as the previously mentioned sale of Hexpol, we also exited Prosus, following strong share price performance in recent months.

Cumulative Performance

	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	0.59	4.11	27.68	2.74	-	6.23
Rank in sector	46/115	27/115	22/115	49/113	-/-	67/109
Quartile	2nd	1st	1st	2nd	-	3rd
IA Europe Ex UK (%)	0.30	2.74	24.08	3.21	-	8.37

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2020

Calendar Year Performance (%)

	YTD	2019	2018	2017	2016	2015
Fund	-3.32	30.14	-	-	-	-
IA Sector (%)	0.65	20.38	-	-	-	-

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2020

Sector Breakdown

	% of Portfolio
Technology	28.4
Industrials	17.7
Consumer Goods	13.9
Health Care	13.8
Consumer Services	7.9
Financials	7.6
Oil & Gas	3.2
Basic Materials	2.4
Cash	5.1

Geographic Breakdown

	% of Portfolio
Netherlands	22.4
France	16.8
Switzerland	10.7
Sweden	9.4
Germany	7.9
Belgium	7.2
Finland	5.6
Ireland	4.1
Norway	3.4
Italy	3.2
Denmark	2.1
Portugal	2.1
Cash	5.1

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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. CPL Resources	Industrials	4.1
2. Novartis	Healthcare	4.1
3. Siili	Technology	3.1
4. D'Ieteren	Consumer Services	3.1
5. Roche	Healthcare	3.0
6. Signify	Industrials	2.9
7. Arcadis	Industrials	2.9
8. ASM International	Technology	2.9
9. Knowit	Technology	2.8
10. Sword	Technology	2.7
11. Rjelers	Industrials	2.6
12. Intofel	Technology	2.5
13. Danone	Consumer Goods	2.5
14. Ahold Delhaize	Consumer Services	2.5
15. Kaufman & Broad	Consumer Goods	2.4
16. Relx	Consumer Services	2.4
17. Recticel Common	Basic Materials	2.4
18. Bayer	Healthcare	2.4
19. Unilever	Consumer Goods	2.3
20. Sanofi	Healthcare	2.3

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	41.1	18
€2bn - €5bn	12.0	6
Below €2bn	41.8	18
Cash and Income	5.1	N/A
Total	100.0	42

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.