

Monthly Fact Sheet

30 November 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 30.11.20)	<i>Income</i>	<i>Accumulation</i>
	B Shares	110.89p

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

European equity markets performed very strongly in November. Markets generally were buoyed by positive news regarding several Covid vaccine trial results. With a number of vaccines likely to be available within weeks, markets became more optimistic about economic recovery from here. Stylistically, value also significantly outperformed growth, for what feels like the first time in a long time, as markets began to factor in recovery within more economically sensitive areas of the market, rotating away from the higher rated market leaders of recent years.

The fund enjoyed a very strong performance over the month. Our valuation discipline ensured that we were able to keep pace with the general rotation into more cheaply valued companies. This, despite not being invested in deeper value type companies, where our process has identified structural challenges. Avoiding these value traps going forward will be crucial, as many of these types of businesses will not sustain any recent performance gains in our opinion.

Of particular note in terms of performance, CPL Resources, a recruitment consultancy, received a bid at a significant premium and was up strongly. D'Ieteren, a Belgium based auto glass repair and car dealership business also performed very well over the month, following reassuring results. Arcadis, a Dutch-based environmental consultancy also posted strong gains following very positive results. Elsewhere, our financial holdings and energy-exposed companies were also noteworthy performers, benefitting from the rotation into more economically sensitive areas.

There were no negative detractors to performance over the month.

Over the month we added one new holding. Caverion is a Finnish building technical services company. Demand for its services will be driven primarily by environmental regulations. With very modest debt plus free cashflow yield approaching 8%, it is an attractively valued proposition.

We exited Adesso, a German IT services business following a very strong share price performance, which left insufficient valuation support.

Market commentary in recent weeks has understandably focussed on whether the style-change towards value observed in recent weeks is sustainable. We can definitely see why this might well be the case. However, for us, it is very much business as usual, trying to find a good blend of value and growth. Our process throws up cheap companies in the form of undervalued cashflows with healthy business models.

Cumulative Performance

	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	19.48	11.77	21.92	11.05	-	18.03
Rank in sector	9/115	7/114	10/114	38/113	-/-	47/108
Quartile	1st	1st	1st	2nd	-	2nd
IA Europe Ex UK (%)	14.02	7.24	14.65	9.25	-	15.87

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.11.2020

Calendar Year Performance (%)

	YTD	2019	2018	2017	2016	2015
Fund	7.43	30.14	-	-	-	-
IA Sector (%)	7.61	20.38	-	-	-	-

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.11.2020

Sector Breakdown

	% of Portfolio
Technology	27.1
Industrials	19.3
Health Care	13.9
Consumer Goods	13.3
Financials	10.0
Consumer Services	7.8
Oil & Gas	3.5
Basic Materials	2.8
Cash	2.3

Geographic Breakdown

	% of Portfolio
Netherlands	21.8
France	16.6
Switzerland	11.4
Sweden	10.8
Finland	8.7
Germany	8.6
Belgium	8.0
Norway	3.1
Spain	2.5
Denmark	2.4
Italy	2.0
Portugal	1.8
Cash	2.3

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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	4.1
2. D'Ieteren	Consumer Services	3.6
3. Ordina	Technology	3.5
4. Sword	Technology	3.3
5. ASM International	Technology	3.1
6. Handelsbanken	Financials	3.1
7. Arcadis	Industrials	3.1
8. Intofel	Technology	3.0
9. Roche	Healthcare	3.0
10. BE Semiconductor Industries	Technology	2.9
11. Siili	Technology	2.9
12. Kaufman & Broad	Consumer Goods	2.9
13. Recticel Common	Basic Materials	2.8
14. Rjelers	Industrials	2.7
15. Proact	Technology	2.6
16. Amadeus FiRe	Industrials	2.6
17. Signify	Industrials	2.5
18. Zardoya Otis	Industrials	2.5
19. Bayer	Healthcare	2.5
20. ING	Financials	2.4

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	40.4	17
€2bn - €5bn	18.4	7
Below €2bn	38.9	16
Cash and Income	2.3	N/A
Total	100.0	40

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.