

Monthly Fact Sheet

31 December 2020

Launch Date	20 October 2014
Fund Size	£1001m
Historic Yield*	0.08% (e)

Share Price (as at 31.12.20)

Shares	Income	Accumulation
B Shares	295.45p	312.14p

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. (e) is estimated.

MI Chelverton UK Equity Growth Fund

Monthly Manager Commentary

Aside from vaccine approvals, December newsflow was dominated by the on-off progress of the UK/EU trade deal negotiations. Having had to extend the timetable, a deal was signed just before the year end, causing a sharp rally in equities at the start of 2021, initially in large caps, having been left behind in 2020, as the UK market was once again seen as being investable. The spotlight has now returned to the pandemic as infection rates pick-up, new strains emerge and lockdown restrictions tighten again. With vaccine programmes now being rolled out, investors seem to be prepared to look through the short-term impact on growth and focus on the prospect of economies normalising in the latter part of the year. Key drivers for the UK economy are expected to be pent up consumer demand, evidenced by the much higher savings ratio during lockdown and the consumer spending bounce we saw at the end of the first lockdown, and fiscal stimulus from higher infrastructure spending.

The cyclical rally, which began with the successful vaccine trial data in November, continued into December. Notwithstanding its Growth bias, the Fund managed to keep pace with the strong showing by its IA UK All Companies benchmark thanks in part to an agreed takeover for IMIMobile and improved takeover offer for Codemasters. Other significant contributors included Ideagen and Inspec, both on the back of a well-received acquisitions, and Volution, a building materials business, which rose strongly after a positive trading update. The only material detractor to returns was Shield Therapeutics, which has so far failed to find a US partner for its iron deficiency treatment.

We participated in a number of IPOs in December, most notably Conduit, a new re-insurance vehicle staffed by an experienced team of underwriters which raised \$1bn of equity to take advantage of the hardening rates environment, and Bytes, a leading UK software reseller. We also bought back into Redcentric, an IT network and managed service provider, which we owned briefly after the launch of the Fund, where new management have resolved legacy issues resulting from the merger of several businesses. On the sell side, the Fund's main activity was reducing its Weir holding on valuation grounds after a strong share price run.

Looking forwards, there are definite signs of a rotation out of highly rated growth stocks into cheaper cyclical, which may make it harder for the Fund with its Growth bias to outperform in the immediate future. However, as managers we have always been cognisant of valuation and have been trimming out more highly rated positions for some time, to the extent that our technology exposure is at its lowest percentage since launch. We would use any meaningful setback in ratings to rebuild this exposure.

Performance Since Launch (%)



Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.12.2020

Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	Since Launch
Fund (%)	7.05	21.02	15.93	48.46	135.85	212.14
Rank in sector	24/238	36/238	3/237	1/226	1/214	1/207
Quartile	1st	1st	1st	1st	1st	1st
IA UK All Companies (%)	4.45	15.20	-6.17	2.01	29.09	45.29

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.12.2020

Calendar Year Performance (%)

	2020	2019	2018	2017	2016	2015
Fund	15.93	40.58	-8.91	33.35	19.14	26.67
IA Sector (%)	-6.17	22.37	-11.15	14.05	10.95	4.80

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.12.2020



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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 0.87

Dealing Line 0345 305 4217

Dealing Fax 0845 280 0188

FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

Tel +44 (0)20 3195 0076

Email chelverton@springcapitalpartners.com

Visit springcapitalpartners.com

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MI Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Future	Media	1.8
2. Volution Group	Construction	1.7
3. Brooks MacDonald	Financials	1.6
4. Premier Foods	Consumer	1.6
5. Inspec Group	Consumer	1.6
6. RWS Holdings	Support Services	1.5
7. Clinigen	Healthcare	1.5
8. IMImobile	Technology	1.4
9. Tyman	Construction	1.4
10. CentralNic	Technology	1.3
11. Vitec Group	Media	1.3
12. Augean	Support Services	1.2
13. IG Design Group	Consumer	1.2
14. Accesso Technology Group	Technology	1.2
15. Elementis	Industrials	1.2
16. Sigmaroc	Construction	1.1
17. Inchcape	Support Services	1.1
18. Curtis Banks Group	Financials	1.1
19. Renew Holdings	Support Services	1.1
20. Alliance Pharma	Healthcare	1.1

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	16.7
Support Services	13.2
Healthcare	11.9
Financials	10.3
Consumer	10.2
Industrials	8.5
Construction	7.9
Media	7.5
Resources	3.9
Aerospace & Defence	2.4
Telecoms	0.9
Cash	6.6

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	13.4	15
£500m - £1bn	21.0	21
£250m - £500m	25.6	32
£100m - £250m	26.5	43
Below £100m	6.9	25
Cash and Income	6.6	N/A
Total	100.0	136

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.