

Monthly Fact Sheet

28 February 2021

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 28.02.21)	<i>Income</i>	<i>Accumulation</i>
	B Shares	118.41p

Codes (B Shares)		
	<i>Income</i>	<i>Accumulation</i>
Sedol	BFNL2N1	BFNL2P3
ISIN	GBooBFNL2N15	GBooBFNL2P39

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

In January, we wrote that the market was concerned about further lockdowns causing a delay to economic recovery. In February the reverse was true. Market concerns switched 180 degrees to the worry that inflation could return. Bond prices were sent lower and benchmark 10-year yields climbed strongly. This had the effect of driving a marked underperformance by growth versus value, with sectors such as Energy and Financials being notable beneficiaries of this.

The fund enjoyed a positive month. Aside from the broader issues described above, our focus was firmly on results season. During the month, the majority of our holdings reported full year results, and were generally well received by the market. Of particular note, in performance terms, were strong contributions from Cliq Digital (online streaming services) and Media and Games Invest (owner and developer of mass market online games). Our financial holdings also had a positive contribution to performance, with ING and Banca Ifis having notable positive contributions. There were also positive results from a number of our IT Service companies, an area we remain very excited about going forward. On this theme, Siili Solutions and Ordina were both noteworthy contributors to performance on the back of positive results and remain very attractively valued. Detractors from performance included Caverion, a Scandinavian building services business, whose results were affected by Covid lockdowns. More defensive, less inflation-sensitive holdings, such as Pharmaceuticals were also generally weaker.

We received some inflows into the fund over the month and, as this coincided with us generating a number of strong new ideas, we decided tactically to increase the number of holdings towards the top end of our holdings range of 50. New holdings over the month included Kering, where we took advantage of recent share price weakness to establish a position. It is rare to find a luxury branded goods company, with strong growth prospects, valued on a free cashflow yield which is above that of the market. We also purchased Artefact, a French technology focussed digital marketing agency. It is part of a new breed of disruptors to traditional advertising agencies, marrying technology expertise and big-data management with marketing skills and campaign management. We also initiated positions in 3 companies operating in the IT services area – Innofactor in Finland, Digital Value in Italy, and Indra Sistemas in Spain, thus expanding our reach in this sector. We sold our investment in UBS, consolidating our financials holdings.

Cumulative Performance

	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	1.76	7.06	19.66	26.29	-	26.36
Rank in sector	18/113	6/113	5/111	18/111	-/-	30/105
Quartile	1st	1st	1st	1st	-	2nd
IA Europe Ex UK (%)	0.38	1.09	8.41	17.73	-	17.13

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 28.02.2021

Calendar Year Performance (%)

	YTD	2020	2019	2018	2017	2016
Fund	3.11	11.54	30.14	-	-	-
IA Sector (%)	-1.58	10.53	20.38	-	-	-

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 28.02.2021

Sector Breakdown

	% of Portfolio
Technology	27.2
Industrials	17.1
Consumer Goods	14.3
Health Care	11.1
Consumer Services	10.9
Financials	8.8
Oil & Gas	2.8
Basic Materials	2.8
Cash	5.0

Geographic Breakdown

	% of Portfolio
Netherlands	19.2
France	14.7
Belgium	10.5
Germany	9.4
Switzerland	9.2
Finland	9.1
Sweden	8.2
Spain	3.6
Italy	2.6
Norway	2.6
Denmark	2.2
Malta	1.9
Portugal	1.8
Cash	5.0

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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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Top 20 Holdings

Holding	Sector	% of Portfolio
1. Ordina	Technology	3.0
2. Recticel Common	Basic Materials	2.8
3. Siili	Technology	2.7
4. Arcadis	Industrials	2.6
5. Sword	Technology	2.5
6. D'Ieteren	Consumer Services	2.5
7. Novartis	Healthcare	2.5
8. UCB	Healthcare	2.4
9. Handelsbanken	Financials	2.4
10. Zurich Insurance	Financials	2.4
11. ING	Financials	2.4
12. Caverion	Industrials	2.4
13. Roche	Healthcare	2.4
14. Intofel	Technology	2.4
15. Knowit	Technology	2.3
16. Relx	Consumer Services	2.3
17. Novo Nordisk	Healthcare	2.3
18. Kaufman & Broad	Consumer Goods	2.2
19. Ahold Delhaize	Consumer Services	2.2
20. Kering	Consumer Goods	2.2

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	30.9	15
€2bn - €5bn	13.3	7
Below €2bn	50.8	27
Cash and Income	5.0	N/A
Total	100.0	49

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.