

Monthly Fact Sheet

31 March 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 31.03.21)	<i>Income</i>	<i>Accumulation</i>
	B Shares	124.83p

Codes (B Shares)	<i>Income</i>	<i>Accumulation</i>
	Sedol	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 markets rose during March. Results season continued to be broadly supportive for company valuations. Stylistically, value had another good month, outperforming growth. However, the shape of the outperformance was more apparent in areas like Industrials, with Financials and Energy giving up a little of their recent outperformance.

The fund enjoyed a positive month in terms of performance, despite the ongoing headwind of currency in the form of Euro weakness – with the Euro weakening a further 2% versus GBP, our unit reporting currency. This brings this headwind to over 5% year to date.

Almost all of our companies have now reported full year results to end December 2020. In terms of performance, Lastminute (online travel business) enjoyed a strong share price performance as it reported a solid financial position plus early signs that bookings were building up. Cliq Digital (content streaming) reported rapid sales growth, with excellent cash generation, no debt and a proposed dividend – a rare combination of factors in this area of the market. Also enjoying a strong share price reaction to positive results were Arcadis (top tier global technical and engineering consultant) and D'Ieterin (holding company with a focus on auto windshield repairs). Sili Solutions and Sword Group (both IT services) were also up strongly following positive results.

Detractors from performance included BPost (Belgian postal service), where results were solid but below expectations. The CEO has since been removed and we think there is much potential for the incoming management to achieve. Elsewhere, there were modest underperformances from some of our more defensive holdings, including pharmaceuticals. There was also some profit taking in recent strong performers such as Recticel (technical foams) and Proact (IT storage solutions).

Two new holdings were purchased during the month. Limes Schlosskliniken operates health clinics offering treatment for stress-related illnesses. It provides a rare opportunity to gain exposure to the treatment of mental health issues and will deliver self-funded growth as it rolls out new clinics. AMS is a market leader in optical sensor microchips. It has lagged the sector and currently trades on a very attractive free cashflow yield in excess of 10%. Holdings in Heidelberg Cement, Barco (cinema equipment) and Nokian Tyres were sold during the month following good recent share price performance.

Looking forward, we remain confident that we are able to find interesting, cheap companies in which to invest, especially in the smaller companies area of the market. Whilst sceptical that recent gains in some of the more structurally challenged value-type companies can be sustained, we welcome the degree of valuation discipline which now appears to be being demonstrated by markets generally.

Cumulative Performance

	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	5.43	8.70	25.41	60.13	38.22	33.22
Rank in sector	21/114	7/114	7/112	4/112	18/106	26/106
Quartile	1st	1st	1st	1st	1st	1st
IA Europe Ex UK (%)	4.14	2.49	12.56	39.67	25.20	21.95

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.03.2021

Calendar Year Performance (%)

	YTD	2020	2019	2018	2017	2016
Fund	8.70	11.54	30.14	-	-	-
IA Sector (%)	2.49	10.53	20.38	-	-	-

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.03.2021

Sector Breakdown

	% of Portfolio
Technology	27.2
Industrials	15.4
Consumer Goods	14.1
Health Care	14.1
Consumer Services	11.4
Financials	7.8
Oil & Gas	3.0
Basic Materials	2.6
Cash	4.4

Geographic Breakdown

	% of Portfolio
Netherlands	18.1
France	14.5
Germany	11.3
Belgium	9.4
Sweden	9.1
Switzerland	8.6
Finland	7.8
Spain	3.3
Italy	3.1
Denmark	2.6
Malta	2.6
Norway	2.4
Portugal	1.9
Austria	0.9
Cash	4.4

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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. Proact	Technology	2.8
2. D'Ieteren	Consumer Services	2.7
3. Roche	Healthcare	2.6
4. Caverion	Industrials	2.6
5. Novo Nordisk	Healthcare	2.6
6. Recticel Common	Basic Materials	2.6
7. Media and Games	Consumer Goods	2.6
8. Limes Schlosskliniken	Healthcare	2.5
9. Siili	Technology	2.5
10. Arcadis	Industrials	2.5
11. Handelsbanken	Financials	2.4
12. Novartis	Healthcare	2.4
13. Artefact	Consumer Services	2.4
14. Relx	Consumer Services	2.4
15. Cliq	Consumer Goods	2.3
16. Knowit	Technology	2.3
17. Ahold Delhaize	Consumer Services	2.3
18. Ordina	Technology	2.3
19. UCB	Healthcare	2.2
20. Sword	Technology	2.2

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	33.0	16
€2bn - €5bn	9.3	5
Below €2bn	53.3	27
Cash and Income	4.4	N/A
Total	100.0	48

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.