

Monthly Fact Sheet

30 April 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
Fund Size	£43m
Historic Yield*	0.90%

Share Price (as at 30.04.21)		
<i>Income</i>	<i>Accumulation</i>	
B Shares	130.80p	139.59p

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 markets posted positive gains during April. Focus over the month was firmly upon the first quarter results season, which has generally been taken positively by markets. Stylistically, growth outperformed value over the month, reversing some of the strong gains by value seen year to date.

The fund enjoyed a solid month in terms of performance. Much of the individual stock performance was driven by positive first quarter trading updates.

The positive updates came across a range of sectors. Caverion (building services), Media and Games Invest (gaming and marketing services), KnowIT (IT services), Amadeus Fire (recruitment and training) and Artefact (digital marketing) all featured as having good trading updates, accompanied by strong share price performances over the month.

Detractors from performance included AMS (semiconductor sensors), where shares fell over concerns of losing a long-term client. This potential loss of business has already been largely factored into analysts' forecasts, so we added to our small position on weakness. Proact IT (cloud services) was also weaker over the month due mainly to one of its smaller division's poor performance. Elsewhere, trading was generally positive. We took advantage of the share price weakness to add to our position.

New holdings over the month included TietoEvry, a leading Scandinavian provider of IT services and software. The prospects for the group are good, and the company is projected to have a dividend yield in excess of 5%. This, combined with a free cashflow yield which is around double that of the broader market, the valuation is attractive. TXT e-solutions is another new holding. TXT has a range of software products for the aerospace industry, aimed at design, training and route-optimisation. It also has a number of fintech oriented businesses, and together with a strong balance sheet appears very undervalued. We have initiated with a small position in TXT.

Over the month we sold our holding in Bayer (agri-chemicals and pharmaceuticals). The share price had recovered somewhat from the lows seen in the final quarter of 2020 and it was felt that we have more attractive opportunities elsewhere in the portfolio. We added to a number of our more focussed pharmaceutical holdings with the proceeds from the sale.

Cumulative Performance

	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	4.78	12.41	41.30	52.99	39.21	39.59
Rank in sector	31/112	9/112	4/111	6/110	21/104	22/104
Quartile	2nd	1st	1st	1st	1st	1st
IA Europe Ex UK (%)	4.13	8.76	24.89	35.62	25.40	26.91

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.04.2021

Calendar Year Performance (%)

	YTD	2020	2019	2018	2017	2016
Fund	13.90	11.54	30.14	-	-	-
IA Sector (%)	6.63	10.53	20.38	-	-	-

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.04.2021

Sector Breakdown

	% of Portfolio
Technology	28.7
Industrials	17.6
Consumer Discretionary	13.2
Health Care	11.5
Consumer Staples	9.8
Financials	7.4
Energy	3.6
Telecommunications	2.1
Cash	6.1

Geographic Breakdown

	% of Portfolio
Netherlands	18.2
France	16.2
Belgium	9.6
Finland	9.0
Germany	8.5
Sweden	7.5
Switzerland	7.4
Spain	3.7
Norway	3.6
Italy	3.5
Denmark	2.5
Malta	2.0
Austria	1.1
Portugal	1.1
Cash	6.1

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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

Initial Charge (%)

B Shares 5.0*

Annual Management Fee (%)

B Shares 0.75

Minimum Investment

B Shares £1,000

Ongoing Charge (%)

B Shares 1

*or any such lower amount agreed with the ACD

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FURTHER INFORMATION

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Top 20 Holdings

Holding	Sector	% of Portfolio
1. Caverion	Industrials	3.4
2. Recticel Common	Industrials	3.0
3. Artefact	Technology	2.9
4. Sword	Technology	2.9
5. Novo Nordisk	Healthcare	2.5
6. Unilever	Consumer Staples	2.4
7. Ordina	Technology	2.4
8. Novartis	Healthcare	2.4
9. UCB	Healthcare	2.3
10. Ahold Delhaize	Consumer Staples	2.3
11. Kaufman & Broad	Consumer Discretionary	2.3
12. Total	Energy	2.3
13. Roche	Healthcare	2.2
14. Proact	Technology	2.2
15. Bpost	Industrials	2.2
16. Handelsbanken	Financials	2.2
17. Intofel	Technology	2.2
18. Limes Schlosskliniken	Healthcare	2.2
19. D'Ieteren	Consumer Discretionary	2.1
20. ING	Financials	2.1

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	32.5	17
€2bn - €5bn	9.0	5
Below €2bn	52.4	29
Cash and Income	6.1	N/A
Total	100.0	51

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.