

## Monthly Fact Sheet

### 31 May 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.

<b>Launch Date</b>	6 March 2018
<b>Fund Size</b>	£44m
<b>Historic Yield*</b>	0.89%

<b>Share Price</b> (as at 31.05.21)		
	<i>Income</i>	<i>Accumulation</i>
B Shares	132.31p	141.21p

<b>Codes (B Shares)</b>		
	<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 small gains over May. Volatility was a feature with concerns over inflation resurfacing over the month.

The fund also showed modest positive performance.

The largest positive contribution came from Recticel, a Belgian insulation and speciality foams business. Recticel received a potential bid approach from a former partner. The bid has not been recommended by Recticel's Board, since it is viewed as materially undervaluing the prospects for the Group. Bpost, the Belgian postal group also enjoyed strong performance, following positive results.

On the negative side, Indra Sistemas (Spanish IT service and defence contractor) was weaker on the news that its largest shareholder, the Government of Spain, was looking to effect management change. Sovereign involvement is being seen as conflicted and unwelcome, detracting from an otherwise attractive investment turnaround. Elsewhere there was some profit-taking in recent outperformers, including Clig Digital (media streaming) and Caverion (building services).

During the month we exited TGS Nopec (oil services). Long term concerns over hydrocarbon exploration persist, and better opportunities elsewhere drove the decision. Also, we sold Kering (Luxury goods) following a very strong share price performance, leaving the valuation less attractive.

There were no new purchases over the month.

As regards the inflation debate, we are relatively sanguine. Our view is that a measured and gradual long-term pick-up in inflation, and corresponding modest rises in interest rate expectations will generally be good for our investment style and process, since it will encourage more valuation discipline for investors generally, who will no longer have the luxury of using very low discount rates to justify high equity valuations.

#### Cumulative Performance

	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	1.16	11.75	19.64	45.86	38.81	41.21
Rank in sector	74/111	23/111	5/111	5/109	16/103	19/103
Quartile	3rd	1st	1st	1st	1st	1st
IA Europe Ex UK (%)	1.66	10.15	11.35	27.67	27.13	29.04

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.05.2021

#### Calendar Year Performance (%)

	YTD	2020	2019	2018	2017	2016
Fund	15.22	11.54	30.14	-	-	-
IA Sector (%)	8.40	10.53	20.38	-	-	-

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.05.2021

#### Sector Breakdown

	% of Portfolio
Technology	29.0
Industrials	18.2
Health Care	12.1
Consumer Discretionary	12.0
Consumer Staples	9.6
Financials	7.4
Energy	2.2
Telecommunications	2.1
Cash	7.4

#### Geographic Breakdown

	% of Portfolio
Netherlands	18.1
France	13.5
Belgium	11.0
Germany	9.0
Finland	8.9
Switzerland	7.4
Sweden	7.2
Italy	4.4
Spain	3.4
Denmark	2.5
Malta	2.2
Norway	2.2
Portugal	1.4
Austria	1.4
Cash	7.4

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**31 May 2021**

**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

**Dealing Line** 0345 305 4217

**Dealing Fax** 0845 280 0188

## MI Chelverton *European Select Fund*

### Top 20 Holdings

Holding	Sector	% of Portfolio
1. Recticel Common	Industrials	3.4
2. Caverion	Industrials	3.0
3. UCB	Healthcare	2.7
4. Bpost	Industrials	2.6
5. Artefact	Technology	2.6
6. Novo Nordisk	Healthcare	2.5
7. Cliq	Consumer Discretionary	2.5
8. Sword	Technology	2.5
9. Ordina	Technology	2.4
10. Ahold Delhaize	Consumer Staples	2.4
11. Limes Schlosskliniken	Healthcare	2.4
12. Unilever	Consumer Staples	2.3
13. Novartis	Healthcare	2.3
14. TietoEVRY	Technology	2.3
15. Kaufman & Broad	Consumer Discretionary	2.3
16. Roche	Healthcare	2.2
17. Total	Energy	2.2
18. Media and Games Invest	Consumer Discretionary	2.2
19. D'Ieteren	Consumer Discretionary	2.2
20. Proact	Technology	2.2

Source: Chelverton Asset Management Limited

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €5bn	32.8	17
€2bn - €5bn	10.1	5
Below €2bn	49.7	27
Cash and Income	7.4	N/A
<b>Total</b>	<b>100.0</b>	<b>49</b>

Source: Chelverton Asset Management Limited

### FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

**Tel** +44 (0)20 3195 0076

**Email** chelverton@springcapitalpartners.com

**Visit** springcapitalpartners.com

**springcapital**

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