

Monthly Fact Sheet

30 September 2023

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	£167m
Historic Yield*	1.75%

Share Price (as at 30.09.23)		
	<i>Income</i>	<i>Accumulation</i>
B Shares	124.00p	139.19p

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 Andersen, 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.

*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.

MI Chelverton European Select Fund

Monthly Manager Commentary

Broader European indices were lower over the month. Smaller companies continued to lag the broader indices. The market remains unsettled, with focus being mainly on inflation and growth-related macroeconomic data. The next month will see further company updates as third quarter results season begins.

The portfolio, with its significant exposure to smaller companies was also lower over the month.

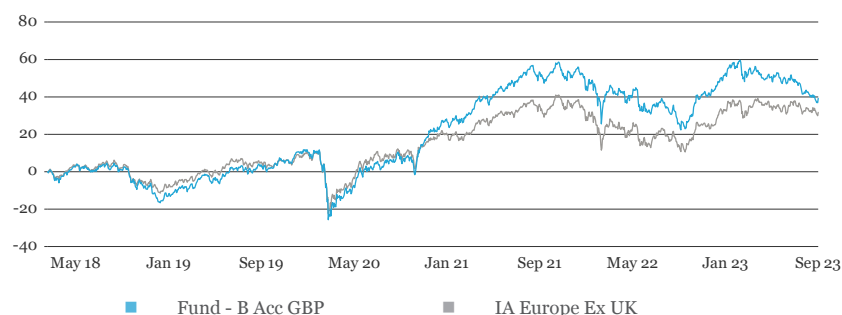
Our energy service providers enjoyed decent share price performances. TGS (seismic data provider), Tecnicas Reunidas (engineering service provider to oil and gas sector), Brunel (HR services to energy sector) and Schoeller Bleckmann (oilfield services) were all notably good performers over the month. Boliden (copper producer) also recovered following news of a fire at one of its plants which had previously depressed the share price and D'ieteren (Windshield replacement and auto parts supplier) enjoyed a strong month following publication of positive results.

The main detractors from performance were smaller companies. Eurogroup Laminations (industrial and EV parts supplier) was weaker over the month despite no significant news. Cyberoo (cyber security provider) was also weaker on profit-taking ahead of results - which were positive. Visiatiiv (IT services), and Alkemy (marketing technology) were also lower following results which were mixed, rather than obviously poor.

Over the month, the fund started a holding in TKH, a company specialising in vision-technology led applications. The fund also sold Sandvik (mining products) and ALD (vehicle leasing) as it was felt that the capital could better be deployed in other holdings.

We exit the quarter with the fund very attractively valued. The free cashflow yield of the portfolio is 7.2%, an historically high level. This compares to a market free cashflow yield of 4.5%. The expected 3-year growth of the portfolio is 11.7%, versus 5.8% for the market. The portfolio net debt to EBITDA is 0.1x – our companies in aggregate are effectively debt free, versus the market on 1.3x. The malaise in smaller company share prices has been frustrating, but we feel that the underlying performance of our companies is much more positive than the share prices suggest. We think that this is a positive position to be in. Periods of small company underperformance are not new, but history tells us that snapbacks from underperformance are almost always rapid and significant. We remain confident in the long-term opportunities for growth and performance which our portfolio currently possesses.

Performance Since Launch (%)



Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2023

Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	Since Launch
Fund (%)	-2.32	-7.03	13.17	31.03	37.60	39.19
Rank in sector	76/108	101/108	88/107	22/98	22/92	35/92
Quartile	3rd	4th	4th	1st	1st	2nd
IA Europe Ex UK (%)	-1.73	-2.20	18.98	22.29	29.01	32.52

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2023

Calendar Year Performance (%)

	YTD	2022	2021	2020	2019	2018
Fund	-3.44	-7.07	26.56	11.54	30.14	-
IA Sector (%)	5.71	-8.90	15.63	10.53	20.38	-

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2023

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ACD

Apex Fundrock Ltd

Investment Advisor

Chelverton Asset Management Limited

Administrator

Apex Fundrock Ltd

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 0.96

*or any such lower amount agreed with the ACD

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FURTHER INFORMATION

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MI Chelverton *European Select Fund*

Top 20 Holdings

Holding	Sector	% of Portfolio
1. OX2	Energy	3.5
2. Brunel	Industrials	3.2
3. TGS-NOPEC	Energy	3.1
4. Amadeus FiRe	Industrials	2.8
5. D'Ieteren	Consumer Discretionary	2.6
6. Pagero Group	Technology	2.4
7. Var Energi	Energy	2.3
8. Valmet	Industrials	2.2
9. Rheinmetall	Industrials	2.1
10. AMG	Industrials	2.1
11. Tecnicas Reunidas	Energy	2.1
12. Vallourec	Basic Materials	2.1
13. EuroGroup Laminations	Industrials	2.0
14. Enad Global 7	Consumer Discretionary	2.0
15. Kaufman & Broad	Consumer Discretionary	2.0
16. Cyberoo	Technology	2.0
17. DEME	Industrials	1.9
18. ASM International	Technology	1.9
19. Arcadis	Industrials	1.8
20. Assytem	Industrials	1.8

Sector Breakdown

	% of Portfolio
Industrials	30.5
Technology	27.7
Energy	12.6
Consumer Discretionary	10.7
Basic Materials	5.4
Healthcare	5.0
Utilities	1.7
Telecommunications	1.4
Consumer Staples	1.2
Financials	1.0
Cash	2.8

Geographic Breakdown

	% of Portfolio
Netherlands	16.0
France	15.4
Sweden	13.9
Germany	13.9
Norway	9.9
Italy	8.5
Belgium	5.7
Austria	4.3
Finland	4.2
Switzerland	3.3
Spain	2.1
Cash	2.8

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €10bn	12.0	7
€2bn - €10bn	19.6	10
Below €2bn	65.6	43
Cash and Income	2.8	N/A
Total	100.0	60

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. Fund performance figures are net of the ongoing charges and portfolio transaction costs unless otherwise stated. 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. Apex Fundrock Ltd are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email Chelverton@maidlandgroup.co.uk or call +44 (0) 1245 459 962. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.