

## Monthly Fact Sheet

31 March 2024

### 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>	£198m
<b>Historic Yield*</b>	1.47%

### Share Price (as at 31.03.24)

	Income	Accumulation
B Shares	140.45p	157.65p

### Codes (B Shares)

	Income	Accumulation
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

European equity markets posted positive gains over the month of March. Company results during the month were generally supportive for share prices.

The fund also advanced over the month.

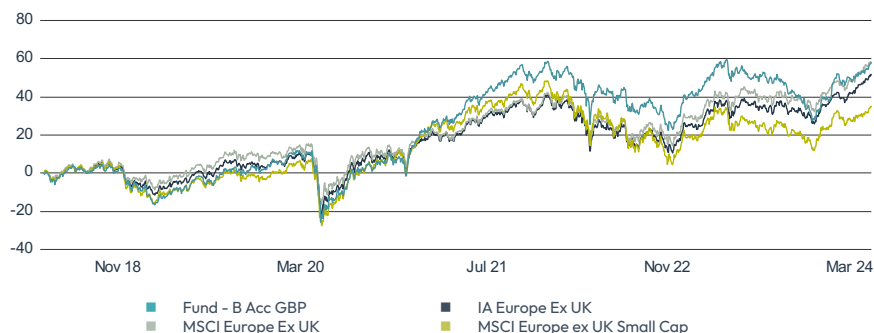
In terms of noteworthy contributors, Rheinmetall (Defence) was again up strongly during the month, having also been a strong contributor to the fund's returns in February. Vallourec (Steel pipe products) enjoyed a good month in terms of share price appreciation, as it announced that ArcelorMittal had taken a 28% stake in the business. 4C (software) climbed following news that budget delays in the US, of significant relevance to the company, had been overcome. Elsewhere, Esker (Software) Deme (Dredging and Renewables Services), D'ieteren (Autoglass owner) and Amadeus Fire (Recruitment and Training services) all advanced over the month following positive results.

BE Semiconductor was weaker on profit taking plus concerns of delays to future orders. La Francaise de l'Energie (carbon neutral energy supplier) was down on the month, despite positive news regarding a significant future development project. Kering (luxury goods) was lower following disappointing results concerning short term growth at its main brand, Gucci. Fabasoft and Serviceware (both software) were down over the month on profit-taking following strong recent share price performances.

Holdings in Novartis and Signify were sold over the month, with the proceeds mainly being deployed in new investment ideas. GTT is a world leading supplier of membrane technology for the transportation and storage of LNG, with very high-quality returns and excellent long-term visibility for growth. Danieli is a leading supplier of modern technology furnaces which deliver significantly lower CO2 emissions for steel producers. We also took some profits in Rheinmetall, and added a position in Mildef, a smaller Defence sector company. Finally, we initiated a position in Kinnevik, a holding company which specialises in growth investments. Following the significant derating of high growth stocks from the trough of the interest rate cycle, we purchased the shares at a 40% discount to (sharply downgraded) NAV.

It may still be too early to call the bottom of the underperformance of smaller companies versus their larger counterparts in Europe, which is in its 19th month. However, the broadly supportive results season just passed is starting to lend credibility to our view that smaller companies have been unfairly overlooked for some time now, leading to significant investment opportunities. The fund enters the second quarter of the year with a free cashflow yield of 6.1%, some 50% ahead of the broader market, with expected sales growth of 11.9% over the coming years, 1.8x the rate expected by the market, and zero financial debt for the fund's holdings in aggregate.

### Performance Since Launch (%)



Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.03.2024

### Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	Since Launch
Fund (%)	3.73	3.71	1.91	18.33	71.25	57.65
Rank in sector	33/108	89/108	105/108	78/101	18/96	45/93
Quartile	2nd	4th	4th	4th	1st	2nd
IA Europe Ex UK (%)	3.45	6.44	12.46	25.09	58.45	52.45
MSCI Europe Ex UK	3.67	6.83	12.65	29.04	58.02	58.22
MSCI Europe ex UK Small Cap	3.75	2.05	5.93	6.45	45.62	34.82

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.03.2024

### Calendar Year Performance (%)

	YTD	2023	2022	2021	2020	2019
Fund	3.71	5.45	-7.07	26.56	11.54	30.14
IA Sector	6.44	14.25	-8.90	15.63	10.53	20.38
MSCI Europe Ex UK	6.83	14.83	-7.62	16.73	7.49	19.99
MSCI Europe ex UK Small Cap	2.05	10.22	-16.10	16.83	18.04	21.28

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.03.2024

## Monthly Fact Sheet

31 March 2024

### ACD

Apex Fundrock Ltd

### Investment Advisor

Chelverton Asset Management Limited

### Administrator

Apex Fundrock Ltd

<b>Income Paid</b>	Biannually
<b>XD Dates</b>	30 June, 31 December
<b>Valuation</b>	12 Noon

<b>Initial Charge (%)</b>	
B Shares	5.0*

<b>Annual Management Fee (%)</b>	
B Shares	0.75

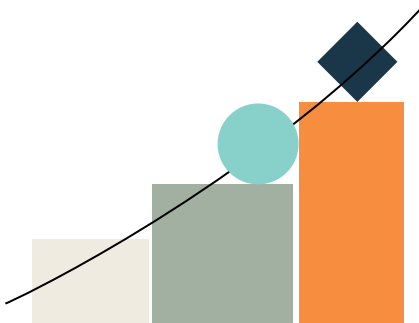
<b>Minimum Investment</b>	
B Shares	£1,000

<b>Ongoing Charge (%)</b>	
B Shares	0.96

\*or any such lower amount agreed with the ACD

**Dealing Line** 0345 305 4217

**Dealing Fax** 0845 280 0188



### FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

**Tel** +44 (0)20 3307 8086

**Email** chelverton@springcapitalpartners.com

**Visit** springcapitalpartners.com

# MI Chelverton European Select Fund

## Top 20 Holdings

Holding	Sector	% of Portfolio
1. Amadeus FiRe	Industrials	2.8
2. Vallourec	Energy	2.7
3. OX2	Industrials	2.6
4. Arcadis	Industrials	2.5
5. Rheinmetall	Industrials	2.4
6. DEME	Industrials	2.3
7. Esker	Information Technology	2.3
8. D'leteren	Consumer Discretionary	2.3
9. Fabsoft	Information Technology	2.3
10. ASM International	Information Technology	2.3
11. BE Semiconductor Industries	Information Technology	2.3
12. Visiativ	Information Technology	2.2
13. Technogym	Consumer Discretionary	2.1
14. Kinnevik	Financials	2.1
15. Brunel	Industrials	2.1
16. Roche	Healthcare	2.1
17. TGS-NOPEC	Energy	2.1
18. Valmet	Industrials	2.0
19. EuroGroup Laminations	Industrials	2.0
20. Serveware	Information Technology	2.0

## Sector Breakdown

	% of Portfolio
Information Technology	34.9
Industrials	31.3
Energy	11.9
Consumer Discretionary	9.9
Financials	3.4
Health Care	3.4
Materials	3.2
Cash	2.0

## Geographic Breakdown

	% of Portfolio
France	20.6
Sweden	14.9
Germany	13.1
Italy	11.4
Netherlands	10.1
Norway	7.2
Belgium	5.8
Finland	4.7
Austria	4.5
Switzerland	3.2
Ireland	1.5
Spain	1.0
Cash	2.0

## Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €10bn	16.6	9
€2bn - €10bn	17.9	9
Below €2bn	63.5	45
Cash and Income	2.0	N/A
Total	100.0	63

Source: Chelverton Asset Management Limited, Sector and Industry information per GICS

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@maitlandgroup.co.uk](mailto:chelverton@maitlandgroup.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.