

## Monthly Fact Sheet

30 September 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>	£211m
<b>Historic Yield*</b>	1.44%

### Share Price (as at 30.09.24)

	Income	Accumulation
B Shares	137.01p	155.89p

### Codes (B Shares)

	Income	Accumulation
Sedol	BFNL2N1	BFNL2P3
ISIN	GBO0BFNL2N15	GBO0BFNL2P39

### 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 were softer over the month of September. In the US, the Fed delivered a 50-basis point cut to interest rates, while the ECB delivered its second 25 basis point cut of the year. China also announced various domestic stimulus packages. Equity markets appeared to take these measures in their stride, though volatility remains elevated.

The fund was also lower over the month.

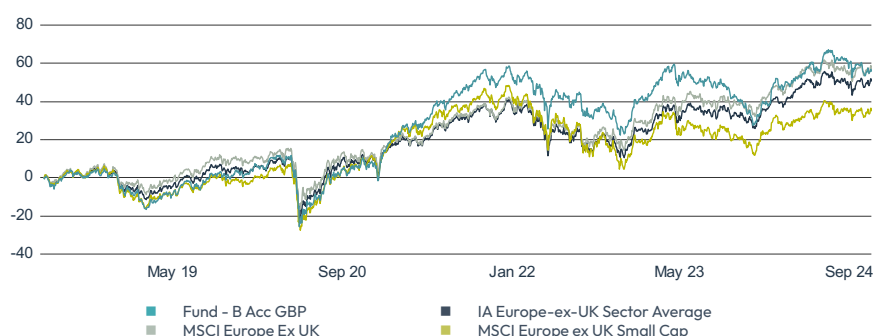
There was a positive contribution from Trigano (motor home manufacturer) which delivered good results and a positive outlook. Esker (software) was also higher over the month as it secured a firm bid from Bridgepoint to be acquired. Infotel (IT services) delivered results which confirmed that the environment for its services was improving. Enad Global (games developer) was also a notable positive contributor over the month. Francaise Energie (carbon reducing mine gas re-cycling) recovered somewhat following a period of weakness brought on largely by recent French political upheavals.

In terms of detractors, TGS (Oil and Gas services) was lower over the month, driven largely by sentiment to the sector caused by the lower oil price in recent months. Danieli (low emission technology provider to steel sector) was weaker, following mixed results. Rheinmetall (Defence) was down over the month, largely on profit-taking following an exceptional share price performance in recent years. D'ieteren (Belgian Holdco, Autoglass franchise owner) gave back some of its recent gains, as it announced a capital restructuring which was taken poorly by the market.

We continue to add opportunistically to a number of our holdings, taking advantage of any short-term share price weaknesses in businesses which continue to have excellent long-term prospects. The fund exited its holding in D'ieteren, having enjoyed an over four-fold increase in the share price since we purchased the stock back in 2019. The recapitalisation mentioned above leaves the company with too much debt for our tolerances. The fund purchased a holding in Sopra Steria (IT services). Sopra is well known to us and was bought following a recent pullback in the share price.

The portfolio exits the quarter in good health. The free cash flow yield is now over 60% higher than the broader market – a level close to the highest since the fund was launched. We also expect growth from the portfolio to be materially faster than the market. Accordingly, we believe the fund is very well placed to deliver attractive returns going forward.

## Performance Since Launch (%)



Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2024

## Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	Since Launch
Fund (%)	-2.85	-3.49	12.00	2.95	50.76	55.89
Rank in sector	104/105	102/105	82/105	82/102	28/95	46/91
Quartile	4th	4th	4th	4th	2nd	2nd
IA Europe Ex UK (%)	-0.96	0.36	14.61	14.52	44.64	51.88
MSCI Europe Ex UK	-1.61	0.07	14.49	18.78	42.93	57.66
MSCI Europe ex UK Small Cap	-1.07	0.88	13.44	-2.10	38.10	36.12

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2024

## Calendar Year Performance (%)

	YTD	2023	2022	2021	2020	2019
Fund	2.56	5.45	-7.07	26.56	11.54	30.14
IA Sector	6.03	14.25	-8.90	15.63	10.53	20.38
MSCI Europe Ex UK	6.45	14.83	-7.62	16.73	7.49	19.99
MSCI Europe ex UK Small Cap	3.03	10.22	-16.10	16.83	18.04	21.28

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2024

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### 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

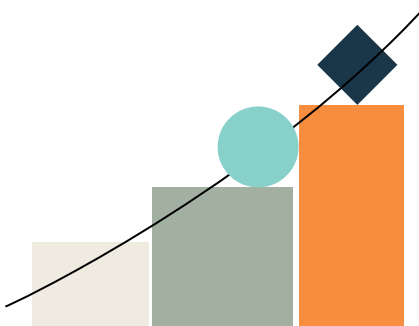
<b>Minimum Investment</b>	
B Shares	£1,000

<b>Ongoing Charge (%)</b>	
B Shares	0.95

\*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. GTT	Energy	3.0
2. Arcadis	Industrials	2.9
3. Technogym	Consumer Discretionary	2.9
4. Vallourec	Energy	2.8
5. Amadeus FiRe	Industrials	2.7
6. Trigano	Consumer Discretionary	2.7
7. Ackermans & van Haaren	Industrials	2.7
8. Dassault Aviation	Industrials	2.6
9. Serveware	Information Technology	2.6
10. Bouvet	Information Technology	2.6
11. Danieli	Industrials	2.5
12. JDC Group	Financials	2.5
13. Swissquote	Financials	2.4
14. Kinnevik	Financials	2.3
15. Rjelers	Industrials	2.3
16. Mensch und Maschine Software	Information Technology	2.2
17. Var Energi	Energy	2.2
18. TGS-NOPEC	Energy	2.1
19. Kaufman & Broad	Consumer Discretionary	2.1
20. Brunel	Industrials	2.0

## Sector Breakdown

	% of Portfolio
Information Technology	32.4
Industrials	30.0
Energy	13.0
Consumer Discretionary	9.5
Financials	7.2
Healthcare	3.3
Materials	1.8
Cash	2.8

## Geographic Breakdown

	% of Portfolio
France	22.8
Germany	16.3
Italy	12.4
Sweden	12.1
Norway	9.4
Netherlands	9.1
Switzerland	4.3
Belgium	4.2
Austria	2.6
Finland	2.0
Spain	2.0
Cash	2.8

## Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above €10bn	9.5	5
€2bn - €10bn	23.7	10
Below €2bn	64.0	41
Cash and Income	2.8	N/A
Total	100.0	56

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@apexgroup.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.