

Monthly Fact Sheet

31 October 2024

Launch Date	20 October 2014
Fund Size	£611m
Historic Yield*	1.56%

Share Price (as at 31.10.24)

Shares	Income	Accumulation
B Shares	303.61p	332.17p

Investment Objective and Policy

The objective of the Fund is to achieve long-term capital growth by investing primarily in a portfolio of small and medium sized fully listed and AIM traded UK equities.

Fund Managers



James Baker

a history graduate from Cambridge University, has over 30 years of equity market experience on both buy and sell sides, specialising for all of his career in UK Small and Mid caps stock selection. He has worked for several organisations over the years, but most notably spent 11 years from 1999 to 2011 as part of the ABN Amro, Small Mid cap sales team, which was consistently top ranked by Exel. Prior to joining Chelverton he worked as the Assistant fund manager on the Rathbone UK Recovery Fund.



Edward Booth

graduated from the London School of Economics with a degree in Economics with a focus in Economic History, and qualified as a Chartered Accountant at Deloitte, where he focused on the Insurance sector. Prior to joining Chelverton, he worked as a Business Analyst for Barclays, focusing on a number of areas including Investment Bank Revenue and Group Capital performance.



Henry Botting

joined Chelverton Asset Management in 2021 and was appointed co-manager in August 2022. Prior to joining, Henry worked on the Equity Sales team at finnCap, where he specialised in UK small and micro-cap companies. He has a degree in Economic and Social History from the University of Edinburgh and prior investment management experience at Rathbones and OLIM. Henry is a CFA Charterholder.

*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 UK Equity Growth Fund

Monthly Manager Commentary

The unremitting gloom from the new government about the state of the economy ahead of the Chancellor's first Budget, despite inheriting a low rate of inflation, real wage growth, relatively full employment and a modest growth rate in excess of many other developed economies, has become self-fulfilling in putting a dampener on consumer and business confidence since the summer. The Budget itself increased both taxes, particularly on business, with the corporate sector squeezed by both higher National Insurance contributions and above inflation increases in the Minimum Wage, and government borrowing to fund higher public spending. The former move impacts corporate profitability, and the latter the speed with which interest rates can come down, neither of which are helpful for the UK equity market. The worst fears for AIM were not realised with IHT relief on investing in AIM shares halved to 20% rather than removed altogether. Whilst this partial relief is likely to stop the wholesale unwinding of AIM IHT portfolios, it remains to be seen what impact it has on the rate of new investment with the rate of relief for investing in what are perceived to be riskier assets materially reduced.

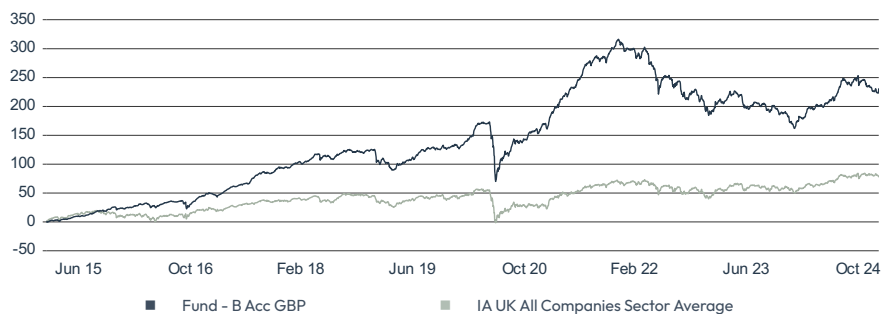
From the Fund's performance point of view, the Budget news on AIM shares came as a welcome relief right at the end of the month. Circa 50% of the Fund is invested in AIM shares, which have performed very poorly post the Election, disconnecting from the performance of main list small and mid-cap stocks over worries that AIM IHT relief would be abolished, only to bounce back sharply once the measures were announced, recovering some of their earlier losses whilst main list stocks reacted more negatively. Consequently, the Fund recorded only a modest negative return for the month.

At the individual stock level, SigmaRoc, the Fund's largest holding, performed strongly, as did Moonpig, a recent addition to the portfolio. In the Technology segment, GB Group responded well to a reassuring trading update and Eckoh received a recommended bid, albeit at a relatively modest premium. Future was the main detractor to the Fund's return, falling back on the resignation of its CEO less than two years into the job. Both Foresight and Brooks MacDonald were weak ahead of the budget, and Industrials (Nexteq, Morgan Advanced Materials and Vesuvius) were generally weak as industrial demand weakened and destocking persisted. Finally slowing sales impacted Incheape's performance.

During the month, we continued to build up the Fund's holding in Victrex and added to Ashtead Technology and GlobalData, both AIM listed, on weakness ahead of the Budget. We used agreed takeover stocks, namely Keywords Studios, Ascential and Eckoh, as sources of liquidity and trimmed the Fund's SigmaRoc into share price strength to manage position size. We also reduced the Fund's holding in Bytes, as its trading environment worsened.

Although the build-up to the Budget was unhelpful, as were some of the measures announced, it is now out of the way and we can start to look forward, in what remains a growing economy with lower inflation and the prospect of rate cuts to come.

Performance Since Launch (%)



Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.10.2024

Cumulative Performance

	1m	3m	1yr	3yrs	5yrs	Since Launch
Fund (%)	-0.62	-5.76	24.56	-16.93	41.45	232.51
Rank in sector	19/203	186/203	23/203	186/198	13/191	1/161
Quartile	1st	4th	1st	4th	1st	1st
IA UK All Companies (%)	-2.06	-3.32	17.81	6.23	23.17	78.09

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.10.2024

Calendar Year Performance (%)

	YTD	2023	2022	2021	2020	2019
Fund	10.46	-3.86	-22.16	28.73	15.93	40.58
IA UK All Companies	7.06	7.35	-9.23	17.14	-6.17	22.37

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.10.2024

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31 October 2024

ACD

Apex Fundrock Ltd

Investment Advisor

Chelverton Asset Management Limited

Administrator

Apex Fundrock Ltd

Income Paid	Annually
XD Dates	31 December
Valuation	12 Noon

Codes (B Shares)

	Income	Accumulation
Sedol	BP85595	BP855B7
ISIN	GB00BP855954	GB00BP855B75

Initial Charge (%)	
B Shares	5.0*

Annual Management Fee (%)	
B Shares	0.75

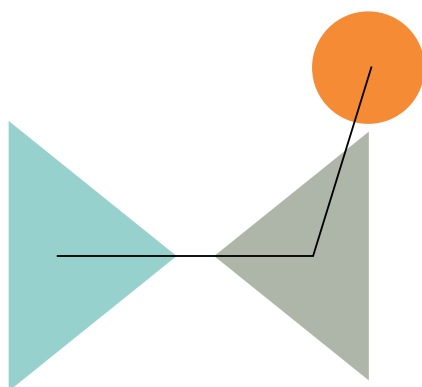
Minimum Investment	
B Shares	£1,000

Ongoing Charge (%)	
B Shares	0.87

*or any such lower amount agreed with the ACD

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FURTHER INFORMATION

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MI Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Sigmaroc	Construction	3.5
2. Globaldata	Media	2.6
3. Gamma Communications	Technology	2.5
4. Alpha Group	Financials	2.1
5. GB Group	Technology	2.1
6. Premier Foods	Consumer	1.9
7. Severfield	Construction	1.8
8. Spirent Communications	Technology	1.7
9. Big Technologies	Technology	1.7
10. Conduit Re	Financials	1.7
11. Coats Group	Consumer	1.7
12. Inchcape	Support Services	1.6
13. Advanced Medical Solutions	Healthcare	1.6
14. Restore	Support Services	1.6
15. Brooks MacDonald	Financials	1.5
16. Future plc	Media	1.5
17. Stelrad Group	Construction	1.5
18. Eurocell	Construction	1.5
19. Auction Technology Group	Technology	1.5
20. Foresight Group	Financials	1.4

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	25.7
Financials	12.7
Construction	12.6
Support Services	10.4
Media	10.3
Consumer	8.4
Industrials	6.3
Healthcare	4.3
Resources	2.0
Property	1.0
Telecoms	0.3
Aerospace & Defence	0.2
Cash	5.8

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	20.7	19
£500m - £1bn	29.0	25
£250m - £500m	20.8	24
£100m - £250m	15.5	19
Below £100m	8.2	42
Cash and Income	5.8	N/A
Total	100.0	129

Disclaimer: This fund invests 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. The fund can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risks described above. 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 existing fund investors, 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)345 305 4217. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.