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Monthly Fact Sheet

30 November 2024

Investment Objective and Policy

The objective of the fund is to achieve capital growth by investing in fully listed and AIM listed UK equities across the UK market size spectrum but always with a minimum of 60% of assets in large cap UK equities.

Launch Date	28 October 2024
Fund Size	£30m
Historic Yield*	-

Share Price (as at 30.11.24)

Shares	Accumulation
B Shares	100.93p

Codes (B Shares)

	Accumulation
Sedol	TBC
ISIN	GB00BLCHD25

Fund Managers



Julie Dean

joined the Chelverton UK team in 2024, bringing with her a wealth of fund management experience and is renowned within the industry for her astute business cycle investing approach. Her career began at GT, managing UK equity funds, after which she moved to HSBC, where she oversaw UK Growth funds and institutional portfolios. In 2002, Julie joined Cazenove and managed the Cazenove/Schroder UK Opportunities Fund. Julie holds a BA (Hons) in Modern History from St Anne's College, Oxford University.



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.

MI Chelverton UK Opportunities Fund

Monthly Manager Commentary

The UK equity market rose 1.33% in November (all returns are price only). Your fund was fully invested over the course of the month. We will provide full attribution analysis in our December note.

The Bank of England cut interest rates by 0.25% to 4.75% at the November MPC meeting but the market now expects fewer rate cuts next year than anticipated before the budget. The BoE modestly increased its growth projections following the budget but domestic business and consumer confidence is subdued. Small and medium sized companies, especially in retail and leisure industries, have been hard hit by the rise in employer national insurance – just as these sectors emerge from 18 months spent fighting cost inflation. The Gfk consumer confidence balance is -18 compared with a pre-budget high of -13 in August and the UK services PMI just eked out an expansionary reading in November at 50.8 down from 52 in October. Globally manufacturing continues to be weak with UK Manufacturing PMI, Europe Area M-PMI and the US M-PMI all contracting.

Whitbread performed poorly this month but the share price has arguably over-reacted to the impact of the Budget changes. The hotel sector enjoys ~2x higher labour productivity than pubcos and Whitbread has a margin cushion from its large freehold asset base.

An in line Q3 trading update from Schroder's was soured by the announcement of large outflows slated for Q4. We are encouraged that the new CEO has not hung around with making changes, cutting back a top-heavy board and starting a modest share buyback programme. There is much more that can be done to release value. Prudential's Q3 trading update noted the pickup in sales growth in the third quarter across wider China and Thailand as the industry starts to emerge from burdensome regulatory changes. A positive trading update from Lancashire showed strong underwriting results with the company re-affirming the ROE target for the year and signalled confidence in the market, its cash generation and capital position with the announcement of a special dividend. We added to housebuilders with purchases of Taylor Wimpey and Barratts where share price weakness caused by the rise in gilt yields and tighter mortgage financing costs has created a good buying opportunity. Planning volume increases are the most important thing for the housebuilders future growth and we trust the government will keep this promise to the electorate. We funded these additions by taking profits in banks Barclays and Standard Chartered which delivered strong share price performance as the market moved to price in the likelihood of higher interest rates for longer. We initiated a position in AstraZeneca whose share price has fallen significantly on news of anti-corruption investigations into individuals employed by the company in China. The market cap fall of c.£22bn compares with c £4.5bn revenues in China. We added to Hikma which fell on a trading update maintaining previously upgraded guidance on sales and profit growth and showing accelerating growth for its Injectables business into the second half of the year. We funded these purchases with a partial sale of our holding in Convatec whose shares performed strongly on the release of its Q3 trading statement which delivered upgrades to sales and earnings plus reassuring commentary around InnovaMatrix. On The Beach and Watches of Switzerland were strong ahead of results – we believe both companies are well positioned to benefit from a recovery in consumer spending. Auction Technology Group rallied after delivering in-line final results that reassured investors and we took some profit into the price strength.

We retain a pro-cyclical bias in your fund. Inflation looks to have been tamed, the consumer and services are in decent shape and new order manufacturing data looks to be troughing. We believe the UK market is cheap, overlooked and unloved and we are finding great investment opportunities.

Performance Since Launch (%)

Performance is not shown on this factsheet as the fund is less than 12 months old.

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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	1.02

*or any such lower amount agreed with the ACD

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Top 20 Holdings

Holding	Sector	% of Portfolio
1. Barclays	Financials	5.0
2. Standard Chartered	Financials	4.4
3. Aviva	Financials	4.2
4. BP	Energy	4.1
5. GSK	Healthcare	4.1
6. Rightmove	Communication Services	3.8
7. Barratt Redrow	Consumer Discretionary	3.2
8. Rio Tinto	Materials	3.1
9. Whitbread	Consumer Discretionary	3.0
10. Prudential	Financials	3.0
11. British Land	Real Estate	2.9
12. Taylor Wimpey	Consumer Discretionary	2.8
13. Reckitt	Consumer Staples	2.7
14. Hikma	Healthcare	2.7
15. Rentokil Initial	Industrials	2.5
16. Telecom Plus	Utilities	2.4
17. Man Group	Financials	2.3
18. Schroders	Financials	2.2
19. ICG	Financials	2.0
20. B&M	Consumer Discretionary	2.0

Source: Chelverton Asset Management Limited

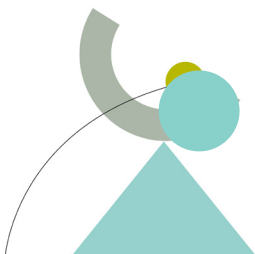
Sector Breakdown

Financials	30.0
Consumer Discretionary	16.1
Healthcare	12.1
Industrials	9.5
Communication Services	7.7
Consumer Staples	6.3
Energy	5.1
Materials	4.7
Real Estate	2.9
Utilities	2.4
Information Technology	1.7
Cash	1.5

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £3.5bn	63.1	23
£300m - £3.5bn	30.8	27
Below £300m	4.6	5
Cash and Income	1.5	N/A
Total	100.0	55



FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

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