

## Monthly Fact Sheet 31 July 2016

<b>Launch Date</b>	20th October 2014
<b>Fund Size</b>	£28.6m

### Share Price (as at 31.07.16)

Shares	Income	Accumulation
B Shares	134.04p	135.29p

### Codes (B Shares)

	Income	Accumulation
Sedol	BP85595	BP855B7
ISIN	GB00BP855954	GB00BP855B75

### Annual Management Fee (%)

B Shares	0.75
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### Minimum Investment

B Shares	£1,000
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## 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 Extel. Prior to joining Chelverton he worked as the Assistant fund manager on the Rathbone UK Recovery Fund.



### David Taylor

began his career as an analyst in the research department at Wedd Durlacher and moved into fund management in 1987 with the Merchant Navy Officers Pension Fund. He joined Gartmore Investment Limited in 1991, during this time, he ran a combination of institutional funds and

investment trusts, namely the Clydesdale Investment Trust and London & Strathclyde Trust. In 1995, he moved to LGT to manage small cap retail funds and latterly spent nearly seven years as head of UK smaller companies at HSBC Asset Management. He joined Chelverton Asset Management in January 2006 and has co-managed the Chelverton UK Equity Income Fund since launch.

Source & Copyright: CITYWIRE. David Taylor is A rated by Citywire for his 3 year risk adjusted performance for the period 31/07/2013 - 31/07/2016.

# MI Chelverton UK Equity Growth Fund

## Investment Objective and Policy

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

## Investment Approach

The fund managers are looking for companies that can both grow faster than the market and are highly cash generative enabling them to fund their own growth. Typically these companies will have some form of sustainable competitive advantage, such as a unique product, or a dominant position in a particular market, leading to high margins and the ability to generate surplus cash.

## Monthly Manager Commentary

A much better month for Mid and Small caps and therefore the fund, which recovered virtually all of the fall it experienced in the sharp sell-off after the BREXIT vote, as the speedy resolution of the Tory party leadership enabled the market to regain some of its poise. Interestingly the bulk of our performance came from our structural growth stocks, which should be less affected by any post BREXIT slowdown in the UK economy. Our UK domestic cyclical holdings, which sold off heavily in the week after the vote, only started to show a tentative recovery towards the end of the month.

Anecdotal evidence from the management teams we meet suggests that the domestic economy was already slowing ahead of the UK referendum as companies put investment decisions on ice ahead of the vote. There's evidence that some activity has recommenced post the vote, however with the BREXIT vote being so closely followed by the holiday season most management feel that we will only get a clear sense of the economy's direction as we move into the autumn. From a pure common sense point of view, given the UK's propensity to import a high proportion of its consumer goods, the sharp devaluation of Sterling will mean that either retail margins will come under pressure and or consumer's disposable income will shrink. Another obvious risk is inward investment to access the wider EU market, particularly for financial services, will be put on hold until our future trading terms with the EU become clearer.

With regard to individual share price performance last month, Wireless Group was our best performing share thanks to a recommended cash offer by News Corp at a 70% premium to the market price. Thereafter technology stocks like Quixant, Blue Prism, NCC Group, Craneware and IQE performed strongly on the back of good results or strong trading updates. Conversely Proactis, a technology company, was one of our weakest performers, giving up earlier gains in the absence of any news-flow. Otherwise Centaur Media, a UK centric conference and publishing business, and Orchard Funding the specialist lender fell on disappointing trading updates.

With BREXIT out of the way and the Tory leadership resolved we have seen the level of IPOs and corporate fund raisings pick-up sharply with deals coming at quite attractive valuations to ensure a decent reception in a nervous market. To date we have taken part in a Fund raising for Stride Gaming, an online gaming business with a very experienced management team, which is consolidating the online Bingo market. We also bought back into Bioventix, which makes antibodies for the healthcare diagnostics market, because the valuation had come back to what we feel is an attractive level.

## Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	2.22	8.13	0.10	6.30	9.36	35.29
Sector Rank	162/265	33/266	236/266	189/265	12/261	6/255
Quartile Ranking	3rd	1st	4th	3rd	1st	1st
IA UK All Companies (%)	3.28	6.37	4.42	8.86	0.85	16.26

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.07.2016

## Discrete Annual Performance

	31.07.15	31.07.14	31.07.13	31.07.12	31.07.11
Fund (%)	9.36	-	-	-	-

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.07.2016

Monthly Fact Sheet  
**31 July 2016**

**ACD**  
Maitland Institutional Services Ltd

**Investment Advisor**  
Chelverton Asset Management Ltd

**Administrator**  
Maitland Institutional Services Ltd

**Income Paid** Annually

**XD Dates** 31 December

**Valuation** 12 Noon

**Dealing Line** 0845 305 4217

**Dealing Fax** 0845 280 0188

## MI Chelverton UK Equity Growth Fund

### Top 20 Holdings

Holding	Sector	% of Portfolio
1. Wireless Group	Media	3.0
2. Clinigen Group	Healthcare	2.9
3. Tyman	Construction	2.3
4. Liontrust Asset Management	Financials	1.9
5. IMImobile	Technology	1.9
6. XP Power	Industrials	1.9
7. Photo-Me International	Consumer	1.9
8. IQE	Technology	1.9
9. SQS Software Quality Systems	Technology	1.8
10. Brooks MacDonald	Financials	1.8
11. Atkins (WS)	Support Services	1.7
12. GB Group	Technology	1.7
13. Iomart Group	Technology	1.7
14. dotDigital	Technology	1.6
15. Polypipe Group	Construction	1.6
16. Watkin Jones	Construction	1.6
17. Rank Group	Consumer	1.6
18. Dairy Crest	Consumer	1.6
19. Victrex	Industrials	1.5
20. Proactis	Technology	1.5

Source: Chelverton Asset Management Limited

### Sector Breakdown

	% of Portfolio
Technology	25.4
Consumer	12.5
Industrials	14.4
Construction	11.1
Healthcare	10.6
Financials	8.2
Media	8.2
Support Services	4.6
Property	1.4
Cash	3.6

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	7.8	6
£500m-£1bn	15.3	13
£250m-£500m	17.7	14
£100m-£250m	31.7	23
Below £100m	23.8	21
Cash & Income	3.6	N/A
Total	100.0	77

Source: Chelverton Asset Management Limited

### FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

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**springcapital**

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. 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. We recommend private investors seek the services of a Financial Adviser. Maitland Institutional Services Limited are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email pfsenquiries@phoenixfundservices.com or call +44 (0) 1245 459 962.