

## Monthly Fact Sheet 31 August 2016

**Launch Date** 20th October 2014  
**Fund Size** £31.0m

### Share Price (as at 31.08.16)

Shares	Income	Accumulation
B Shares	142.53p	143.85p

### Codes (B Shares)

	Income	Accumulation
Sedol	BP85595	BP855B7
ISIN	GB00BP855954	GB00BP855B75

### Annual Management Fee (%)

B Shares 0.75

### Minimum Investment

B Shares £1,000

## 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 31/08/2013 - 31/08/2016.

# 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

The Fund continued to perform strongly last month, comfortably beating its IA UK All Companies benchmark as UK Small and Mid caps, on which the Fund is focussed, continued their recovery from the “knee-jerk” sell-off they experienced post BREXIT. Economic newsflow was generally positive with impressive domestic PMI manufacturing data and strong retail sales and this, together with the rate cut, helped underpin the rally with domestic cyclical, which were left behind in August, joining the party. Consequently some of the Fund’s best performers were UK cyclical with DFS Furniture, Mortgage Advice Bureau, Polypipe and Matchtech recovering a large part of their post BREXIT losses. However top prize for performance went to Blue Prism, the white collar automation business, which after a strong July returned 85% in August after signing a contract with a global tier 1 bank. Proactis was our next best performer returning a modest 30% as its shares recovered from a period of weakness after a positive trading update. Two recent investments also contributed strongly. Bioventix, which we bought back into last month responded to a positive trading update, whilst Autins Group, a noise and vibration materials specialist, was an IPO which got off to a good start on the market.

During the month, we made two new investments: participating in the IPO of Autins Group and buying a holding in On The Beach, the online low cost travel agency, which is taking share from the traditional High Street operators. We sold out of three holdings: Hill and Smith and RWS Holdings on valuation grounds after strong performance in their shares, and Vectura Group, a pharmaceutical business, which came into the portfolio when it acquired Skyepharma. We owned Skyepharma because we liked its growing revenue streams from its portfolio of products, whereas Vectura has a greater dependence on its partners securing licenses for its product pipeline, meaning the enlarged group lacked the level of revenue and cashflow predictability we like to see.

Having seen a sharp rally in UK Small and Mid Caps over the last two months, our segment of the market is probably due a period of consolidation, as investors take stock of how the economy performs over the autumn and as the US election nears. Notwithstanding this, with UK interest rates at a de minimis level and more likely to come down rather than rise, meaning there are scant returns elsewhere, equities remain one of the most attractive asset classes for investors.

## Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	8.69	6.33	5.74	12.20	17.30	43.85
Sector Rank	99/266	4/267	159/267	92/266	10/262	1/255
Quartile Ranking	2nd	1st	3rd	2nd	1st	1st
IA UK All Companies (%)	6.25	2.89	6.09	10.62	8.84	19.59

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.08.2016

## Discrete Annual Performance

	31.08.15	31.08.14	31.08.13	31.08.12	31.08.11
Fund (%)	17.30	-	-	-	-

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.08.2016

Monthly Fact Sheet  
**31 August 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

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**FURTHER INFORMATION**

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**springcapital**

## MI Chelverton UK Equity Growth Fund

### Top 20 Holdings

Holding	Sector	% of Portfolio
1. Clinigen Group	Healthcare	2.6
2. Tyman	Construction	2.0
3. Dotdigital Group	Technology	2.0
4. SQS Software Quality Systems	Technology	2.0
5. Liontrust Asset Management	Financials	1.9
6. Brooks MacDonald	Financials	1.9
7. IMImobile	Technology	1.9
8. IQE	Technology	1.9
9. Proactis	Technology	1.8
10. Polypipe Group	Construction	1.8
11. Photo-Me International	Consumer	1.8
12. XP Power	Industrials	1.8
13. Stride Gaming	Consumer	1.8
14. Wilmington	Media	1.7
15. Bioventix	Healthcare	1.7
16. Atkins (WS)	Support Services	1.7
17. Mortgage Advice Bureau	Financials	1.7
18. GB Group	Technology	1.6
19. Victrex	Industrials	1.6
20. Games Workshop Group	Consumer	1.6

Source: Chelverton Asset Management Limited

### Sector Breakdown

	% of Portfolio
Technology	25.1
Industrials	14.5
Consumer	13.6
Construction	10.4
Healthcare	8.5
Financials	8.5
Media	7.1
Support Services	4.9
Property	1.3
Cash	6.1

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	7.4	6
£500m-£1bn	12.7	9
£250m-£500m	19.7	15
£100m-£250m	34.0	25
Below £100m	20.1	17
Cash & Income	6.1	N/A
Total	100.0	72

Source: Chelverton Asset Management Limited

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.