

Monthly Fact Sheet 31 December 2016

Launch Date 20th October 2014

Fund Size £47.3m

Share Price (as at 31.12.16)

Shares	Income	Accumulation
B Shares	156.24p	157.68p

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.

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 returned 5.5% in December capping off a strong second half to 2016 when it returned 26% as it rebounded from its low point after the sharp BREXIT sell-off at the end of June. There were no particular themes to last month's performance other than a broad number of stocks generating positive returns, with companies generally meeting or beating market profit expectations. Notable risers were WYG and Photo-Me International, which responded to good results, and Games Workshop, which upgraded its profits expectations. ULS Technology (the online comparison business for conveyancing) was our star performer rising on the back of an acquisition, whilst Craneware, the next best performer, rallied from last month's Trump related sell-off. Third placed Revolution Bars continued to re-rate from its relatively low valuation. Angle, where we only have a small position, was our worst performer as the shares drifted in the absence of any positive newsflow on its cell separation technology.

During the month we started three new holdings, buying back into both Amerisur Resources, the Colombian oil producer, which has significantly lowered its production cost by building an oil pipeline out of its production area, and Greencore Group (the UK's leading sandwich maker), whose shares have significantly de-rated recently. We also invested in Coats Group, the leading global industrial threads manufacturer, it having made significant progress in resolving its legacy pension fund issues, which had severely impinged on its market valuation.

Looking forward one senses that this year could produce as many surprises as 2016, with several elections in the European Union, which could further undermine the political consensus there. Trump's US election victory has shifted the emphasis from monetary policy to fiscal reflation in the world's largest economy. So far been this has been taken well by the market, but it remains to be seen how much of this becomes a reality and whether markets at some stage get spooked by the possibility of Trump's protectionist rhetoric becoming a reality. The British economy has so far held up much better than was anticipated post BREXIT, should this continue then sterling could at some point start to rally, particularly if there's uncertainty in Europe as a result of local elections, alleviating the growing pressure that we'll otherwise see on domestic household budgets. In the short-term the market's likely to focus on triggering Article 50, but whilst this might cause a short-term hiatus it shouldn't have any material impact on the economy until the terms of Britain ongoing relationship with the EU become clearer. In the meantime many domestic consumer cyclical stock valuations remain very depressed.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	19.14	5.54	6.34	26.02	19.14	57.68
Sector Rank	19/263	13/265	35/265	3/265	19/263	1/253
Quartile Ranking	1st	1st	1st	1st	1st	1st
IA UK All Companies (%)	10.67	3.80	3.59	13.97	10.67	24.55

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.12.2016

Discrete Annual Performance

	31.12.15	31.12.14	31.12.13	31.12.12	31.12.11
Fund (%)	19.14	26.67	-	-	-

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.12.2016

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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

FURTHER INFORMATION

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MI Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Brooks MacDonald	Financials	2.1
2. Quixant	Technology	2.0
3. Tarsus Group	Media	2.0
4. Photo-Me International	Consumer	1.9
5. Atkins (WS)	Support Services	1.9
6. Craneware	Technology	1.9
7. Avon Rubber	Industrials	1.9
8. Games Workshop Group	Consumer	1.9
9. Tyman	Construction	1.9
10. dotDigital	Technology	1.8
11. On the Beach	Consumer	1.8
12. Iomart	Technology	1.8
13. IMImobile	Technology	1.7
14. Rank Group	Consumer	1.6
15. Revolution Bars	Consumer	1.6
16. Bodycote	Industrials	1.6
17. Liontrust Asset Management	Financials	1.6
18. Volution Group	Construction	1.6
19. SQS Software Quality Systems	Technology	1.6
20. Greencore	Consumer	1.6

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	22.7
Consumer	17.8
Industrials	12.8
Healthcare	8.7
Construction	8.1
Financials	7.9
Support Services	7.7
Media	5.7
Property	1.1
Resources	1.0
Cash	6.5

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	12.0	9
£500m-£1bn	11.6	9
£250m-£500m	27.6	20
£100m-£250m	24.5	20
Below £100m	17.8	18
Cash & Income	6.5	N/A
Total	100.0	76

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.