

Monthly Fact Sheet 28 February 2017

Launch Date	20th October 2014
Fund Size	£55.1m

Share Price (as at 28.02.17)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	160.12p	163.64p

Codes (B Shares)

	<i>Income</i>	<i>Accumulation</i>
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.

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 1.43% in February, underperforming its IA UK All Companies benchmark by just over 1% as the domestic equity market pushed onto new highs. In a quiet month for newsflow there were very few stand-out performers in the portfolio. Inspired Energy was the best performer rising strongly after a stock over-hang was cleared away, whilst Bodycote responded well to a positive update with its annual figures.

Recently we have seen a gradual rotation from quality growth to more cyclical value, with some of the market's growth darlings having been chased up to very high ratings through the second half of 2016. Consequently we have continued to reduce our exposure to stocks that performed particularly well in 2016, where the valuations in our view look stretched, selling out of Sanne and reducing our Trifast and Bioventix holdings. At the same time, we have added a number of new holdings to the Fund, which meet our growth and cash conversion metrics, whilst in our view offering better value, as we seek to re-engineer some value into the portfolio after the strong performance it has generated at the back end of 2016. To this end, we started holdings in Amino Technology, a global provider of digital TV enabling technology to network operators, which increasingly need to make their TV content available not just in the home but over mobile devices as well. We also bought SDL, the technology enabled language translation business for the corporate market, Morgan Advanced Materials, an advanced industrial materials business, and Xafinity, a provider of outsourced UK pension trustee services with high levels of recurring revenue.

As we move forward, the Equity market seems to have taken the prospect of higher US interest rates in its stride, as it focuses on the likely beneficiaries of the shift from monetary policy to fiscal reflation. The recent strength of the market is likely to herald in more corporate fund raising activity, particularly at the small to mid-cap end of the spectrum both in the form of IPOs and fund raisings by existing quoted businesses. For the moment there seems to be a good appetite for new equity issuance but the supply and demand equation may start to tilt the balance, unless we see a commensurate pick-up in takeover bids to help sustain investor appetites at these levels.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	3.78	1.43	9.53	13.76	27.63	63.64
Sector Rank	52/264	229/265	9/263	10/261	11/259	1/249
Quartile Ranking	1st	4th	1st	1st	1st	1st
IA UK All Companies (%)	2.96	2.44	6.87	7.16	18.56	28.28

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 28.02.2017

Discrete Annual Performance

	29.02.16	28.02.15	28.02.14	28.02.13	29.02.12
	28.02.17	29.02.16	28.02.15	28.02.14	28.02.13
Fund (%)	27.63	17.01	-	-	-

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 28.02.2017

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ACD
Maitland Institutional Services Limited

Investment Advisor
Chelverton Asset Management Ltd

Administrator
Maitland Institutional Services Limited

Income Paid Annually

XD Dates 31 December

Valuation 12 Noon

Dealing Line 0345 305 4217

Dealing Fax 0845 280 0188

MI Chelverton UK Equity Growth Fund

Top 20 Holdings

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

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	22.7
Consumer	17.4
Industrials	14.0
Support Services	9.4
Construction	8.1
Healthcare	7.7
Financials	7.1
Media	5.9
Resources	0.9
Property	0.7
Cash	6.1

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	11.3	9
£500m - £1bn	12.4	9
£250m - £500m	26.1	19
£100m - £250m	26.9	22
Below £100m	17.2	18
Cash and Income	6.1	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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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.