

## Monthly Fact Sheet 28 February 2018

<b>Launch Date</b>	20th October 2014
<b>Fund Size</b>	£188m

### Share Price (as at 28.02.18)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	208.57p	215.26p

### 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.



### Edward Booth

graduated from the London School of Economics with a degree in Economics with Economic History, and qualified as a Chartered Accountant at Deloitte, where he focused on

the Insurance sector. Prior to joining Chelverton, he worked as a Business Analyst for Barclays, focusing on a number of areas including Investment Bank Revenue and Group Capital performance.

# 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 recorded a modest negative return in February, albeit outperforming its IA UK All Companies benchmark, as markets responded adversely to uncertainty over the scale of the anticipated Fed tightening and then latterly over fears of increased US protectionism. There were no stand-out underperformers in the Fund, which saw gentle price attrition over a wide number of holdings over the month. Our best performer was Maintel, the telephone service provider, which rebounded strongly when it indicated that it was starting to recover from the delay in customer orders that it had experienced in 2017.

We exited two holdings in February, selling out of Gamma Communications on valuation grounds after a strong run and exiting Gordon Dadds, a corporate legal practice, when it became evident to us that its working capital requirements were more onerous than we'd understood at the time of investment, to the extent that it wasn't likely to meet our financial screening criteria. We bought back into Renew, the provider of multidisciplinary engineering services to the Energy, Environment and Infrastructure markets. Their focus on critical infrastructure with high levels of regulation is attractive to the fund as it creates good revenue visibility, with lower contract risk than a typical contractor. Renew's share price had been weak due to general concern about contractors after the issues at Carillion, but Renew is well placed for increased spending on rail maintenance and nuclear decommissioning. We also took small positions in two biotechnology companies which both have quite binary market opportunities. Oxford BioDynamics' proprietary EpiSwitch platform helps pharmaceutical companies identify which patients are most likely to respond to new therapies under development, reducing both money wasted on ineffective treatments and the risks of failure in drugs trials. Faron Pharmaceutical's lead product Traumakine is an orphan drug in Phase 3 trials for the treatment of Acute Respiratory Distress Syndrome, which has greater than 400/- cases in Europe and USA per annum with a mortality rate of more than 30% and for which there is no approved medical treatment.

## Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	2.38	-0.82	5.46	11.39	31.54	96.46	115.26
Sector Rank	1/258	11/259	1/258	4/256	1/255	1/239	1/236
Quartile Ranking	1st	1st	1st	1st	1st	1st	1st
IA UK All Companies (%)	-3.72	-2.94	-1.02	0.50	6.44	20.07	37.30

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 28.02.2018

## Discrete Annual Performance

	28.02.17	29.02.16	28.02.15	28.02.14	28.02.13
	28.02.18	28.02.17	29.02.16	28.02.15	28.02.14
Fund (%)	31.54	27.63	17.01	-	-

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 28.02.2018

Monthly Fact Sheet  
**28 February 2018**

**ACD**  
Maitland Institutional Services Limited

**Investment Advisor**  
Chelverton Asset Management Ltd

**Administrator**  
Maitland Institutional Services Limited

**Income Paid** Anually

**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. Coats Group	Industrials	2.1
2. Liontrust Asset Management	Financials	2.0
3. Avon Rubber	Industrials	1.7
4. Synthomer	Industrials	1.7
5. Polypipe Group	Construction	1.7
6. Strix	Industrials	1.7
7. Brooks MacDonald	Financials	1.6
8. StatPro Group	Technology	1.6
9. Ultra Electronics	Industrials	1.6
10. Tyman	Construction	1.5
11. Volution Group	Construction	1.5
12. Alliance Pharma	Healthcare	1.5
13. Proactis Holdings	Technology	1.5
14. Spectris	Industrials	1.5
15. DiscoverIE Group	Industrials	1.4
16. Park Group	Financials	1.4
17. Curtis Banks Group	Financials	1.4
18. Dairy Crest Group	Consumer	1.4
19. dotDigital	Technology	1.4
20. Equiniti Group	Support Services	1.4

Source: Chelverton Asset Management Limited

### Sector Breakdown

	% of Portfolio
Industrials	22.6
Technology	21.5
Consumer	13.3
Financials	10.3
Support Services	7.3
Construction	6.0
Healthcare	5.8
Media	4.8
Resources	0.8
Cash	7.6

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	16.8	14
£500m - £1bn	13.6	13
£250m - £500m	25.9	22
£100m - £250m	25.6	25
Below £100m	10.5	20
Cash and Income	7.6	N/A
<b>Total</b>	<b>100.0</b>	<b>94</b>

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 Chelverton@maitlandgroup.co.uk or call +44 (0) 1245 459 962.