

## Monthly Fact Sheet 31 March 2018

<b>Launch Date</b>	20th October 2014
<b>Fund Size</b>	£193m
<b>Historic Yield (%)*</b>	1.00

<b>Share Price</b> (as at 31.03.18)		
	<i>Income</i>	<i>Accumulation</i>
B Shares	202.43p	208.93p

<b>Codes (B Shares)</b>		
	<i>Income</i>	<i>Accumulation</i>
Sedol	BP85595	BP855B7
ISIN	GB00BP855954	GB00BP855B75

### 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.

\*The historic yield reflects distributions over the past 12 months as a percentage of the bid price of the B share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.

## 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 market remained under pressure in March as growing fears of a trade war took over from the prospect of the Fed tightening as the main threat to business and investor confidence. Domestically, a seeming willingness for compromise in BREXIT negotiations has alleviated some of investors' worst fears, but set against this we have seen growing weakness in the retail and leisure sectors with a plethora of companies reporting softer trading as consumers rein in their spending, not helped by the inclement weather in the month.

Having held up relatively well at the start of the year, the market volatility took its toll on the Fund, which had a relatively poor performance against its IA UK All Companies benchmark in March, returning -2.9%. The Fund experienced weakness across a broad number of stocks with a handful of our smaller positions experiencing quite sharp sell-offs, most notably Innovaderma, the toiletries business which reported lower than anticipated orders for its Skinny Tan product by Superdrug, and Zytronic and Frontier Smart Technologies, which both reported quite flat starts to their years against strong comparative data. Finally, Greencore continued to experience issues at its US food manufacturing businesses with ongoing problems at its existing sites and delays in winning new business at the recently acquired Peacocks business, frustratingly detracting from its successful UK "food-to-go" offering. With gearing remaining persistently high and no sign of an end to its problems in the USA, we are reviewing the merits of our ongoing involvement.

During the month we added a number of new holdings to the Fund, buying back into Clinigen, the outsourced pharmaceutical service provider, after a period of share price weakness. We started a holding in Chemring, the mid-cap defence business, which specialises in countermeasures, sensors for IED and chemical and biological weapons detection, and specialist ammunitions. After a period of being in the doldrums post the Iraq and Afghan conflicts, new management have focused on improving operational efficiency and cashflow and we feel Chemring is now well-placed to benefit from a pick-up in activity in the light of growing international tension between the superpowers. We also participated in the IPO for JTC, a fast growing Jersey-based provider of corporate, private wealth and alternative fund administration services, with many similarities to Sanne (which we like and have owned historically) but on a much lower rating. We exited our holding in Inspired Energy, the SME energy managed service provider, after seeing a strong re-rating in its shares. We also sold out of Dialight, which had proved to be a very disappointing investment in what should have been an excellent growth market of commercial LED lighting for extreme environments, as management badly mishandled a move from in-house to outsourced manufacturing capacity, an ongoing issue, which has undermined the company's ability to meet demand and market expectations.

### Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	3 yrs	Since Launch
Fund (%)	-0.63	-2.94	-0.63	6.55	25.12	89.85	108.93
Sector Rank	3/257	200/258	3/257	1/257	1/254	1/239	1/236
Quartile Ranking	1st	4th	1st	1st	1st	1st	1st
IA UK All Companies (%)	-5.93	-2.24	-5.93	-2.25	2.37	17.92	34.04

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.03.2018

### Discrete Annual Performance

	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Fund (%)	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Fund (%)	25.12	25.06	21.34	-	-
IA UK All Companies (%)	2.37	17.66	-2.14	-	-

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.03.2018

Monthly Fact Sheet  
**31 March 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

**Annual Management Fee (%)**

B Shares 0.75

**Minimum Investment**

B Shares £1,000

**Ongoing Charge (%)**

B Shares 1.00\*

\*per audited financial statements for year-ended  
31 December 2017

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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. Liontrust Asset Management	Financials	1.9
2. Polypipe Group	Construction	1.8
3. Coats Group	Industrials	1.8
4. Avon Rubber	Industrials	1.8
5. Strix	Industrials	1.7
6. Quixant	Technology	1.7
7. Tyman	Construction	1.7
8. Proactis Holdings	Technology	1.6
9. JTC	Financials	1.6
10. Alliance Pharma	Healthcare	1.6
11. dotDigital	Technology	1.6
12. Synthomer	Industrials	1.5
13. Tarsus Group	Media	1.5
14. Dairy Crest Group	Consumer	1.5
15. Volution Group	Construction	1.5
16. Castleton Technology	Technology	1.5
17. TT Electronics	Industrials	1.5
18. Brooks MacDonald	Financials	1.4
19. Ultra Electronics	Industrials	1.4
20. Bodycote	Industrials	1.4

Source: Chelverton Asset Management Limited

### Sector Breakdown

	% of Portfolio
Industrials	23.3
Technology	22.8
Consumer	13.5
Financials	11.2
Healthcare	7.2
Support Services	6.3
Construction	6.2
Media	4.8
Resources	1.0
Cash	3.7

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	15.8	13
£500m - £1bn	15.7	16
£250m - £500m	25.3	21
£100m - £250m	28.3	26
Below £100m	11.2	21
Cash and Income	3.7	N/A
<b>Total</b>	<b>100.0</b>	<b>97</b>

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