



Net Assets £6.2m

Net Assets excluding unaudited current period revenues £6.2m

## ORDINARY SHARES

Share Price 335.00p

NAV per Share 335.99p\*

Premium / (Discount to NAV) (0.30%)

Share Capital 1,837,205\*\*

\* includes unaudited revenue reserve to 30/09/2023

\*\* excludes shares held in Treasury

## INVESTMENT OBJECTIVE AND POLICY

The Company invests in cash-generative quoted UK Small and Mid-Cap Companies that are expected to grow faster than the UK stock market as a whole over the long term and which can finance their own organic growth.

The Company's objective is to outperform the UK equity market by investing in companies with higher -than-average earnings growth that are listed outside the top 100 stocks on either of the Main Market, AQSE or traded on AIM, to capture the smaller companies' outperformance effect. The Investment Manager believes the investment trust structure of the Company lends itself to investing in smaller, more illiquid growth stocks, as the closed-end structure removes the potential scenario where the Company needs to sell holdings at the wrong time to meet redemptions.

The Company principally invests (approximately 75 per cent of its funds) in shares of companies which are listed on the Main Market or AQSE or traded on AIM, with market capitalisations of less than £250 million. The Company also invests (approximately 25 per cent of its funds) in some UK listed companies with larger market capitalisations, for liquidity purposes.

## MONTHLY MANAGER COMMENTARY

Equity market weakness persisted in September amidst growing concerns around the health of the Chinese real estate sector. The US economy continued its resilient trend, in contrast to the subdued economic sentiment in Europe. Encouragingly, core inflation rates declined in both regions, with UK core inflation running at 6.2% in August. In response to this downward surprise, the UK's MPC voted in favour of holding rates at 5.25%. It would appear policymakers are growing more cautious to the economic risks associated with higher rates, although central bank commentary suggested rates may stay at elevated levels for longer than anticipated, which has impacted market sentiment. Meetings with corporates this month chimed with recent inflation data; input costs continue to show signs of stabilising or in some cases deflating, whilst wage rises have trended towards the 3-5% range. Although the recent rise in the oil price may mean higher fuel prices, a -7% reduction in the energy price cap in October should help alleviate some UK consumer cost pressures. De-stocking and cautious customer behaviour has continued to impact some of the more cyclical corporates, who expected an improvement in trading conditions in the second half. Elevated corporate buyback activity remained a prevalent theme in the UK market, as boards looked to extract value from depressed valuations.

Restore was our best performer at the individual stock level, rebounding on the announcement of a large digital contract win with HMRC and a return to the helm from former CEO Charles Skinner. Also strong was Advanced Medical Solutions, bouncing off recent lows. The month saw poor performance from Zoo Digital, who continued to feel the impact of the actors and writer's strikes and CAB Payments.

We continue to use recent market volatility to deploy capital into our favoured small and mid-cap names, adding Premier Foods, Learning Technologies Group and Advanced Medical Solutions in the mid-cap space, and Inspired, Macfarlane and LBG Media in the small-cap space. We also added to existing holdings such as D4T4 and DotDigital on weakness. We reduced our Argentex holding after their recent H1 results, given concerns about the H2 weighting of the full-year market forecasts.

## FUND MANAGERS



JAMES BAKER

**James** joined Chelverton Asset Management in June 2014 to manage MI Chelverton UK Equity Growth Fund.

A history graduate from Cambridge University, he 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-capitalisation stock selection. He has worked for several organisations over the years, but most notably spent 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

**Edward** joined Chelverton Asset Management in 2016 as an Assistant Fund Manager, becoming a Fund Manager in November 2017. Having graduated from the London School of Economics with a degree in Economics with Economic History, Edward 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.



HENRY BOTTING

**Henry** joined Chelverton Asset Management in 2021 and was appointed co-manager in August 2022. Prior to joining, Henry worked on the Equity Sales team at FinnCap, where he specialised in UK small and micro-cap companies. He has a degree in Economic and Social History from the University of Edinburgh and prior investment management experience at Rathbones and OLIM. Henry is a CFA Charterholder.

## RETURNS

30/09/2023

Since change of investment policy (31 July 2023)*	2023
Share Price Ordinary Shares	1.5%
NAV Ordinary Shares	0

Source: Chelverton Asset Management Limited and Morningstar  
Past performance is not a guide to future results

\* The Investment Company PLC changed its investment policy on 31 July 2023. For reasons of clarity, previous track record has been excluded from the performance table. For details of previous performance please see annual reports on The Investment Company plc website: <https://theinvestmentcompanyplc.co.uk>





## DIRECTORS

### IAN DIGHÉ

Non-Executive Chairman

### TIM METCALFE

Senior Independent Non-Executive Director

### MARTIN PERRIN

Non-Executive Director

### DAVID HORNER

Non-Independent Non-Executive Director

## CALENDAR

Year End 30 June

AGM November

Management Fee Up to 0.75%\*

Ongoing Fee 2%\*

\* The Investment Manager has waived the management fee of 0.75% and shall instead make a contribution to the company costs to ensure that the annualised ongoing charge does not exceed 2% of NAV.

## PRICE INFORMATION

Reuters INVM.L

SEDOL 0465825

## CONTACT US

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### Risk Factors

The value of investments and the income from them may go down as well as up and you may not get back your original investment. "Investment trusts can borrow money to make additional investments on top of shareholders funds (gearing), however, this is investment trust does not currently use any gearing. An investor could lose all of their capital. Smaller companies are riskier and less liquid than larger companies which means their share price may be more volatile. Some of the annual management fee is currently charged to the capital of the Fund. Whilst this increases the yield, it will restrict the potential for capital growth. The level of yield may be subject to fluctuation and is not guaranteed. Net Asset Value ("NAV") performance is not the same as share price performance and investors may not realise returns the same as NAV performance.

**Risk Rating of Shares** Ordinary shares - High

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THE INVESTMENT COMPANY PLC IS REGISTERED IN ENGLAND: COMPANY NUMBER 00004205

## TOP TWENTY HOLDINGS

Holding	Sector*	% of Net Assets
Hal Trust Units NPV	Financials	5.5%
Restore	Support Services	2.4%
Ascential	Media	2.0%
Auction Technology Group	Technology	2.0%
Premier Foods	Consumer	1.9%
Inchcape	Support Services	1.8%
Clarkson	Support Services	1.8%
Gamma Communications	Technology	1.8%
Sigmaroc	Construction	1.6%
dotdigital	Technology	1.5%
Bodycote	Industrials	1.4%
Ebiquity	Media	1.4%
Volution Group	Construction	1.4%
Severfield	Construction	1.4%
JTC	Financials	1.4%
AJ Bell	Financials	1.3%
CAB Payments Holdings	Financials	1.3%
Learning Technologies Group	Technology	1.3%
Somero Enterprise Inc.	Construction	1.3%
Global Data	Media	1.2%
<b>Total</b>		<b>35.8%</b>

\* Source Chelverton Asset Management Limited

## SECTOR BREAKDOWN %

Sector %	% of Net Assets
Financials	11.5%
Technology	9.8%
Media	9.2%
Support Services	7.9%
Construction	6.5%
Consumer	3.4%
Industrials	3.1%
Healthcare	1.9%
<b>Total</b>	<b>100.0%</b>

Source: Chelverton Asset Management Limited

## MARKET CAP BREAKDOWN

% of Net Assets	No of stocks
Above £1bn	9
£500m - £1bn	8
£250m - £500m	5
£100m - £250m	11
Below £100m	8
Cash & Income	0
<b>Total</b>	<b>41</b>

Source: Chelverton Asset Management Limited

