



Net Assets £6.6m

Net Assets excluding unaudited current period revenues £6.6m

### ORDINARY SHARES

Share Price 315.00p

NAV per Share 360.00p\*

Premium / (Discount to NAV) (-12.50%)

Share Capital 1,837,205\*\*

\* includes unaudited revenue reserve to 31/12/2023

\*\* excludes shares held in Treasury

## 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.

## 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

December was another strong month for equity markets, particularly UK indices, which enjoyed a Santa rally in the run up to Christmas. After a series of upside surprises, key UK inflation measures all came in below expectations in November, including month-on-month core inflation turning negative for the first time since February 2021. The trend over the past few months suggests inflationary pressures are fading quickly, easing pressure on the BoE and allowing room for interest rate cuts in 2024. According to UK PMI data, which rose to a six-month high in December, the UK economy narrowly avoided entering recession in 2023, although manufacturing data continues to exhibit weakness. UK employment, whilst remaining robust in 2023, has begun to show signs of softening as higher rates take hold.

Our best contributors at the individual stock level were Somero, on the prospect of accelerated rate cuts in the US, AJ Bell, on positive FY results and additional clarity on pricing, Oxford Metrics, on positive FY results, and On The Beach. There were no material detractors from performance. We added holdings in Hostelworld and Adriatic Metals and added to our Pendragon, Ebiquity and Man Group positions, amongst others. We exited our holding in HAL Trust.

The past couple of months have brought some welcome respite for UK equities after a difficult year. Despite the recent bounce, we feel the Trust continues to trade at a very attractive valuation range, especially in the context of cyclically low earnings. The resilience of the UK economy (particularly compared to many of our European peers), an improving cost of living outlook and the potential for rate cuts bode well for UK equities in 2024, but we remain mindful of both the uncertain employment and political outlook.

## RETURNS

31/12/2023

Since change of investment policy (26 July 2023)*	2023
Share Price Ordinary Shares	-4.55%
NAV Ordinary Shares	6.58%

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 26 July 2023. The NAV as of that date has been taken as the tender price, which was equal to the estimated Post-Transaction NAV per Ordinary Share. 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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## TOP TWENTY HOLDINGS

Holding	Sector*	% of Net Assets
Pendragon	Consumer	3.7%
JTC	Financials	2.4%
Ascential	Media	2.4%
Auction Technology Group	Technology	2.2%
Restore	Support Services	2.1%
dotdigital	Technology	2.1%
Premier Foods	Consumer	2.1%
Sigmaroc	Construction	2.0%
Oxford Metrics	Technology	2.0%
Clarkson	Support Services	1.9%
Learning Technologies Group	Technology	1.8%
Bodycote	Industrials	1.8%
Gamma Communications	Technology	1.7%
Alpha Group International	Financials	1.7%
Somero Enterprise Inc.	Construction	1.7%
AJ Bell	Financials	1.7%
Volution Group	Construction	1.6%
YouGov	Media	1.6%
Inchcape	Support Services	1.6%
Global Data	Media	1.5%
<b>Total</b>		<b>38.6%</b>

\* Source Chelverton Asset Management Limited

## SECTOR BREAKDOWN %

Sector %	% of Net Assets
Technology	15.6%
Media	11.0%
Support Services	10.6%
Financials	10.4%
Consumer	8.3%
Construction	8.0%
Industrials	5.6%
Healthcare	3.3%
Resources	1.1%
Cash & Income	26.1%
<b>Total</b>	<b>100.0%</b>

Source: Chelverton Asset Management Limited

## MARKET CAP BREAKDOWN

% of Net Assets	No of stocks
Above £1bn	10
£500m - £1bn	8
£250m - £500m	11
£100m - £250m	16
Below £100m	12
Cash & Income	
<b>Total</b>	<b>57</b>

Source: Chelverton Asset Management Limited

