



Net Assets £6.0m

Net Assets excluding unaudited current period revenues £6.0m

ORDINARY SHARES

Share Price 318.00p

NAV per Share 324.75p*

Premium / (Discount to NAV) (2.08%)

Share Capital 1,837,205**

* includes unaudited revenue reserve to 31/10/2023

** 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 FTSE 100 index 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

A difficult month for the equity market and small and mid-caps, where the Trust invests, in particular, with strong US non-farm payroll data for September and "hawkish noises" from the Fed about the duration of the interest rate cycle pushing up bond yields and reducing the appetite for equities. Against this backdrop, the outbreak of conflict in the Middle East pushed markets back into risk-off mode, compounding the sell-off seen across equities.

The Trust saw a broad list of holdings de-rate in the absence of any stock specific newsflow and, with no real sectoral theme, the main detractors from a returns perspective were Restore, Auction Tech, Inchcape, Bodycote and JTC. However, the worst offender from a returns perspective was CAB Payments, the FX trading and payments provider for emerging market currencies, which only recently came to the market. Its share price collapsed on a severe profits downgrade, as its business was impacted by regulation changes in two of its main currencies in its peak fourth quarter trading period. On the positive side, the only notable return came from Ascential, as they announced the sale of two rather than just one of its three divisions at attractive valuations, whilst YouGov and XP Power were also up on positive updates.

From a dealing perspective, we continued to invest the cash position, adding holdings in Accesso, Alpha Group, FDM, Mattioli Woods, Seeing Machines, Water Intelligence and XP Power, and adding to holdings in JTC, Oxford Metrics and Bodycote, amongst others. On the sell side, we trimmed Ascential on the back of the sharp rally on the disposal newsflow.

Looking forward after such a difficult period, we would note that inflation continues to fall, meaning we should be getting closer to monetary policy being eased, a key ingredient for an equity market rebound, particularly in small and mid-caps. The most recent US payroll data was more subdued and this, coupled with more dove-ish Fed commentary, lead to a welcome rebound in the market. We believe UK small and mid-cap shares are oversold with valuations being low from a historical perspective, based on relatively depressed earnings, which makes them doubly attractive. In our view as managers, the ongoing de-rating is now more down to liquidity and redemption driven, than based on outlook and valuation. These low valuations present a compelling opportunity for when rates turn, and returns from cash and bonds become less attractive.

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

31/10/2023

| Since change of investment policy (26 July 2023)* | 2023 |
|---|--------|
| Share Price Ordinary Shares | -3.64% |
| NAV Ordinary Shares | -3.84% |

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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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% |
| Ascential | Media | 2.4% |
| JTC | Financials | 2.1% |
| Restore | Support Services | 2.1% |
| Auction Technology Group | Technology | 2.0% |
| Premier Foods | Consumer | 2.0% |
| Volution Group | Construction | 1.8% |
| Oxford Metrics | Technology | 1.8% |
| Clarkson | Support Services | 1.8% |
| Gamma Communications | Technology | 1.8% |
| Bodycote | Industrials | 1.7% |
| Inchcape | Support Services | 1.7% |
| dotdigital | Technology | 1.7% |
| Alpha Group International | Financials | 1.6% |
| Learning Technologies Group | Technology | 1.6% |
| Sigmaroc | Construction | 1.5% |
| AJ Bell | Financials | 1.5% |
| YouGov | Media | 1.5% |
| Severfield | Construction | 1.4% |
| Alpha Financial Markets | Support Services | 1.4% |
| Total | | 38.6% |

* Source Chelverton Asset Management Limited

SECTOR BREAKDOWN %

| Sector % | % of Net Assets |
|------------------|-----------------|
| Financials | 14.0% |
| Technology | 12.1% |
| Media | 10.3% |
| Support Services | 9.7% |
| Construction | 6.8% |
| Industrials | 4.0% |
| Consumer | 3.4% |
| Healthcare | 1.9% |
| Cash & Income | 37.8% |
| Total | 100.0% |

Source: Chelverton Asset Management Limited

MARKET CAP BREAKDOWN

| % of Net Assets | No of stocks |
|-----------------|----------------|
| Above £1bn | 11 |
| £500m - £1bn | 5 |
| £250m - £500m | 7 |
| £100m - £250m | 15 |
| Below £100m | 10 |
| Cash & Income | 37.8% |
| Total | 100.00% |
| | 41 |

Source: Chelverton Asset Management Limited

