



Gross Assets £7.0m

Net Assets excluding unaudited current period revenues £7.1m

ORDINARY SHARES

Share Price 351.00p

NAV 383.05p*

Premium / (Discount to NAV) (8.37%)

Share Capital 1,837,205**

* includes unaudited revenue reserve to 28/02/2025

** 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

February was a poor month for the Trust and the wider UK Mid and Small Cap equity market from a relative performance perspective, as the market moved into a more risk-off mode having been spooked by a flurry of executive orders on tariffs by the new Trump administration, with their negative implications for global growth and US inflation. At the same time, domestic economic activity remains muted, with earnings and investment by domestic cyclical, particularly those with high labour content, coming under pressure ahead of the employer National Insurance increases come into force in April.

At the individual stock level several of the Fund's leading detractors - namely Microlise and Everplay - gave back recent share price gains without any negative news flow. Indeed, dotDigital fell back despite posting good results coupled with an in-line trading update forecasting ongoing growth. Zoo Digital sold off on project delays and cancellations by customers, resulting in the company guiding below market expectations, whilst Warpaint was impacted by a slowdown in trading in its important calendar fourth quarter trading period. From a positive perspective, Learning Technologies performed well as shareholders voted in favour of the proposed acquisition of the company, SDI bounced despite a lack of news flow and Optima Health performed well on its announcement of a large contract win with the UK Armed Forces.

As managers, we added to Warpaint, averaging down after its disappointing trading update, as we believe the outlook for 2025 remains promising. We also used softness in the DiscoverIE and Everplay share prices to build up the Trust's holding. We started a number of new positions, including Avingtrans, the international engineering group, and GB Group, which provides global identity, fraud and location software. We sold down the Trust's holding in Learning Technologies Group to provide liquidity and we trimmed the Fund's positions in Alpha Group International, Luceco and SigmaRoc into strength.

At the geo-political level we have seen a tumultuous start to 2025, with the commencement of Trump's second term as President. The slew of executive orders around tariffs, initially on Canada, Mexico and China, followed by partial retractions, have caused a high level of unease and uncertainty in financial markets. Of equal if not greater significance is the USA's rapprochement with Russia under Trump, and its implications for European fiscal policy on defence spending, with Western European countries now having to fend for themselves against a belligerent Putin regime. Plans in Germany for a loosening of the constitutional limits on fiscal deficits, to enable increased defence spending and to finance a €500bn ten year infrastructure investment programme, should kick start the languishing German economy. At home all eyes are on the forthcoming Spring statement, with slowing domestic growth in part caused by the Chancellor's first budget's private sector tax raid, meaning tax receipts are now insufficient to meet the government's spending plans, so that either spending cuts and/or more tax rises will be required to balance the books. Overlaying this is a requirement, alongside our European allies, to increase defence spending, to disentangle the UK's interdependency with US military programmes. One helpful initiative, from a UK equity market perspective, would be a move to direct a greater share of UK Pension Fund investment into its home market from its current derisory level, in line with Labour's Manifesto plans. Any such move would provide a welcome boost to our very oversold stock market, which hosts many excellent businesses, which in our view trade on derisory valuations relative to their international peers, not on merit but because they're starved of fund flows.

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. 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 August 2021 as an Assistant Fund Manager. 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

28/02/2025

Since change of investment policy

(26 July 2023)*

	CURRENT MONTH	3 MONTHS	6 MONTHS	1 YEAR	FROM INCEPTION
Share Price Ordinary Shares	-3.04%	-6.65%	-4.10%	15.08%	6.36%
NAV Ordinary Shares	-2.82%	-3.60%	-6.36%	6.62%	13.42%
Deutsche Numis Smaller Companies Index ex Investment Trusts plus AIM	-3.64%	-2.83%	-6.26%	6.16%	4.65%

Source: Chelverton Asset Management Limited and Morningstar and Deutsche Numis
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.

TOP TWENTY HOLDINGS

Holding	Sector*	% of Net Assets
Alpha Group International	Financials	2.2%
JTC	Financials	2.0%
Bodycote	Industrials	1.8%
Auction Technology Group	Technology	1.8%
Ashtead Technology	Support Services	1.8%
Global Data	Media	1.8%
Microlise Group	Technology	1.8%
Celebrus Technologies	Technology	1.7%
Restore	Support Services	1.7%
Hostelworld	Consumer	1.7%
Warpaint London	Consumer	1.7%
Spectra Systems	Industrials	1.7%
Brooks Macdonald	Financials	1.7%
Gamma Communications	Technology	1.6%
Trufin	Financials	1.6%
dotdigital	Technology	1.6%
Man Group	Financials	1.6%
Spectris	Industrials	1.5%
Eurocell	Construction	1.5%
Luceco	Construction	1.4%
Total		34.4%

*Source: Chelverton Asset Management Limited

PRICE INFORMATION

Reuters INVM.L

SEDOL 0465825

SECTOR BREAKDOWN %

Sector %	% of Net Assets
Technology	22.5%
Industrials	15.8%
Financials	12.9%
Consumer	11.0%
Media	10.3%
Construction	7.7%
Support Services	7.7%
Healthcare	5.8%
Resources	1.0%
Cash & Income	5.3%
Total	100.0%

Source: Chelverton Asset Management Limited

MARKET CAP BREAKDOWN

% of Net Assets	No. of stocks
Above £1bn	14
£500m - £1bn	9
£250m - £500m	17
£100m - £250m	28
Below £100m	27
Cash and Income	5.3%
Total	100%

CONTACT US

E: info@theinvestmentcompany.com

A: The Investment Company plc
The Office Suite, Den House,
Den Promenade
Teignmouth TQ14 8SY

W: www.theinvestmentcompanyplc.co.uk

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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