



Gross Assets £6.7m

Net Assets excluding unaudited current period revenues £6.8m

### ORDINARY SHARES

Share Price 67.00p

NAV 73.45p\*

Premium / (Discount to NAV) (8.78%)

Share Capital 9,186,025\*\*

\* includes unaudited revenue reserve to 31/03/2025

\*\* 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

A poor month for the Trust, capping off a difficult first quarter with UK small and mid-cap equities underperforming the wider market in a risk-off environment brought on by concerns over Trump's America First economic agenda and its impact on the global economy. At home, domestic cyclicals were still reeling from the impact of the autumn budget's National Insurance tax tax raid on business confidence and profitability, whilst the AIM market has been undermined by the partial loss of its IHT tax relief status.

At the Trust level, the general weakness in small and mid-cap equities was exacerbated by two stock specific events. Severfield, the UK's leading structural steel business, was impacted by the deferral of major contracts, leaving it unable to recover factory overheads, whilst Big Technologies fell sharply when the board suspended its CEO over concerns surrounding her evidence given in litigation with former shareholders. Underlying trading was reported to be in line with expectations and the company reported it had won a 5-year contract with the Department of Justice. From a positive perspective, Everplay (formerly Team17) was strong after announcing positive full year results, and a good start to 2025, guiding marginally ahead of market expectations, with at least 10 new games and app expected to launch in 2025.

Moving into April, the Trust's poor start to the year has been overshadowed by the wholesale sell-off across global equity markets, with Trump's tariff announcement turning out to be far more extensive than expected. With contradictory messaging from the US Administration, it's not clear whether the initial tariff levels are posturing to get better terms from international trading partners, or designed to dismantle a world trading system that has been in place since the Second World War. Trump's desire to bring manufacturing back to the US and eliminate the trade deficit in physical goods seems ill-founded, paying no heed to the large trade surplus the US enjoys in services. It also doesn't take account of labour availability in the US market. Whatever happens in the long term, given the complex global supply chains now in place and the time it will take to unwind them and re-shore production, the US will have to keep buying from existing suppliers with the additional cost from tariffs for some time, thus fuelling US inflation. The impact on business confidence and investment outside the US will result in lower global GDP growth and quite probably a recession. Low-cost Asian suppliers with surplus capacity will look to offload their products in other developed markets which, alongside falling energy prices, should bring down inflation outside the US. Coupled with the prospect of slower economic growth, lower inflation should presage earlier than anticipated rate cuts in economies like the UK.

From the Trust's perspective, its primary exposure to tariffs is its industrial holdings, but these generally enjoy pricing power thanks to their competitive position and in many cases have a US manufacturing presence to service local demand. Other key sectors such as technology and media are far less exposed. Whilst it's unavoidable that most stocks will be impacted by a general economic slowdown, in our view much of this is already reflected in valuations, given that the Trust was already trading on a historically low earnings valuation even before the latest sell-off. Domestic earners should be well placed to benefit from earlier than expected rate cuts, on the back of lower inflation and growth.

### 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

31/03/2025

Since change of investment policy

(26 July 2023)\*

	CURRENT MONTH	3 MONTHS	6 MONTHS	1 YEAR	FROM INCEPTION
Share Price Ordinary Shares	-4.56%	-9.21%	-10.67%	6.69%	1.52%
NAV	-4.07%	-8.22%	-6.84%	-1.61%	8.81%
Deutsche Numis Smaller Companies Index ex Investment Trusts plus AIM	-3.27%	-5.88%	-7.41%	-2.36%	1.22%

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%
Ashtead Technology	Support Services	2.2%
Everplay Group	Consumer	2.1%
JTC	Financials	2.0%
Auction Technology Group	Technology	1.9%
Warpaint London	Consumer	1.9%
Restore	Support Services	1.9%
dotdigital	Technology	1.9%
Hostelworld	Consumer	1.8%
Microlise Group	Technology	1.8%
Gamma Communications	Technology	1.7%
Eurocell	Construction	1.7%
Brooks Macdonald	Financials	1.7%
Celebrus Technologies	Technology	1.6%
Advanced Medical Solutions	Healthcare	1.5%
Man Group	Financials	1.5%
Spectra Systems	Industrials	1.5%
Global Data	Media	1.5%
Bodycote	Industrials	1.4%
On the Beach Group	Consumer	1.4%
Total		35.2%

\*Source: Chelverton Asset Management Limited

### PRICE INFORMATION

Reuters INVM.L

SEDOL 0465825

### SECTOR BREAKDOWN %

Sector %	% of Net Assets
Technology	23.5%
Industrials	13.6%
Financials	12.4%
Consumer	12.1%
Media	10.6%
Support Services	7.8%
Construction	7.5%
Healthcare	5.4%
Resources	0.7%
Cash & Income	6.4%
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	14
£100m - £250m	27
Below £100m	28
Cash and Income	6.4%
Total	100%

### 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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