

# Elite Webb Capital Smaller Companies Income & Growth Fund

## Fund Manager's Commentary

### Fund Fact Sheet

Apr 2018

Issue 065

#### Fund Objective

The objective of the Fund is to achieve a rising income combined with capital growth from a portfolio made up of investments in UK smaller companies. The managers actively manage the portfolio in order to achieve the objective with exposure to ordinary shares, preference shares and convertible instruments. The managers will not invest in companies capitalised above £1bn at the time of investment.

#### Unit Price (p) (change m-o-m)

<b>Income</b>	<b>128.19</b> (5.36%)
<b>Acc</b>	<b>152.45</b> (5.36%)
<b>Income 'B'</b>	<b>160.56</b> (5.36%)
<b>Acc 'B'</b>	<b>183.45</b> (5.36%)

#### Fund Size (NAV)

**£3.41m**

#### Number of holdings

**28**

#### Investment Manager

Peter Webb – PCAM

#### ACD

Fund Partners Limited

#### Depository

Northern Trust Limited

#### Structure

Open Ended Investment Company  
(OEIC)  
Non-UCITS regulated  
Eligible for ISA

#### Fees

Annual Management Fee	1.0%
Initial Charge	0.0%

The Fund performed very well in April with a unit price gain of 5.36%.

The share prices of many of our companies rose strongly as investor appetite for smaller companies improved quite substantially.

Several of our investee companies made announcements to the market on figures and other important milestones. 1PM reported increased banking facilities which will help fund their exciting growth plans. PCF Bank was a similar story with retail deposits exceeding £100m and costs of funding falling quite rapidly. Strong trading at XP Power and FDM and very encouraging results from Harvey Nash, where Albert Ellis CEO is doing an excellent job of eliminating less profitable activities, were welcomed by investors. AFH continues on the acquisition trail and Arena results were in line with market expectations. The only disappointment was at RWS as currency headwinds will hold back growth in reported earnings during the next few months.

The share price of logistics business Xpediator rose on the back of some excellent PR and IR work by CEO Stephen Blythe who has been wooing private investors. Oxford instruments benefitted from an update on their Horizon strategy that is expected to bring improved margins and cash generation in due course.

Your Manager re-purchased hostel operator Safestay that reported further progress in acquisitions and utilisation rates at key locations in London and abroad. This is a highly financially geared business but as utilisation increases operational sensitivity is very high and the trends are looking encouraging. There is strong asset backing.

Overall the month was a good period for investors and news from our companies met our expectations. Some of our recently purchased businesses performed well including Amino Technologies and Finsbury Food Group.

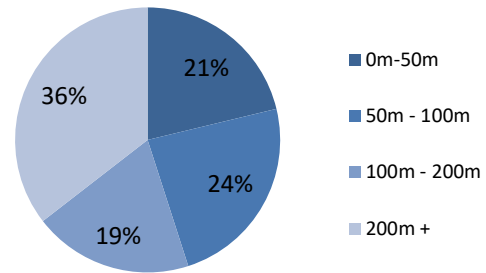
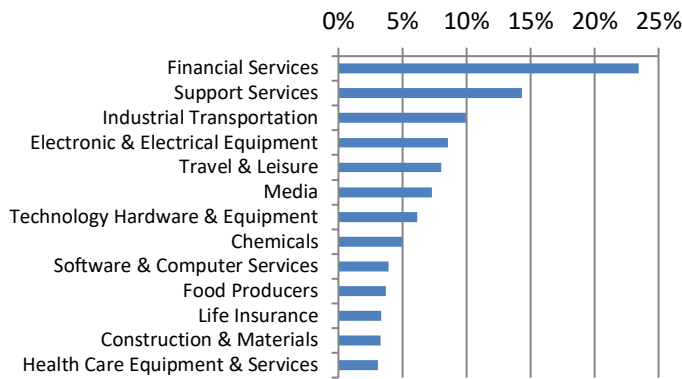
The immediate outlook for investors appears to be relatively calm. Your Manager believes that corporate activity will become more prevalent this year as overseas investors come searching for good UK based assets. Many of our companies have niches in markets and access to funds to allow almost unlimited expansion. Others occupy good market positions and would make excellent bolt on acquisitions for international businesses. The immediate outlook for investors and companies appears to very positive.

#### 10 largest holdings as at 30 Apr 2018 (Source: Peterhouse Capital)

Stock Name	% Fund	Stock Name	% Fund
1PM Plc	5.23%	Lighthouse Group Plc	4.72%
Xpediator Plc	5.17%	Arbuthnot Banking Group Plc	4.70%
Zotefoams Plc	5.11%	AFH Financial Group Plc	4.48%
Avation Plc	5.01%	Private & Commercial Finance Group Plc	4.47%
XP Power Ltd	4.84%	Arena Events Group Plc	4.30%

**Fund sector breakdown as at 30 Apr 2018**

**Holdings by Market Cap, £ as at 30 Apr 2018**

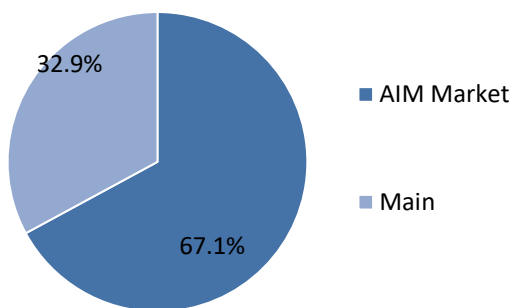


Source: Peterhouse Capital

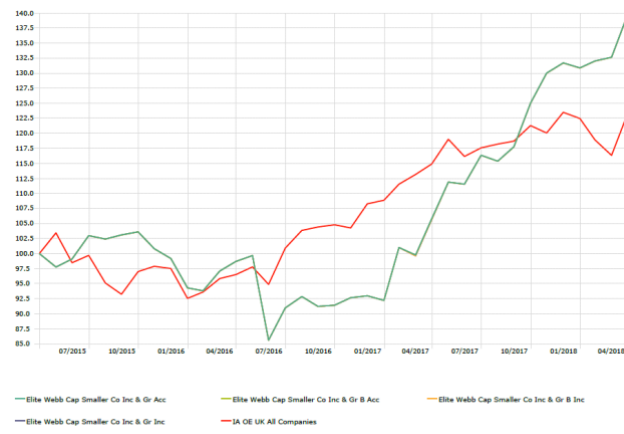
Source: Peterhouse Capital

**Fund breakdown by listing as 30 Apr 2018**

**Performance to 30 Apr 2018**



Source: Peterhouse Capital



Source: Morningstar Direct

**Dealing details and forms**

<b>Launch Date</b>	30/11/2010
<b>Webb Capital Website</b>	<a href="http://www.webbcapital.com">www.webbcapital.com</a>
<b>WAY Fund Managers</b>	01202 855 856
<b>Cofunds</b>	0845 644 8001

<b>ISIN Accumulation B</b>	GB00BFRSWB62
<b>SEDOL Accumulation B</b>	BFRSWB6
<b>ISIN Income B</b>	GB00BFRSW948
<b>SEDOL Income B</b>	BFRSW94

<b>ISIN Accumulation</b>	GB00B63JD951
<b>SEDOL Accumulation</b>	B63JD95
<b>ISIN Income</b>	GB00B6253G17
<b>SEDOL Income</b>	B6253G1

**RISK WARNING**

**Please note that past performance and any forecast estimates in this publication are not reliable indicators of future results, and should not be taken as so. Any forward looking statements in this publication are opinions and do not constitute forecasts.**

**The value of your investment can go down as well as up and you may lose a significant portion of your investment.**

**Webb Capital is not authorised to give advice. This publication does not constitute investment advice and if you are in any doubt as to the suitability of an investment, you should seek the guidance of an independent financial adviser.**