

# Elite Webb Capital Smaller Companies Income & Growth Fund

## Fund Fact Sheet

Nov 2017

Issue 060

### 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>119.92</b> (4.00%)
<b>Acc</b>	<b>141.82</b> (4.00%)
<b>Income 'B'</b>	<b>150.21</b> (4.00%)
<b>Acc 'B'</b>	<b>170.66</b> (4.00%)

### Fund Size (NAV)

**£3.11m**

### Number of holdings

**22**

### Investment Manager

Peterhouse Capital  
Asset Management

### ACD

Fund Partners Limited

### Depositary

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%

## Fund Manager's Commentary

The Fund performed well in November with all unit prices rising 4%. It has been a tremendous year for investors. Your Manager has raised some funds for a liquidity cushion as December can often be a volatile month for markets.

News flow has been positive with trading updates from XL Media (well ahead of market expectations), CML Microsystems (good interims and outlook), Oxford Instruments (new "Horizon strategy" leading to greater focus on key business dynamics), Xpediator (further acquisition) and Zotefoams (3Q update ahead of expectations) all quite encouraging.

The highlight of the month was results from Bilby Plc, the gas heating, electrical and building services provider that announced cracking interims and delivered a share price gain of 55%.

AFH Financial continues to make acquisitions and raised £17.5m via a share placing at 250p per share.

The UK economy has slowed very considerably during recent months and the share price performances of domestic cyclicals have been relatively poor. It is difficult to find a reason to be positive in the short term and particularly with the uncertainty over Brexit and future direction of interest rates hanging like a cloud over the UK consumer.

Whilst the valuation differential between companies selling mainly overseas and domestic companies is wider than for some time it seems justified by growth in profitability of the former group of companies. There is no doubt value amongst domestic cyclicals but for the time being it is difficult to see a catalyst to unlock value against such a poor UK economic picture.

After such a good year for many of our investee companies it seems inevitable that profit taking will occur. Your Manager has increased liquidity in the short term but remains confident in sector and stock selection overall.

During 2018 there may well be corporate activity amongst the UK cyclicals should economic conditions not worsen considerably. However, at this early stage in the cyclical downturn of the UK economy it would be a brave investor to start to catch what could still be falling daggers!

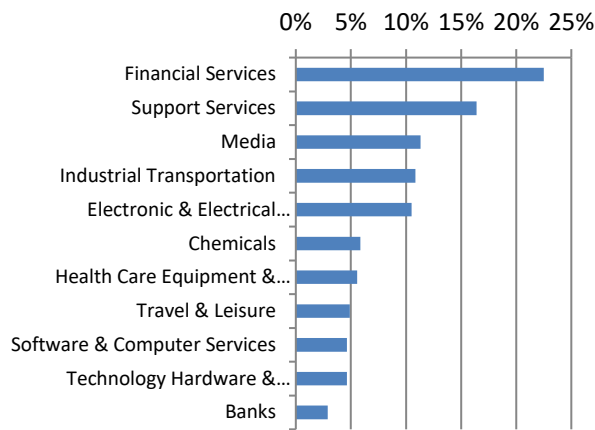
The Fund's positioning in a combination of strong international earners and very specialist domestic businesses seems wholly appropriate for now.

### 10 largest holdings as at 30 Nov 2017 (Source: Peterhouse Capital)

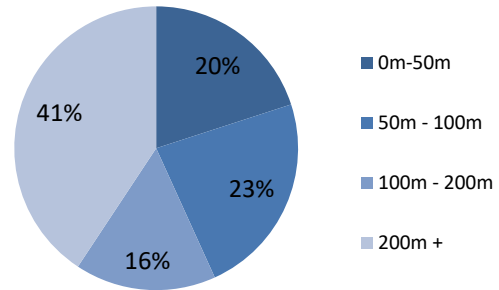
Stock Name	% Fund	Stock Name	% Fund
Lighthouse Group Plc	7.36%	Zotefoams PLC	5.27%
XLMedia Plc	5.87%	Caretech Holdings Plc	5.00%
XP Power Ltd	5.73%	Xpediator Plc	4.96%
Bilby Plc	5.62%	Avation Plc	4.82%
RWS Holdings Plc	5.42%	Private & Commercial Finance Group Plc	4.55%

**Fund sector breakdown as at 30 Nov 2017**

**Holdings by Market Cap, £ as at 30 Nov 2017**



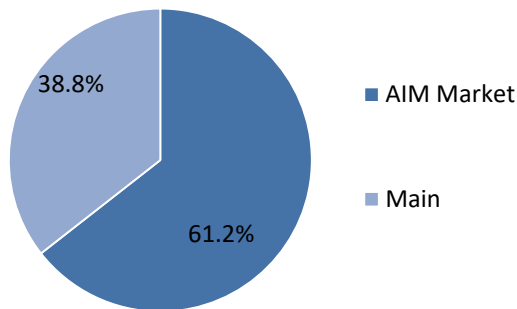
Source: Peterhouse Capital



Source: Peterhouse Capital

**Fund breakdown by listing as 30 Nov 2017**

**3 year unit price performance**



Source: Peterhouse Capital



**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 Accumulation</b>	GB00B63JD951
<b>SEDOL Accumulation</b>	B63JD95

<b>ISIN Income B</b>	GB00BFRSW948
<b>SEDOL Income B</b>	BFRSW94

<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.**