

# Elite Webb Capital Smaller Companies Income & Growth Fund

## Fund Fact Sheet

Oct 2017

Issue 059

### 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>115.31</b>	(6.16%)
<b>Acc</b>	<b>136.37</b>	(6.16%)
<b>Income 'B'</b>	<b>144.43</b>	(6.16%)
<b>Acc 'B'</b>	<b>164.10</b>	(6.16%)

### Fund Size (NAV)

**£2.96m**

### Number of holdings

**23**

### Investment Manager

Peterhouse Capital Asset Management

### 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%

## Fund Manager's Commentary

The past month has been an excellent period for unit holders with a rise in all unit prices of 6.20%. The increase in unit value has been broadly spread across the portfolio but the share prices of recently acquired Xpediator, the logistics company primarily focused on trade between the UK and Eastern Europe; XP Power, the developer and manufacturer of critical power control components to the electronics sector and XL Media, the performance marketing company all performed extremely well.

IP protection, language support services and translation business RWS announced excellent results and a significant acquisition; specialist residential care home provider Caretech confirmed trading in line with market expectations; Arbuthnot Banking Group, the private bank and wealth manager issued a 3<sup>rd</sup> quarter update; CML Microsystems, which designs, manufactures and markets mixed-signal and Radio Frequency (RF) semiconductors, primarily for global communication and solid state storage markets issued a very positive trading update; XP Power reported exceptional global demand for its products and announced a complimentary acquisition and Avation, the aircraft leasing company announced the re-lease of an aircraft once leased to Air Berlin to new operators EasyJet in a transaction that may deliver an exceptional profit for the company. Director share purchases at XL Media were also encouraging to note. Xpediator has wasted no time in implementing a proactive buy and build strategy following its listing on AIM.

Your Manager's decision to reduce exposure to cyclical sectors of the UK economy earlier in the year and increase exposure to international earners has proved a wise one. During recent months the UK economy has begun to slow down not only due to the normal economic cycle but also the weakness of sterling that has increased the cost of imported products and input costs for many domestically focused businesses. Demand is not as buoyant as it once was as consumers have become fearful of rising interest rates and the ongoing uncertainty in relation to Brexit.

Momentum is a critical factor in the performance of companies and markets. The upwards trajectory of smaller company fortunes and the UK economic cycle has lasted many years but now appears to have ended. The potential for share price gains amongst smaller companies in general is likely to diminish in the immediate future and accurate sector and stock selection will once again be in the ascendancy versus more general styles of investment.

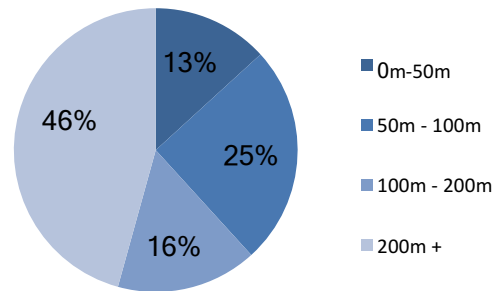
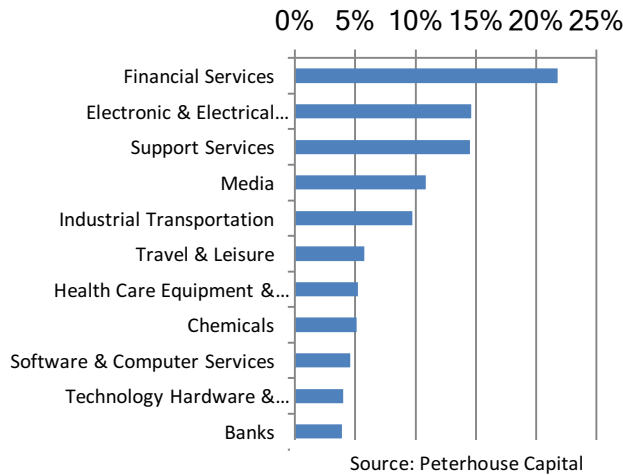
The Fund has performed exceptionally well this year and your Manager remains confident that it remains well positioned to face the challenges ahead.

### 10 largest holdings as at 31 Oct 2017 (Source: Peterhouse Capital)

Stock Name	% Fund	Stock Name	% Fund
Lighthouse Group Plc	7.97%	Caretech Holdings Plc	5.20%
XP Power Ltd	6.02%	Avation PLC	5.09%
Arena Events Group plc	5.72%	Zotefoams PLC	5.09%
RWS Holdings PLC	5.70%	Cello Group Plc	5.07%
XLMedia Plc	5.67%	Harvey Nash Plc	4.89%

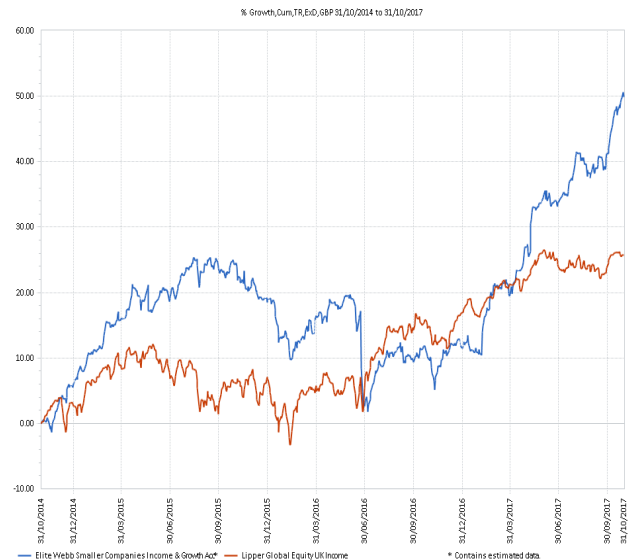
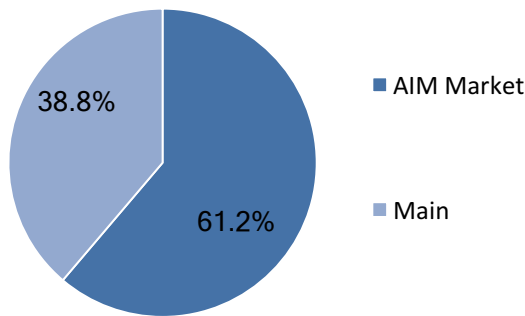
**Fund sector breakdown as at 31 Oct 2017**

**Holdings by Market Cap, £ as at 31 Oct 2017**



**Fund breakdown by listing as 31 Oct 2017**

**3 year unit price performance**



**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.**