

## Fund Fact Sheet

May 2017

Issue 054

### 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>104.53</b>	(+5.90%)
<b>Acc</b>	<b>122.05</b>	(+5.75%)
<b>Income 'B'</b>	<b>130.92</b>	(+5.90%)
<b>Acc 'B'</b>	<b>146.87</b>	(+5.75%)

### Fund Size (NAV)

**£2.81m**

### Number of holdings

**25**

### Investment Manager

Webb Capital Asset Management  
Peter Webb

### 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 Fund performed well during May and the share prices of several of our investments rose very strongly.

The list of winners was dominated by companies with significant non-sterling earnings and included Cello Group, Avation, RWS Holdings, Oxford Instruments, CML Microsystems, Harvey Nash and XL Media.

By comparison, domestically focussed companies had a quiet month.

Trading updates from Cello Group, Crest Nicholson, CML and Zotefoams were up to market expectations and posed no unpleasant surprises and Harvey Nash, which has recently changed broker, announced a move from the Full List to AIM to seek to attract IHT investors. In the case of the latter the recruitment sector is hardly flavour of the month but the shares certainly looked inexpensive and have rallied quite strongly.

Uncertainty over the result of the hastily called UK election caused an overseas investor to withdraw funds during the period and meant that your Manager needed to reduce a number of shareholdings. The exercise was achieved relatively easily but the news was disappointing.

One of the big imponderables in today's market is just how long high valuations will be sustained by buoyant economic activity in the UK and sterling weakness. Share prices are so much higher than at any point in the last decade or so. Whilst UK focussed companies are beginning to undergo a de-rating the internationals appear to be holding on to their heady ratings with each further drop in sterling triggering upgrades that seem to justify revised valuations.

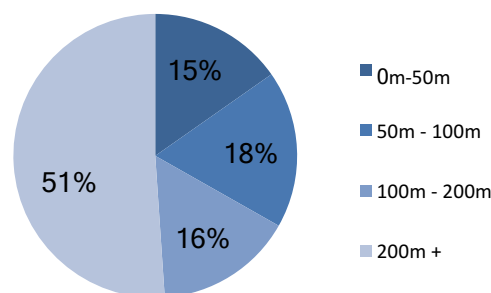
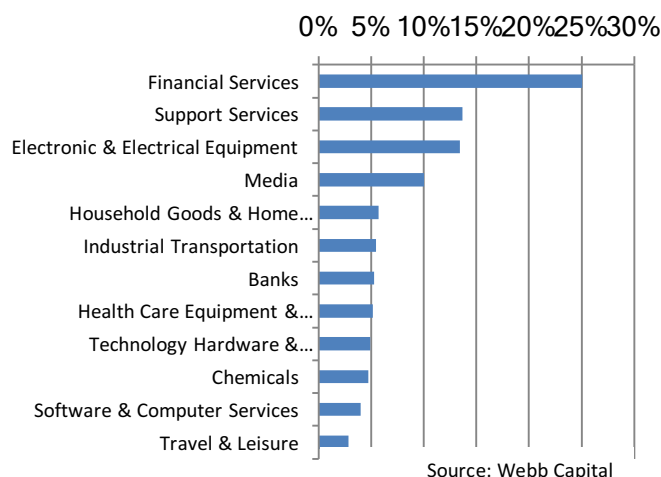
I am still a believer that equities are attractive versus bonds and in the fact that pension funds are massively underweight the former. However, it is very difficult to champion the case for equities when they appear so fully valued by comparison to the past. Neither is it easy to be bullish about bonds when base rates are at an all-time low.

So much global growth is being fuelled by low interest rates and central bank intervention that I am beginning to be concerned about what happens should the combination for some reason become less supportive.

Just prior to publication of this fact sheet the results of the UK election were announced. The last thing investors needed was even more uncertainty (alongside Brexit) and the Conservative (now minority) government has now delivered it in spades.

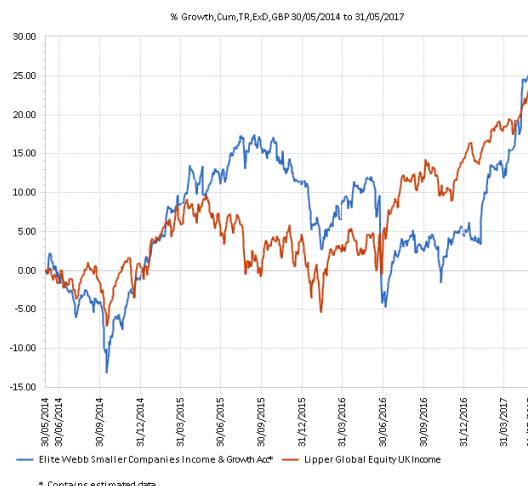
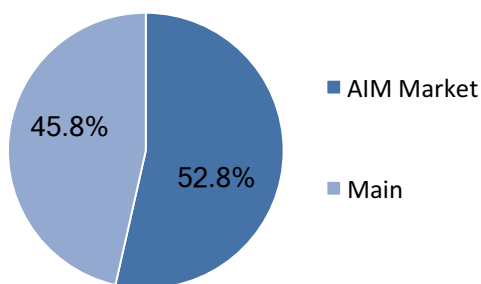
### 10 largest holdings as at 31 May 2017 (Source: Webb Capital)

Stock Name	% Fund	Stock Name	% Fund
Lighthouse Group Plc	10.63%	Secure Trust Bank Plc	5.17%
AFH Financial Group Plc	5.91%	RWS Holdings PLC	5.16%
Cello Group Plc	5.60%	Caretech Holdings Plc	5.08%
Crest Nicholson Holdings	5.57%	Oxford Instruments Plc	4.96%
Avation PLC	5.34%	XP Power Ltd	4.81%



Fund breakdown by listing as 31 May 2017

3 year unit price performance



Dealing details and forms

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

ISIN Accumulation B	GB00BFRSWB62
SEDOL Accumulation B	BFRSWB6
ISIN Income B	GB00BFRSW948
SEDOL Income B	BFRSW94

ISIN Accumulation	GB00B63JD951
SEDOL Accumulation	B63JD95
ISIN Income	GB00B6253G17
SEDOL Income	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.