

Elite Webb Capital Smaller Companies Income & Growth Fund

Fund Manager's Commentary

Fund Fact Sheet

Aug 2018

Issue 069

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 will not invest in companies capitalised above £1bn at the time of investment.

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

Income 134.82 (0.47%)

Acc 159.49 (0.47%)

Income 'B' 168.86 (0.47%)

Acc 'B' 191.92 (0.47%)

Fund Size (NAV)

£3.26m

Number of holdings

26

Investment Manager

Peterhouse Capital Asset Management – Peter Webb

ACD

Way FM 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 unit price rose marginally during the month. As reported in the last fact sheet the summer period is traditionally a quiet period for markets. I would expect market activity to pick up in September as the interim reporting season gathers momentum and investors return from their holidays.

It is very difficult to predict just exactly where the market will head next but there does seem to be some rotation from growth to value underway and M & A activity is picking up.

Illiquid markets contributed to some excessive share price movements during August. However, good coverage from the Investor's Chronicle helped the share price of 1PM move higher (up 14%) and news of a bid for Harvey Nash (up 17%) and acquisition and placing by Arena Events (up 12%) all seemed to justify market moves. AFH Financial also enjoyed share price gains of 12% as it announced further acquisitions. This company had underperformed its peer group and appeared to enjoy a bit of a catch up!

The share prices of some companies performed less well including Lighthouse Group (down 10%), Xpediator (profit taking and down 15%) and XP Power (down 16%). Your Manager has been locking in profit in these stocks at higher prices during recent months as part of a gentle realignment of the fund.

Recent new investments include Safestay, the pan European owner and manager of branded hostels; HML Holdings, the property services management company; Getech, the provider of technical and scientific information to governments and exploration companies in the pursuit of discoveries in the natural resources sector and T Clarke, the specialist building contractor.

An initial investment in acquisitive personal care company Venture Life was followed by further investment alongside institutions to finance an acquisition, clear debt and facilitate additional deals.

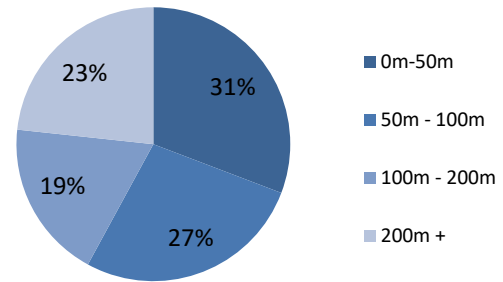
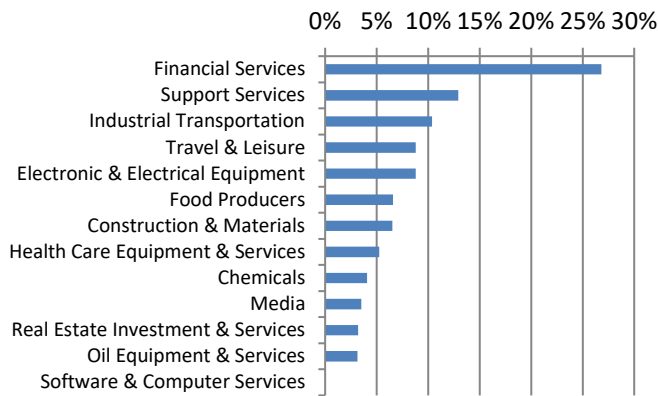
Your Manager is delighted that the Fund has performed so well in the year to date. Notwithstanding ongoing challenges with understanding the potential impact of Brexit and the uncertainty that this brings to investors and businesses alike, your Manager believes that the Fund is well placed to continue its good performance.

10 largest holdings as at 31 Aug 2018 (Source: Peterhouse Capital)

Stock Name	% Fund	Stock Name	% Fund
AFH Financial Group Plc	6.00%	Arbuthnot Banking Group Plc	5.05%
1PM Plc	5.70%	Arena Events Group Plc	4.98%
Avation Plc	5.22%	Lighthouse Group Plc	4.86%
Caretech Holdings Plc	5.21%	Private & Commercial Finance Group Plc	4.60%
Xpediator Plc	5.06%	Gordon Dadds Group Plc	4.57%

Fund sector breakdown as at 31 Aug 2018

Holdings by Market Cap, £ as at 31 Aug 2018

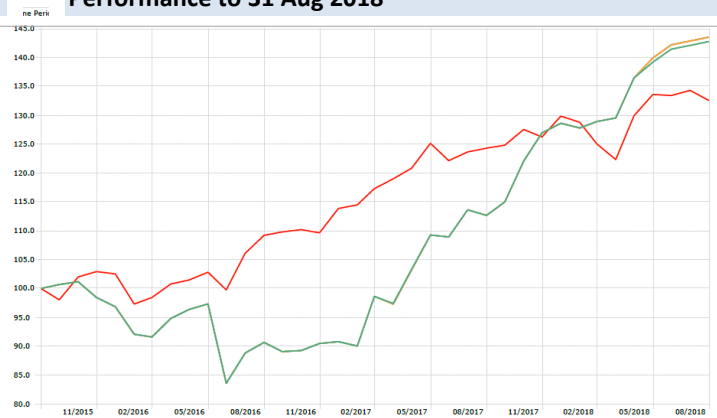
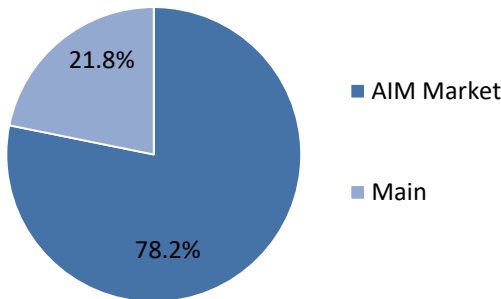


Source: Peterhouse Capital

Source: Peterhouse Capital

Fund breakdown by listing as 31 Aug 2018

Performance to 31 Aug 2018



Source: Peterhouse Capital

Source: Morningstar Direct

Dealing details and forms

Launch Date	30/11/2010
Webb Capital Website	www.webbcapital.com
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.