

Elite Webb Capital Smaller Companies Income & Growth Fund

Fund Manager's Commentary

Fund Fact Sheet

Nov 2018

Issue 072

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)

Income	125.87	(-0.91%)
Acc	149.94	(-0.93%)
Income 'B'	157.65	(-0.92%)
Acc 'B'	180.43	(-0.92%)

Fund Size (NAV)

£2.91m

Number of holdings

25

Investment Manager

Peter Webb
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%

The Fund continues to perform well relative to its overall competition ranking No 4 of 303 Funds (IA UK Smaller Companies and IA UK All Companies source: FE Trustnet) over 12 months and No 1 of 303 Funds over 24 months. Performance is also top decile over longer periods.

Your Fund Manager has a very eclectic approach when it comes to making market judgements but once key sectors and individual stocks are identified as suitable for investment he is prepared to be patient and wait for delivery of a profitable outcome.

It always makes sense to consider the bigger picture when assessing smaller company prospects. As a rule, smaller companies go with the economic trend and few can do anything different. However, exceptions do exist and it is these that your Manager seeks to identify to bring competitive edge within the portfolio and to deliver outperformance of the sector overall.

News from our companies continues to meet expectations and a significant number reported trading updates during November. Bilby made a small acquisition and Safestay raised £10m to reduce debt and afford new flexibility to continue to build its European hostel footprint. The share price of recently acquired Marshall Motor Holdings rose 26% and T Clarke rose 15%. Xpediator remained weak (-18%) and Cello Group (-13%) suffered from profit taking along with many other international earners. Our exposure to overseas earnings is low as we have carried out a realignment to value and domestic companies during this year. This move has been flagged in several earlier fact sheets.

Notwithstanding lots of noise pertaining to the various potential Brexit outcomes and sustainability of economic growth our businesses soldier on! The UK Smaller Companies Sector offers investors a huge range of investment opportunities and there will always be companies that can deliver growth, whatever the bigger picture.

The next 12 months is likely to be challenging for UK businesses and investors as global growth slows. During the past few years smaller company investment markets have experienced a phenomenal growth phase and valuations in many sectors have become stretched. Share prices look vulnerable to correction. The cyclical nature of markets and the anomalies created by companies coming in and out of fashion is what makes being a Fund Manager so challenging but exciting.

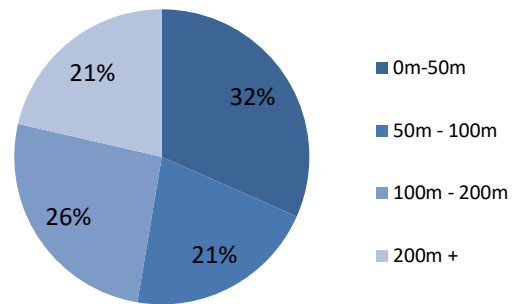
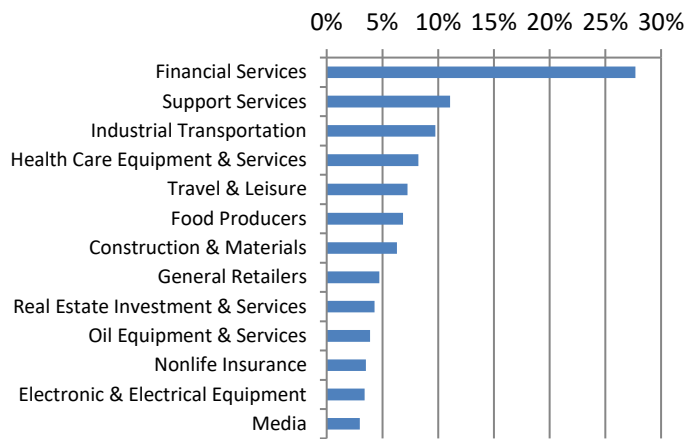
Markets are entering a period of change but your Manager is confident that in the months ahead the Fund will continue to build on its good relative performance.

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

Stock Name	% Fund	Stock Name	% Fund
Caretech Holdings Plc	7.01%	Gordon Dadds Group Plc	4.99%
Avation Plc	6.57%	Bilby Plc	4.45%
AFH Financial Group Plc	5.92%	1PM Plc	4.38%
Arbuthnot Banking Group Plc	5.23%	Marshall Motor Holdings Plc	4.02%
PCF Group Plc	5.15%	Arena Events Group Plc	3.71%

Fund sector breakdown as at 30 Nov 2018

Holdings by Market Cap, £ as at 30 Nov 2018

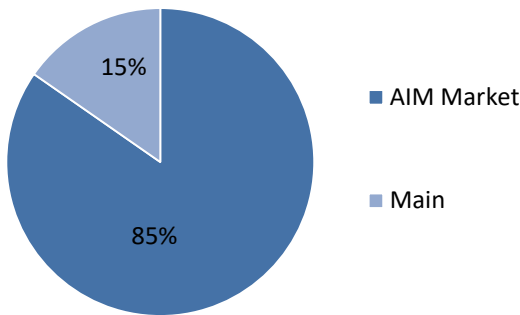


Source: Peterhouse Capital

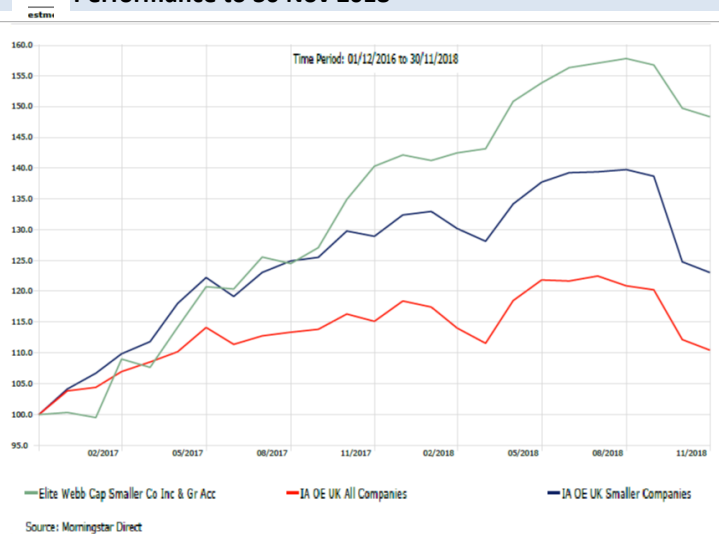
Source: Peterhouse Capital

Fund breakdown by listing as 30 Nov 2018

Performance to 30 Nov 2018



Source: Peterhouse Capital



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.