

# Elite Webb Capital Smaller Companies Income & Growth Fund

## Fund Fact Sheet

Dec 2018

Issue 073

### 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 portfolio is actively managed as opposed to any form of indexation and there is a strong focus on stock picking. 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>118.22</b> | (-6.08%) |
| <b>Acc</b>        | <b>140.83</b> | (-6.08%) |
| <b>Income 'B'</b> | <b>148.07</b> | (-6.08%) |
| <b>Acc 'B'</b>    | <b>169.47</b> | (-6.07%) |

### Fund Size (NAV)

**£2.41m**

### Number of holdings

**25**

### Investment Manager

**Peter Webb**

Peterhouse Capital Asset Management Limited

### 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 year ended rather miserably as markets took a further tumble and the share prices of many of our investee companies were marked down on little trade.

The Fund nevertheless finished the year ranking No 4/49 Funds in the IA UK Smaller Companies Sector over 12 months and 1/49 over 24 months (source:Trustnet).

The forthcoming months promise to be an interesting period for investors in the UK Equity Market. I have for some time now made it clear that I believe a trend towards value, as opposed to growth, will become a significant market theme. It is encouraging to see many recent market commentators expressing similar opinions and the fund is well positioned should this trend become more established.

The Fund consists mainly of companies serving the UK economy and for various reasons they are inexpensively priced. Brexit is an important factor depressing share price valuations of domestic companies as is their slower pace of growth in earnings versus international companies. The widely predicted slowdown in global economic growth will most likely improve the relative attractiveness of UK focussed businesses (versus international) in the year ahead.

News from our companies has been scarce on the ground but there was a good update from 1PM, the specialist lender to SME's and broking business, as well as good results from PCF Bank. Avation leased more aircraft to Air Baltic and AFH Financial bagged a few more deals. Legal practice, Gordon Dadds completed the acquisition of the UK assets of Ince & Co and Caretech reported final year numbers that were affected by costs relating to the Cambian acquisition but otherwise strong. Less inspiring, were numbers from Bilby where the exit from the company of the founder, led to significant one-off costs. Management implemented organisational and operational changes that they presumably felt unable to carry out earlier.

Before signing off this month's update, I would like to mention to investors that I very recently completed an interview covering the UK Smaller Company Sector and stock ideas for the coming year on Vox Markets, the successful daily investor news site. The interview is available to listen to at [www.voxmarkets.com](http://www.voxmarkets.com) and re-iterates the views that I have been expressing these past months on the potential outlook for the sector and stocks.

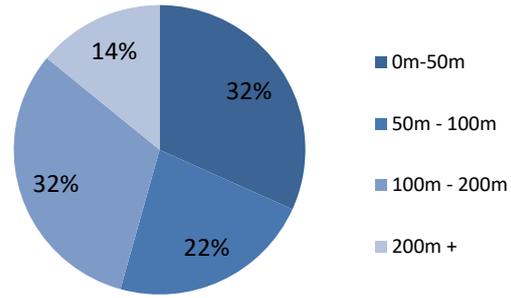
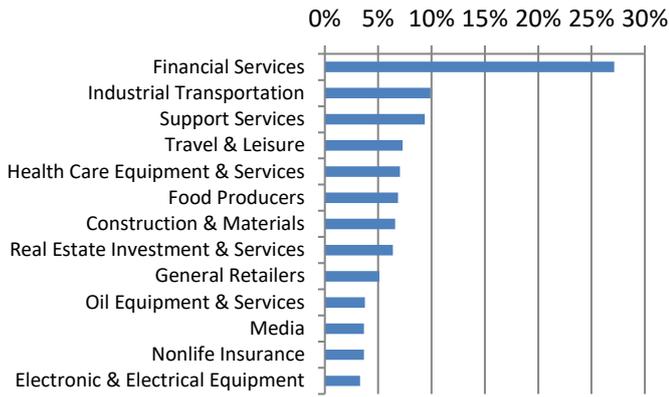
Markets are tougher for investors now that the bull market in equities has ended. Future gains will be more difficult to achieve. Your Manager believes that traditional stock picking is going to be the way forward in 2019 and that more generalist styles of management will be less effective.

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

| Stock Name              | % Fund | Stock Name                  | % Fund |
|-------------------------|--------|-----------------------------|--------|
| Avation Plc             | 6.97%  | HML Holdings Plc            | 6.01%  |
| Caretech Holdings Plc   | 6.65%  | 1PM Plc                     | 4.98%  |
| AFH Financial Group Plc | 6.41%  | Arbuthnot Banking Group Plc | 4.83%  |
| PCF Group Plc           | 6.09%  | Marshall Motor Holdings Plc | 4.83%  |
| Gordon Dadds Group Plc  | 6.03%  | Arena Events Group Plc      | 4.10%  |

**Fund sector breakdown as at 31 Dec 2018**

**Holdings by Market Cap, £ as at 31 Dec 2018**

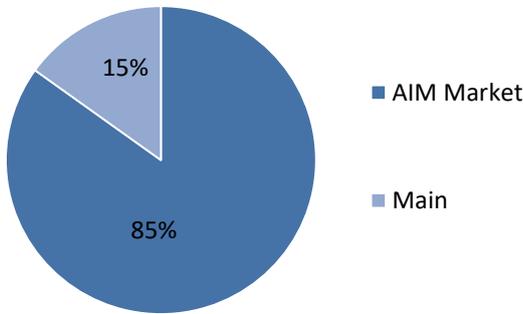


Source: Peterhouse Capital

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**Fund breakdown by listing as 31 Dec 2018**

**Performance to 31 Dec 2018**



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

|                           |              |
|---------------------------|--------------|
| <b>ISIN Accumulation</b>  | GB00B63JD951 |
| <b>SEDOL Accumulation</b> | B63JD95      |
| <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.**