

Investment objective

The Fund seeks capital growth over 3 to 5 years by investing in equities of high quality, smaller and medium sized, mainly UK listed, companies. We also selectively invest in discounted share placings, IPOs, special situations and liquidity events.

Portfolio advisor



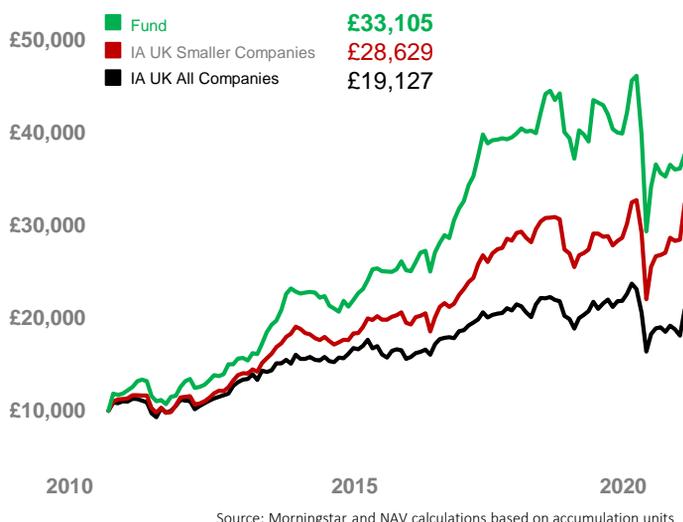
Melwin Mehta invests with an ownership mindset, analysing every company like a business rather than a stock. He lays heavy emphasis on management calibre and meets more than 200 companies every year. His 20 year career includes roles in private equity, family office and a hedge fund. He is a Bachelor of Engineering, member of the CFA UK Society of Investment Professionals and holds the IMC. Melwin is the founder of Sterling Investments and has been managing the Fund since October 2017. For more information, please get in touch:



info@sterlingim.co.uk

www.sterlingim.co.uk

Growth of £10,000 over the last 10 years



Performance and commentary

All data as at 30th November 2020	6 months	1 year	3 years	5 years	10 years
Fund	2.9%	-10.1%	-4.3%	45.7%	231.0%
IA UK All Companies	9.8%	-6.8%	0.5%	23.3%	91.3%
IA UK Smaller Companies	19.7%	6.7%	13.1%	54.0%	186.3%

The UK has become the first country in the world to grant emergency use authorisation for the COVID-19 vaccine developed by Pfizer and BioNTech. With 40 million doses already ordered, this should enable the rollout to start imminently – some relief, at last.

In Greek mythology, Scylla and Charybdis were sea monsters that flanked a narrow channel of water, forcing ships to travel on one side or the other, choosing which beast they would rather face. A similar dilemma is described by the modern day expression “between a rock and a hard place” – which is exactly where our government finds itself today. In need of a vaccine to help save lives and rebuild decimated businesses but faced with scepticism as to how it will be administered and how quickly it can protect people – particularly the most vulnerable.

The pandemic has ushered in fundamental changes to the way that we work, play, interact and entertain ourselves and many of these changes will be long lasting. One such change is that, going forward, we are likely to be increasingly conscious of personal hygiene and personal protection.

This was one of the factors that influenced our decision to participate in the recent IPO of HeiQ, a Swiss based company providing world class technology that adds functionality to textiles, offering benefits such as: improved cooling or warming, water repellence, odour prevention, air purification and antiviral, antibacterial

and antifungal protection. With the size of the global textile chemical market estimated at \$25bn, HeiQ has a large addressable market with plenty of growth potential. Across its various technologies, HeiQ now serves over 300 household brands, including IKEA, M&S, Burberry and even Cornelia James, supplier of gloves to Her Majesty the Queen. The company’s new Viroblock technology can trace its origins back to a solution developed in response to the Ebola outbreak and has led to a raft of products that are in high demand in the current COVID-19 environment, such as an anti-viral mask, which remains effective for up to 30 washes. HeiQ is among the very few UK listed companies whose products are truly scalable on a global stage. We welcome the company to London – and into our portfolio.

We may all be in the same pandemic “storm” but we are not all in the same boat. Those who have been complaining about the *inconvenience* of working from home should reflect and empathise with those who have lost their loved ones or livelihood.

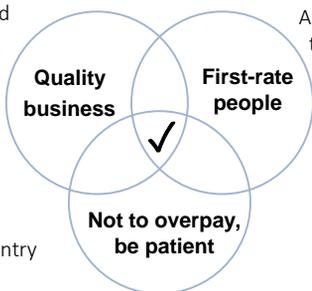
2020 will be a year that we will all remember but would rather forget. COVID-19 has not only changed the way we work but also kept us away from the people we love the most – our family and friends. As the curtain falls on what has been a difficult year, we would like to wish all our investors a happy, healthy and prosperous 2021.

Our difference

- ✓ **Undiscovered Gems:** We focus on companies that are below the radar of bigger institutional funds; smaller companies are often undervalued and offer greater upside potential
- ✓ **People:** We believe business is about people. Every year, we meet hundreds of management teams to understand their motivation and ethos. We invest in people we trust and admire
- ✓ **Ownership Mindset:** While the market is focused on short-term performance and news-flow, we are patient and invest with a long term owner's mindset. This, we believe, is a meaningful advantage

What we are seeking

A differentiated business, with high barriers to entry



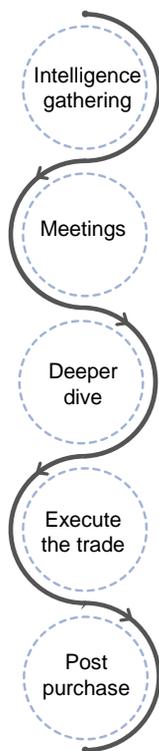
Aligned management team keen to create shareholder value

An attractive entry valuation

To benefit from growth and re-rating, over 3 to 5 years

Investment process

Depending upon the company under study, our due diligence may involve



- Company filings
- Screen for growth, RoCE, cash generation
- Analyst research and broker insights
- Inputs from industry experts and existing networks
- We are offered meetings with over 500 companies
- We meet over 200 management teams each year
- Fewer than 50 companies qualify and pass this stage
- Site visits to meet business operators
- Financial & risk analysis undertaken
- Valuation is computed; purchase decision made only on a handful of companies
- Shares are bought or sold using our well established network, ensuring minimal price disturbance
- Occasionally, we patiently wait until a block of shares become available or the company undertakes a discounted share placing
- Monitor companies, competition and industry
- Regular dialogue with management; add value where possible, including appropriate introductions
- Exit when re-rating or target valuation is reached

Important information and risk factors

This fund is not offered, sold or distributed in the United States or to US persons

Investment should be made on the basis of the Prospectus and the Key Investor Information Document, available from Maitland Institutional Services Ltd, which you should read before investing. The information contained in this document is not an invitation or inducement to any person to purchase shares in our Funds.

Investment in the Fund carries the risk of potential total loss of capital. You should seek your own professional advice as to the suitability of this Fund before investing.

Past performance is not a guide to future performance.

The portfolio is invested in smaller companies and companies traded on the Alternative Investment Market. These stocks may be less liquid and the price swings greater than those in larger companies. Investment decisions should not be based on short term performance. Value of investments can fall as well as rise and you may not get back the amount you have invested. Opinions expressed in this document represent the views of the Manager at the time of publication, are subject to change, and should not be interpreted as investment advice. Sterling Investments Management Limited is an Appointed Representative of Thornbridge Investment Management LLP which is authorised and regulated by the Financial Conduct Authority.

Fund attributes

- ✗ No index hugging
- ✗ No market timing
- ✗ No performance fees
- ✗ No nonsense approach

Top 10 holdings

Company	Fund %
HeiQ Materials	7.7
Open Orphan	7.4
Bilby	5.7
SourceBio International	5.2
ICG	4.8
Hill & Smith	4.4
Treatt	4.3
Avon Rubber	4.2
Liontrust Asset Management	4.1
Omega Diagnostics	4.0

- ✗ Our companies are well established. The average age of the companies within our portfolio is 44 years

Sector allocation in %

Chemicals	11.9	Health	18.3
Construction & Building Materials	13.5	Media & Photography	2.0
Diversified Industrials	7.2	Oil & Gas	2.7
Engineering & Machinery	0.3	Real Estate	1.3
Financials	16.1	Software & Computer Services	8.9
Food Producers & Processors	1.0	Support Services	2.3
General Retailers	0.6	Transport	1.8

Fund facts

Launch date	8 th August 1963
Structure	UK domiciled, FCA regulated, UCITS Fund
Total ongoing charges	1.1%
Daily dealing	Eligible for ISA and SIPP
Identifier code	Sedol: 0270892 *** ISIN: GB0002708922
Fund size	£38m
Historic dividend yield	1%
Number of companies in the portfolio	34
Fund Trustee	Northern Trust
Fund Auditors	Grant Thornton UK

To invest and customer service

Maitland Institutional
Chelmsford
CM2 5PW



+44 (0) 345 305 4213

www.maitlandgroup.com