

Maitland

MI Chelverton UK Equity Fund

Annual Report 31 December 2017

MI Chelverton UK Equity Fund

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* These collectively comprise the Authorised Corporate Director's Report.

Directory

Authorised Corporate Director (ACD) & Registrar

Maitland Institutional Services Ltd
Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW
Telephone: 01245 398950
Fax: 01245 398951
Website: www.maitlandgroup.com
(Authorised and regulated by the Financial Conduct Authority)

Customer Service Centre

Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW
Telephone: 0345 305 4217
Fax: 0845 280 0188
E-mail: chelverton@maitlandgroup.co.uk
(Authorised and regulated by the Financial Conduct Authority)

Directors of the Authorised Corporate Director

R. Ackermann (appointed 1 January 2017)
J. Clark (appointed 21 December 2017)
P.J. Foley-Brickley
S. Georgala
D. Jones
G. Kok (appointed 30 November 2017)
R.W. Leedham (retired 19 December 2017)

Investment Adviser

Chelverton Asset Management Limited
11 Laura Place, Bath BA2 4BL
(Authorised and regulated by the Financial Conduct Authority)

Fund Managers

James Baker
Edward Booth
David Horner
David Taylor

Depositary

Northern Trust Global Services Limited
50 Bank Street, Canary Wharf, London E14 5NT
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

Independent Auditor

KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, Canary Wharf, London E14 5GL

Statement of the Authorised Corporate Director's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ('the COLL Rules') requires the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net income and net gains or losses on the property of the Company for the period.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company's and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

Certification of the Annual Report by the Authorised Corporate Director

In accordance with the requirements of the Regulations and COLL Sourcebook, we hereby certify the Report on behalf of the Company, Maitland Institutional Services Ltd.

R. Ackermann

D. Jones

Directors

Maitland Institutional Services Ltd

7 March 2018

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the MI Chelverton UK Equity Fund ("the Company")

for the year ended 31st December 2017

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Northern Trust Global Services Limited

UK Trustee and Depositary Services

7 March 2018

Independent Auditor's Report to the Shareholders of MI Chelverton UK Equity Fund ('the Company')

We have audited the financial statements of the Company for the year ended 31 December 2017 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's Sub-funds listed on the contents page and the accounting policies set out on pages 16 to 17.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the sub-funds as at 31 December 2017 and of the net revenue/net deficit of revenue and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

Independent Auditor's Report to the Shareholders of MI Chelverton UK Equity Fund ('the Company')

continued

Authorised Corporate Director's (Maitland Institutional Services Ltd) responsibilities

As explained more fully in their statement set out on page 2 the Authorised Corporate Director is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ravi Lamba

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square, London E14 5GL

7 March 2018

Investment Objective and Policy

The objective of the Sub-fund is to provide a progressive income stream and achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities.

The Sub-fund will invest primarily in UK companies which aim to provide a high initial dividend; progressive dividend payments, and long-term capital appreciation. The asset classes in which the Sub-fund is permitted to invest includes transferable securities, money market instruments, cash and near cash and deposits as permitted for UCITS schemes under COLL and in accordance with the Sub-fund's investment powers as summarised in the Prospectus.

Investment Adviser's Report

for the year ended 31 December 2017

In the last twelve months the Sub-fund produced a total return of 24.27 % compared to an average of 10.86% for the IA UK Equity Income sector as a whole.*

**Source: Lipper, NAV to NAV, B shares Accumulation.*

The largest contributor to our performance over the past year was Games Workshop where earnings upgrades and dividend growth were driven by better than expected on-line and bricks and mortar retail sales. XP Power benefitted from strong sales growth as the full effects of 'design in' projects over the past few years were felt and Watkin Jones was rerated as investors focussed on the strength and visibility of the medium term order book. Other strong performers were Hostelworld and FDM where US growth came in ahead of expectations and Cape which was the subject of an agreed offer.

On the downside Interserve fell as it revealed a number of problems with Energy from Waste contracts and we sold our holding. Connect, Saga, and Go-Ahead were also poor performers as earnings were downgraded but we added to our holdings as their share prices fell as we believe they still represent sound medium term value.

We added a number of new holdings to the Sub-fund in the last six months. Strix, Bakkavor and Sabre Insurance were all purchased as IPO's, and we also bought Manx Telecom, Severfield, STV, and Tate & Lyle. We invested in Daily Mail & General Trust and Ultra Electronics after profit downgrades led to share price falls that brought their dividend yields into our four percent investible universe and Babcock International after it was demoted from the FTSE 100. Conversely we sold our entire holding in DS Smith as it joined the leading index, Hill & Smith on a yield basis after a strong share price increase and Talk Talk. We also reduced our exposure to a number of companies as share prices rose including, RWS, Computacenter, FDM, Electrocomponents and Games Workshop and added to a wide range of existing holdings. Whilst the number of new holdings in the period is slightly higher than historic levels we have largely been reacting to attractive opportunities as they are presented to us. As always the net effect of our purchases and sales over the period has been to gently increase the underlying dividend yield of the portfolio.

We highlighted the fact at the interim stage that the area that we could find best 'value' within our investment universe was the domestic earners, and this remains the case. Whilst growth forecasts for the UK economy appear rather pedestrian on a Global basis, they should be sufficient to support current levels of valuation in the near term. A growing number of commentators are now looking towards a growth in real wages as we move through this year and this would be positive for our consumer cyclicals. Importantly given their relative valuations there is scope for earnings upgrades and multiple expansion, a powerful combination in terms of potential investment returns. The most important factor in broadening our investment universe remains the better than expected dividend growth amongst UK small and mid caps.

MI Chelverton UK Equity Income Fund

Portfolio Statement

as at 31 December 2017

Holding	Security	Market value £	% of total net assets 2017
	OIL & GAS 0.61% (1.41%)		
	Oil & Gas Producers 0.61% (0.54%)		
3,273,530	Soco International	3,609,067	0.61
	Oil Equipment & Services 0.00% (0.87%)		
	BASIC MATERIALS 1.34% (1.52%)		
	Chemicals 1.34% (1.52%)		
300,000	Victrex	7,914,000	1.34
	INDUSTRIALS 33.02% (33.78%)		
	Construction & Materials 5.52% (4.25%)		
626,000	Alumasc	1,014,120	0.17
4,250,000	Epwin*	3,516,875	0.60
2,355,250	Eurocell	4,946,025	0.84
432,000	Kier	4,700,160	0.80
350,167	Morgan Sindall	4,996,883	0.85
1,750,000	Polypipe	6,849,500	1.16
1,800,000	Tyman	6,502,500	1.10
		32,526,063	5.52
	Aerospace & Defence 1.26% (1.29%)		
550,000	Ultra Electronics	7,408,500	1.26
	General Industrials 0.77% (2.52%)		
8,500,000	Low & Bonar	4,526,250	0.77
	Electronic & Electrical Equipment 7.30% (3.48%)		
2,693,614	discoverIE	9,973,106	1.69
2,500,000	Morgan Advanced Materials	8,390,000	1.43
4,575,000	Strix*	6,656,625	1.13
3,639,000	TT Electronics	8,060,385	1.37
288,750	XP Power	9,901,238	1.68
		42,981,354	7.30
	Industrial Engineering 4.07% (3.56%)		
1,750,000	Fenner	6,991,250	1.19
2,500,000	Flowtech Fluidpower*	4,075,000	0.69
625,000	IMI	8,331,250	1.41
6,000,000	Severfield	4,590,000	0.78
		23,987,500	4.07
	Industrial Transportation 0.75% (0.85%)		
1,500,000	Braemar Shipping Services	3,945,000	0.67
5,775,000	DX*	485,100	0.08
		4,430,100	0.75

MI Chelverton UK Equity Income Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2017
Support Services 13.35% (17.83%)			
950,000	Babcock International	6,702,250	1.14
3,500,000	BCA Marketplace	7,119,000	1.21
6,000,000	Connect	6,540,000	1.11
1,000,000	De La Rue	6,410,000	1.09
800,000	Electrocomponents	5,004,000	0.85
1,250,000	Essentra	6,600,000	1.12
1,494,520	Gattaca*	4,461,142	0.76
4,300,000	Harvey Nash*	3,741,000	0.63
6,000,000	Hogg Robinson	4,815,000	0.82
1,850,000	Northgate	7,053,125	1.20
2,350,000	RPS	6,368,500	1.08
1,075,000	RWS*	4,958,438	0.84
3,250,000	St. Ives	2,567,500	0.44
1,700,000	Sthree	6,256,000	1.06
		78,595,955	13.35
CONSUMER GOODS 12.32% (11.24%)			
Food Producers 4.93% (3.00%)			
2,850,000	Bakkavor	5,472,000	0.93
1,400,000	Dairy Crest	8,071,000	1.37
1,064,125	Hilton Food	9,183,399	1.56
900,000	Tate & Lyle	6,327,000	1.07
		29,053,399	4.93
Household Goods & Home Construction 4.71% (6.64%)			
1,300,000	Crest Nicholson	7,072,000	1.20
752,279	Galliford Try	9,674,308	1.65
973,225	Headlam	5,610,642	0.95
2,500,200	Watkin Jones*	5,375,430	0.91
		27,732,380	4.71
Leisure Goods 2.68% (1.60%)			
600,000	Games Workshop	15,798,000	2.68
CONSUMER SERVICES 21.16% (20.06%)			
Food & Drug Retailers 1.76% (1.55%)			
4,000,000	McColl's Retail	10,360,000	1.76
General Retailers 6.26% (6.38%)			
2,575,000	Brown (N)	6,949,925	1.18
10,000,000	Debenhams	3,450,000	0.59
3,250,000	DFS Furniture	6,321,250	1.07
1,750,000	Halfords	6,121,500	1.04
3,900,000	Moss Bros	3,315,000	0.56
5,000,000	Saga	6,290,000	1.07
2,788,300	Shoe Zone*	4,405,514	0.75
		36,853,189	6.26

MI Chelverton UK Equity Income Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2017
	Media 5.23% (3.75%)		
3,445,000	Bloomsbury Publishing	6,304,350	1.07
8,535,897	Centaur Media	3,841,154	0.65
755,982	Daily Mail & General Trust	4,475,413	0.76
1,641,365	STV	5,170,300	0.88
1,683,713	Tarsus	5,337,370	0.91
2,399,625	Wilmington	5,645,118	0.96
		<hr/>	
		30,773,705	5.23
	Travel & Leisure 7.91% (8.38%)		
425,000	Go-Ahead	6,324,000	1.07
850,000	Greene King	4,717,500	0.80
800,000	GVC	7,400,000	1.26
1,876,527	Hostelworld	7,130,803	1.21
6,750,000	Marston's	7,580,250	1.29
1,700,000	National Express	6,475,300	1.10
2,300,000	Restaurant	6,923,000	1.18
		<hr/>	
		46,550,853	7.91
	TELECOMMUNICATIONS 1.77% (1.58%)		
	Fixed Line Telecommunications 1.77% (1.58%)		
5,750,000	Kcom	5,218,125	0.88
2,740,000	Manx Telecom*	5,233,400	0.89
		<hr/>	
		10,451,525	1.77
	UTILITIES 1.26% (0.00%)		
	Gas, Water & Multiutilities 1.26% (0.00%)		
950,000	Pennon	7,400,500	1.26
		<hr/>	
	FINANCIALS 19.74% (22.70%)		
	Banks 1.11% (1.14%)		
450,000	Close Brothers	6,516,000	1.11
		<hr/>	
	Non-Life Insurance 1.52% (3.56%)		
59,148	Lancashire	402,798	0.07
1,210,000	Personal*	5,711,200	0.97
1,050,000	Sabre Insurance	2,837,625	0.48
		<hr/>	
		8,951,623	1.52
	Life Insurance 2.99% (3.43%)		
1,715,331	Chesnara	6,676,926	1.14
1,800,000	Hansard Global	1,548,000	0.26
1,200,000	Phoenix	9,384,000	1.59
		<hr/>	
		17,608,926	2.99

MI Chelverton UK Equity Income Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2017
Real Estate Investment & Services 1.18% (1.24%)			
3,500,000	Foxtons	2,843,750	0.48
1,260,000	Palace Capital*	4,095,000	0.70
		6,938,750	1.18
Real Estate Investment Trusts 1.58% (3.31%)			
950,000	Mucklow (A&J)	4,759,500	0.81
4,500,000	Regional REIT	4,567,500	0.77
		9,327,000	1.58
Financial Services 11.36% (9.78%)			
2,500,000	Ashmore	10,127,500	1.72
2,000,000	Brewin Dolphin	7,788,000	1.32
4,800,000	GLI Finance*	456,000	0.08
838,867	Intermediate Capital	9,605,027	1.63
1,250,000	Jupiter Fund Management	7,856,250	1.34
1,500,000	Mortgage Advice Bureau*	8,175,000	1.39
1,500,000	Numis*	4,897,500	0.83
1,050,000	Polar Capital*	5,622,750	0.95
2,556,818	Premier Asset Management*	6,034,090	1.02
556,241	River & Mercantile	1,974,656	0.34
2,330,000	Tatton Asset Management*	4,362,925	0.74
		66,899,698	11.36
Equity Investment Instruments 0.00% (0.24%)			
TECHNOLOGY 4.63% (4.08%)			
Software & Computer Services 4.63% (4.08%)			
700,000	Computacenter	8,064,000	1.37
800,000	FDM	7,468,000	1.27
266,192	Fidessa	6,737,320	1.14
2,552,749	RM	4,984,242	0.85
		27,253,562	4.63
Investment assets		564,447,899	95.85
Net other assets		24,425,623	4.15
Net assets		588,873,522	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.12.16.

* Quoted on the Alternative Investment Market.

Comparative Tables

Change in net assets per share

	A Income		
	31.12.17 p	31.12.16 p	31.12.15 p
Opening net asset value per share	102.73	104.70	94.84
Return before operating charges [^]	25.47	4.04	16.45
Operating charges	-1.86	-1.64	-1.73
Return after operating charges [^]	23.61	2.40	14.72
Distributions	-5.35	-4.37	-4.86
Closing net asset value per share	120.99	102.73	104.70
[^] After direct transaction costs of	-0.29	-0.22	-0.24
Performance			
Return after charges	22.98%	2.29%	15.52%
Other information			
Closing net asset value	£38,727	£84,092	£19,907,508
Closing number of shares	32,009	81,854	19,014,220
Operating charges	1.62%	1.65%	1.67%
Ongoing operating charges*	1.61%	1.64%	1.67%
Direct transaction costs	0.25%	0.22%	0.23%
Prices			
Highest share price	123.69	104.55	108.75
Lowest share price	103.32	86.66	94.08

	A Accumulation		
	31.12.17 p	31.12.16 p	31.12.15 p
Opening net asset value per share	171.80	172.20	148.88
Return before operating charges [^]	43.08	2.28	26.07
Operating charges	-3.16	-2.68	-2.75
Return after operating charges [^]	39.92	-0.40	23.32
Distributions	-9.06	-7.22	-7.73
Retained distributions on accumulation shares	9.06	7.22	7.73
Closing net asset value per share	211.72	171.80	172.20
[^] After direct transaction costs of	-0.49	-0.36	-0.38
Performance			
Return after charges	23.24%	-0.23%	15.66%
Other information			
Closing net asset value	£3,966	£3,218	£9,097,347
Closing number of shares	1,873	1,873	5,283,121
Operating charges	1.62%	1.65%	1.67%
Ongoing operating charges*	1.61%	1.64%	1.67%
Direct transaction costs	0.25%	0.22%	0.23%
Prices			
Highest share price	212.79	172.52	174.00
Lowest share price	172.77	141.23	147.67

Comparative Tables

continued

Change in net assets per share

	B Income		
	31.12.17 p	31.12.16 p	31.12.15 p
Opening net asset value per share	110.26	110.09	98.97
Return before operating charges [^]	27.42	6.21	17.21
Operating charges	-1.08	-0.96	-1.00
Return after operating charges [^]	26.34	5.25	16.21
Distributions	-5.76	-5.08	-5.09
Closing net asset value per share	130.84	110.26	110.09
[^] After direct transaction costs of	-0.31	-0.23	-0.25
Performance			
Return after charges	23.89%	4.77%	16.38%
Other information			
Closing net asset value	£435,921,073	£334,954,510	£311,079,590
Closing number of shares	333,175,583	303,798,230	282,559,833
Operating charges	0.87%	0.90%	0.92%
Ongoing operating charges*	0.86%	0.89%	0.92%
Direct transaction costs	0.25%	0.22%	0.23%
Prices			
Highest share price	133.99	112.66	113.88
Lowest share price	110.90	93.04	98.19

	B Accumulation		
	31.12.17 p	31.12.16 p	31.12.15 p
Opening net asset value per share	196.98	187.75	161.12
Return before operating charges [^]	49.56	10.90	28.27
Operating charges	-1.96	-1.67	-1.64
Return after operating charges [^]	47.60	9.23	26.63
Distributions	-10.42	-8.73	-8.40
Retained distributions on accumulation shares	10.42	8.73	8.40
Closing net asset value per share	244.58	196.98	187.75
[^] After direct transaction costs of	-0.56	-0.41	-0.41
Performance			
Return after charges	24.16%	4.92%	16.53%
Other information			
Closing net asset value	£152,909,756	£109,062,488	£102,188,971
Closing number of shares	62,519,670	55,366,716	54,429,501
Operating charges	0.87%	0.90%	0.92%
Ongoing operating charges*	0.86%	0.89%	0.92%
Direct transaction costs	0.25%	0.22%	0.23%
Prices			
Highest share price	245.80	197.80	189.70
Lowest share price	198.11	161.42	159.83

* The ACD believes that this operating charge is representative of charges going forward.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

Comparative Tables

continued

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the opening net asset value per share as a % of the opening net asset value per share.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked 4 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- This Sub-funds strategy may cause its volatility to be higher than its peers.
- Smaller company shares can be more difficult to buy and sell as they may trade infrequently, in small volumes and their share price may fluctuate more than that of a larger company.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- The level of targeted income is not guaranteed and may not be achieved.
- For further risk information please see the prospectus.

Risk warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

MI Chelverton UK Equity Income Fund

Statement of Total Return

for the year ended 31 December 2017

	Note	£	31.12.17 £	£	31.12.16 £
Income					
Net capital gains	2		88,940,754		4,520,630
Revenue	3	23,840,419		20,723,978	
Expenses	4	(4,455,198)		(3,928,698)	
Interest payable and similar charges	4	(14)		–	
Net revenue before taxation		19,385,207		16,795,280	
Taxation	5	24,895		(8,672)	
Net revenue after taxation			19,410,102		16,786,608
Total return before distributions			108,350,856		21,307,238
Distributions	6		(23,754,388)		(20,603,300)
Change in net assets attributable to Shareholders from investment activities			84,596,468		703,938

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2017

	£	31.12.17 £	£	31.12.16 £
Opening net assets attributable to Shareholders		444,104,308		442,273,416
Amounts receivable on issue of shares	167,524,895		124,350,185	
Less: Amounts payable on cancellation of shares	(113,423,433)		(128,286,554)	
		54,101,462		(3,936,369)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		84,596,468		703,938
Retained distributions on accumulation shares		6,071,282		5,063,323
Unclaimed distributions		2		–
Closing net assets attributable to Shareholders		588,873,522		444,104,308

The notes on pages 16 to 25 form an integral part of these Financial Statements.

MI Chelverton UK Equity Income Fund

Balance Sheet

as at 31 December 2017

	Note	£	31.12.17 £	£	31.12.16 £
ASSETS					
Fixed Assets					
Investments			564,447,899		427,984,608
Current Assets					
Debtors	7	4,831,523		2,010,918	
Cash and bank balances	9	28,645,643		21,562,333	
Total current assets			33,477,166		23,573,251
Total assets			597,925,065		451,557,859
LIABILITIES					
Investment liabilities			–		–
Creditors					
Distribution payable		(8,270,414)		(5,855,312)	
Other creditors	8	(781,129)		(1,598,239)	
Total creditors			(9,051,543)		(7,453,551)
Total liabilities			(9,051,543)		(7,453,551)
Net assets attributable to Shareholders			588,873,522		444,104,308

The notes on pages 16 to 25 form an integral part of these Financial Statements.

Notes to the Financial Statements

for the year ended 31 December 2017

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 and the Statement of Recommended Practice (“SORP”) for Financial Statements of UK Authorised Funds issued by the Investment Association (IA) in May 2014.

The financial statements have been prepared on the going concern basis.

The authorised Status and head office of the Sub-fund can be found within the general information starting on page 46.

The Certification of the Annual Report by the Authorised Corporate Director can be found on page 2.

(b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following basis:

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Interest on bank and short-term deposits is recognised on an earned basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

(c) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

(d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments and stamp duty reserve tax, are charged against revenue for the year on an accruals basis.

(e) Allocation of revenue and expenses to multiple share classes and Sub-funds

Any revenue or expense not directly attributable to a particular Sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and Sub-funds on the day that the revenue or expense is recognised.

With the exception of the Investment Adviser’s fee which is directly attributable to individual share classes, all revenue and expenses are apportioned to the Sub-fund’s share classes pro-rata to the value of the net assets of the relevant share class on the day that the revenue or expense is recognised.

(f) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Stamp duty reserve tax suffered on surrender of shares is deducted from capital.

Notes to the Financial Statements

continued

1. Accounting Policies (continued)

(g) Distribution policy

The net revenue after taxation as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to Shareholders as dividend distributions. Any revenue deficit is funded from capital.

Interim distributions may be made at the Investment Adviser's discretion and the balance of revenue is distributed in accordance with the regulations.

For the purpose of enhancing revenue entitlement, all expenses (including those relating to the purchase and sale of investments and stamp duty reserve tax) in respect of the Chelverton UK Equity Income Fund are allocated to capital for the year on an accruals basis. This will reduce the capital growth of the Sub-fund.

Distributions not claimed within a six year period will be forfeited and added back to the capital of the Sub-fund.

(h) Basis of valuation of investments

Listed investments are valued at close of business bid prices on the last business day of the accounting year excluding any accrued interest in the case of fixed and floating rate interest securities.

Unlisted or suspended investments are valued by the Investment Adviser taking into account where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Market value is defined by the SORP as fair value, which generally is the bid value of each security.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – Unadjusted quoted price in an active market for identical instrument.
- Level 2 – Valuation techniques using observable inputs other than quoted prices within Level 1.
- Level 3 – Valuation techniques using unobservable inputs.

(i) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

(j) Dilution levy

The Authorised Corporate Director may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on a Sub-fund experiencing large levels of net sales relative to its size; on 'large deals' (typically being a purchase or redemption of Shares to a size exceeding 5% of the Net Asset Value of the Company; in any case where the Authorised Corporate Director is of the opinion that the interests of remaining shareholders require the imposition of a dilution levy.

MI Chelverton UK Equity Income Fund

Notes to the Financial Statements

continued

2. Net Capital Gains	31.12.17	31.12.16
	£	£
Non-derivative securities	88,949,301	4,523,381
Currency losses	(1,082)	(886)
Transaction charges	(7,465)	(1,865)
Net capital gains	88,940,754	4,520,630

3. Revenue	31.12.17	31.12.16
	£	£
UK dividends: Ordinary	21,042,560	17,803,061
Overseas dividends	2,244,809	2,431,904
Property Income Distributions	553,040	488,938
Bank interest	10	75
Total revenue	23,840,419	20,723,978

4. Expenses	31.12.17	31.12.16
	£	£
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's fee	226,547	211,724
Registration fees	247,146	262,059
	<u>473,693</u>	<u>473,783</u>
Payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	<u>3,827,921</u>	<u>3,261,954</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	103,258	158,030
Safe custody and other bank charges	27,440	10,706
	<u>130,698</u>	<u>168,736</u>

Notes to the Financial Statements

continued

4. Expenses (continued)	31.12.17	31.12.16
	£	£
Other expenses:		
Audit fee (including VAT)	7,200	8,160
Audit fee (including VAT): taxation services	1,500	1,212
FCA fee	156	200
Legal fees	5,719	3,683
Printing costs	8,311	10,970
	<u>22,886</u>	<u>24,225</u>
Expenses	4,455,198	3,928,698
Interest payable and similar charges	14	–
Total	4,455,212	3,928,698

5. Taxation	31.12.17	31.12.16
	£	£
(a) Analysis of charge in the year:		
Overseas tax	(24,895)	8,672
Total tax charge (note 5b)	(24,895)	8,672
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	19,385,207	16,795,280
Corporation tax at 20%	3,877,041	3,359,056
Effects of:		
UK dividends	(4,208,512)	(3,560,612)
Movement in surplus management expenses	780,433	673,437
Overseas tax expensed	(24,895)	8,672
Non-taxable overseas earnings	(448,962)	(471,881)
Total tax charge (note 5a)	(24,895)	8,672

(c) Deferred tax

At the year end there is a potential deferred tax asset of £3,293,599 (2016: £2,513,166) in relation to surplus management expenses. It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements

continued

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		31.12.17 £	31.12.16 £
First interim distribution	31.03.17	3,181,864	2,657,817
Second interim distribution	30.06.17	4,991,556	4,400,205
Third interim distribution	30.09.17	5,181,297	4,444,325
Final distribution	31.12.17	11,089,055	8,943,632
		24,443,772	20,445,979
Revenue deducted on cancellation of Shares		1,186,853	1,559,015
Revenue received on issue of Shares		(1,876,237)	(1,401,694)
Distributions		23,754,388	20,603,300

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return		19,410,102	16,786,608
Expenses allocated to capital		4,455,198	3,928,698
Relief on expenses allocated to capital		(110,606)	(112,302)
Undistributed revenue brought forward		72	368
Undistributed revenue carried forward		(378)	(72)
Distributions		23,754,388	20,603,300

7. Debtors

		31.12.17 £	31.12.16 £
Amounts receivable on issues		1,809,255	464,817
Accrued income:			
Dividends receivable		2,876,214	1,516,600
Overseas tax recoverable		144,864	22,251
UK income tax recoverable		–	5,915
Prepaid expenses:			
Legal fee		1,190	1,335
Total debtors		4,831,523	2,010,918

MI Chelverton UK Equity Income Fund

Notes to the Financial Statements

continued

8. Other Creditors	31.12.17	31.12.16
	£	£
Amounts payable on cancellations	356,759	1,272,991
Accrued expenses:		
Amounts payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	371,261	281,497
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	36,006	23,953
Safe custody and other bank charges	9,003	5,598
	45,009	29,551
Other expenses:		
Audit fee (including VAT)	–	7,200
Audit fee (including VAT): taxation services	4,500	3,000
Printing costs	3,600	4,000
	8,100	14,200
Total other creditors	781,129	1,598,239
9. Cash and Bank Balances	31.12.17	31.12.16
	£	£
Cash and bank balances	28,645,643	21,562,333
Cash and bank balances	28,645,643	21,562,333

10. Related Party Transactions

Authorised Corporate Director and other fees payable to Maitland Institutional Services Ltd (the ACD) are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Chelverton Asset Management Limited (the Investment Adviser) are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Chelverton UK Funds.

11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2016: none).

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures

In pursuing its investment objectives, the Sub-fund may hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Sub-fund's operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

In doing so, the ACD accepts market price risk and interest rate risk in relation to the investment portfolio.

The risks arising from financial instruments and the ACD's policies for the monitoring and managing of these risks are stated below in accordance with the Risk Management Policy of the ACD.

These policies have been consistent for both years through which these financial statements relate.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. This means the value of an investor's holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the Sub-fund in the context of all their investments.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD as per the policies as set out in the Prospectus. The investment guidelines and investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook describe the nature of the market risk to which the Sub-fund will be exposed.

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £56,444,790 (2016: £42,798,461).

Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are minimally affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2016: none).

Interest rate risk

Interest rate risk, being the risk that the value of investments will fluctuate as a result of interest rate changes. The majority of the Sub-fund's assets comprise equity shares which neither pay interest nor have a maturity date.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

In the opinion of the ACD, there is no significant interest rate risk to the Sub-fund.

Credit risk

Credit risk arises from the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

There are no net borrowings or unlisted securities and the ACD considers that the Sub-fund has little exposure to credit risk.

Notes to the Financial Statements

continued

12. Risk Management Policies and Disclosures (continued)

Liquidity risk

Liquidity risk is the risk that a Sub-fund cannot raise sufficient cash to meet its liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, a Sub-fund will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the Sub-fund, the Sub-fund may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of shares.

Counterparty risk

The risk that the counterparty will not deliver the investments for a purchase or the cash for a sale after the Sub-fund has fulfilled its responsibilities which could result in the Sub-fund suffering a loss. The Investment Adviser minimises the risk by conducting trades through only the most reputable counter parties.

Fair value of financial assets and liabilities

Investments disclosed as at the balance sheet date are at fair value. Current assets and liabilities disclosed in the balance sheet are at amortised cost which is approximate to fair value.

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

31.12.17

Analysis of purchases	Net purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	168,561,247	372,673	0.22%	652,891	0.39%	167,535,683
Corporate actions	186,400	–	0.00%	–	0.00%	186,400
Total purchases after commissions and tax	168,747,647					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	121,233,655	245,622	0.20%	123	0.00%	121,479,400
Total sales after commissions and tax	121,233,655					
Commission as a % of average net assets	0.12%					
Taxes as a % of average net assets	0.13%					

31.12.16

Analysis of purchases	Net purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	106,686,397	239,497	0.22%	433,532	0.41%	106,013,368
Corporate actions	252,365	–	0.00%	–	0.00%	252,365
Total purchases after commissions and tax	106,938,762					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	112,057,771	259,211	0.23%	132	0.00%	112,317,114
Total sales after commissions and tax	112,057,771					
Commission as a % of average net assets	0.12%					
Taxes as a % of average net assets	0.10%					

Commissions and taxes as a % of the average net assets form part of the direct transactions costs stated within the comparative tables on pages 11 and 13. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

Notes to the Financial Statements

continued

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2017 is 1.14% (2016: 1.03%).

15. Fair Value Disclosure

Valuation technique	31.12.17		31.12.16	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 [^]	564,447,899	–	427,984,608	–
Level 2 ^{^^}	–	–	–	–
Level 3 ^{^^^}	–	–	–	–
	564,447,899	–	427,984,608	–

[^] Level 1: Unadjusted quoted price in an active market for an identical instrument.

^{^^} Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^{^^^} Level 3: Valuation techniques using unobservable inputs.

16. Shareholders Funds

	A Income	A Accumulation	B Income	B Accumulation
Opening number of Shares	81,854	1,873	303,798,230	55,366,716
Shares issued	–	–	77,310,910	32,013,770
Shares cancelled	(49,845)	–	(58,406,522)	(19,096,114)
Shares converted	–	–	10,472,965	(5,764,702)
Closing number of Shares	32,009	1,873	333,175,583	62,519,670

MI Chelverton UK Equity Income Fund

Distribution Tables

for the year ended 31 December 2017

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2017 p	Distribution paid 2016 p	
A	First interim [^]	Group 1	0.7800	–	0.7800	0.6004	
		Group 2	–	–	–	0.6004	
	Second interim [^]	Group 1	1.2500	–	–	1.2500	1.2000
		Group 2	–	–	–	–	1.2000
Third interim [^]	Group 1	1.2500	–	–	1.2500	1.2000	
	Group 2	–	–	–	–	–	
Final [^]	Group 1	2.0717	–	–	2.0717	1.3679	
	Group 2	–	–	–	–	–	
B	First interim	Group 1	0.7800	–	0.7800	0.7500	
		Group 2	0.2553	0.5247	0.7800	0.7500	
	Second interim	Group 1	1.2500	–	–	1.2500	1.2000
		Group 2	–	1.2500	1.2500	1.2500	1.2000
Third interim	Group 1	1.2500	–	–	1.2500	1.2000	
	Group 2	–	1.2500	1.2500	1.2500	1.2000	
Final	Group 1	2.4821	–	–	2.4821	1.9270	
	Group 2	0.8013	1.6808	2.4821	1.9270		

[^] No Group 2 Income Shares held in A Income at each distribution point.

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2017 p	Amount reinvested 2016 p	
A	First interim [^]	Group 1	1.3040	–	1.3040	0.7500	
		Group 2	–	–	–	–	
	Second interim [^]	Group 1	2.1049	–	–	2.1049	1.2000
		Group 2	–	–	–	–	–
Third interim [^]	Group 1	2.1281	–	–	2.1281	1.2000	
	Group 2	–	–	–	–	–	
Final [^]	Group 1	3.5232	–	–	3.5232	4.0675	
	Group 2	–	–	–	–	–	
B	First interim	Group 1	1.3933	–	1.3933	0.7500	
		Group 2	–	1.3933	1.3933	0.7500	
	Second interim	Group 1	2.2479	–	–	2.2479	1.2000
		Group 2	0.0849	2.1630	2.2479	1.2000	
Third interim	Group 1	2.2709	–	–	2.2709	1.2000	
	Group 2	–	2.2709	2.2709	1.2000		
Final	Group 1	4.5083	–	–	4.5083	5.5778	
	Group 2	1.3959	3.1124	4.5083	5.5778		

[^] No Group 2 Accumulation Shares held in A Accumulation at each distribution point.

Distribution Tables

continued

Further information

First interim period: 01.01.17 - 31.03.17

Second interim period: 01.04.17 - 30.06.17

Third interim period: 01.07.17 - 30.09.17

Final period: 01.10.17 - 31.12.17

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Investment Objective and Policy

The objective of the Sub-fund is to achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK small and medium sized market capitalised companies equities.

The asset classes in which the Sub-fund is permitted to invest includes transferable securities, money market instruments, warrants, convertibles, cash and near cash and deposits as permitted for UCITS schemes under COLL and in accordance with the Sub-fund's investment powers as summarised in the Prospectus.

Investment Adviser's Report

for the year ended 31 December 2017

The Sub-fund performed strongly against its IA UK All Companies benchmark in 2018 (returning 33.35% vs. 13.83% for its benchmark*) as it benefited from its focus on Mid and Small cap stocks, which generally outperformed large caps over the year. The re-orientation of the portfolio towards more structural growth and overseas earners and away from UK consumer cyclicals post BREXIT also helped as Sterling's weakness through the earlier part of the year put pressure on consumer spending, putting a drag on valuations of stocks in that part of the market.

Our best performing stock last year was Games Workshop, the vertically integrated fantasy war gaming specialist, which returned over 300% as its shares responded to several positive trading updates. Next up was IQE, the IT hardware component supplier with a return in excess of 250%, as its new generation of products started to gain traction for applications in the mass consumer electronics market. Immupharma returned over 200% as its lead drug for Lupus disease progressed through Phase 3 trials without adverse incident. Two of the IPOs we backed namely Watkin Jones, a student accommodation developer, which came to the market with excellent earnings visibility and on what in our view was a relatively low valuation, and Alpha FX, a novel forex trading solutions provider for mid-sized corporates, both performed very strongly. Elsewhere our structural growth stocks, most notably dotDigital, IMImobile and On The Beach, and industrials with an overseas earnings bias, namely XP Power, Coats and discoverIE (formerly Acal) performed particularly well.

On the negative tack, our worst returns came from a number of stocks which issued profits warnings. Both Autins, a producer of car noise and vibration control components, and Maintel, a business telecoms provider, suffered from delayed orders from major customers. Ultra Electronics warned as a result of weak UK defence spending, whilst Dialight mismanaged the move of its manufacturing activity from its own factories to a low cost outsourced provider, resulting in poor product availability and cost overruns in what was otherwise a buoyant market.

Moving into 2018 the outlook for global growth looks reasonably robust, with a further boost coming from the recent US corporation tax reductions. Whilst UK domestic growth is forecast to be slow by international standards, it's still expected to be "reasonable" by historic standards. Relatively full domestic employment, which has surprised many observers, has been a notable feature post BREXIT. Upward pressure on pay rates and the recent strengthening of Sterling means the low valuations on unloved domestic cyclicals are becoming increasingly compelling as spending power recovers and we have started to tentatively address our underweight exposure to this part of the market.

*Source: Lipper, NAV to NAV, B shares Accumulation

MI Chelverton UK Equity Growth Fund

Portfolio Statement

as at 31 December 2017

Holding	Security	Market value £	% of total net assets 2017
	OIL & GAS 0.94% (0.99%)		
	Oil & Gas Producers 0.94% (0.99%)		
7,250,000	Amerisur Resources*	1,305,000	0.94
	BASIC MATERIALS 2.75% (2.06%)		
	Chemicals 2.75% (2.06%)		
500,000	Synthomer	2,449,000	1.76
52,500	Victrex	1,384,950	0.99
		3,833,950	2.75
	INDUSTRIALS 31.10% (25.47%)		
	Construction & Materials 5.12% (5.83%)		
675,000	Melrose Industries	1,429,650	1.02
575,000	Polypipe	2,250,550	1.61
500,000	Tyman	1,806,250	1.30
818,764	Volusion	1,653,903	1.19
		7,140,353	5.12
	Aerospace & Defence 3.26% (2.41%)		
200,000	Avon Rubber	2,390,000	1.71
160,000	Ultra Electronics	2,155,200	1.55
		4,545,200	3.26
	General Industrials 0.80% (1.16%)		
1,250,000	Coats	1,109,375	0.80
	Electronic & Electrical Equipment 8.11% (3.33%)		
173,000	Dialight	951,500	0.68
700,000	discoverIE	2,591,750	1.86
500,000	Morgan Advanced Materials	1,678,000	1.20
80,000	Spectris	1,988,000	1.43
1,685,734	Strix*	2,452,743	1.76
47,750	XP Power	1,637,348	1.18
		11,299,341	8.11
	Industrial Engineering 4.51% (4.99%)		
250,000	Bodycote	2,277,500	1.63
56,000	IMI	746,480	0.54
350,000	Porvair	1,557,500	1.12
575,000	Somero Enterprises*	1,696,250	1.22
		6,277,730	4.51
	Industrial Transportation 2.07% (0.00%)		
50,000	Clarkson	1,429,000	1.03
605,000	Gama Aviation*	1,452,000	1.04
		2,881,000	2.07

MI Chelverton UK Equity Growth Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2017
Support Services 7.23% (7.75%)			
875,000	Altitude*	621,250	0.45
2,500,000	Boku*	1,775,000	1.27
575,000	Equiniti	1,639,900	1.18
675,000	Gordon Dadds*	945,000	0.68
5,000,000	Inspired Energy*	950,000	0.68
525,000	Keystone Law*	987,000	0.71
200,000	Maintel Holdings*	1,220,000	0.87
525,000	Sthree	1,932,000	1.39
		10,070,150	7.23
CONSUMER GOODS 7.89% (9.13%)			
Automobiles & Parts 0.18% (0.98%)			
210,000	Autins*	256,200	0.18
Food Producers 3.30% (2.90%)			
375,000	Dairy Crest	2,161,875	1.55
700,000	Greencore	1,607,900	1.15
96,875	Hilton Food	836,031	0.60
		4,605,806	3.30
Household Goods & Home Construction 0.00% (1.44%)			
Leisure Goods 3.65% (3.81%)			
100,000	Games Workshop	2,633,000	1.89
800,000	Photo-Me	1,464,000	1.05
875,000	Sumo*	988,750	0.71
		5,085,750	3.65
Personal Goods 0.76% (0.00%)			
440,000	InnovaDerma	1,056,000	0.76
HEALTH CARE 5.23% (8.62%)			
Health Care Equipment & Services 0.00% (1.49%)			
Pharmaceuticals & Biotechnology 5.23% (7.13%)			
2,500,000	Alliance Pharma*	1,668,750	1.20
1,250,000	Angle*	675,000	0.49
150,000	Anpario*	585,000	0.42
350,000	Eco Animal Health*	2,065,000	1.48
450,000	Ergomed*	810,000	0.58
638,000	Futura Medical*	185,020	0.13
775,000	Immupharma*	1,302,000	0.93
		7,290,770	5.23

MI Chelverton UK Equity Growth Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2017
CONSUMER SERVICES 12.97% (16.62%)			
General Retailers 2.00% (2.28%)			
10,000,000	7 Digital*	500,000	0.36
332,358	DFS Furniture	646,436	0.46
675,000	Quiz*	1,046,250	0.75
750,000	Topps Tiles	594,375	0.43
		<hr/>	
		2,787,061	2.00
Media 5.25% (6.68%)			
150,000	Euromoney Institutional Investor	1,945,500	1.40
350,000	Next Fifteen Communications*	1,523,375	1.09
600,000	Tarsus	1,902,000	1.37
825,000	Wilmington	1,940,813	1.39
		<hr/>	
		7,311,688	5.25
Travel & Leisure 5.72% (7.66%)			
675,000	Hollywood Bowl	1,368,563	0.98
160,000	Jackpotjoy	1,325,600	0.95
400,000	On the Beach	1,874,000	1.35
400,000	Rank	966,000	0.69
879,790	Revolution Bars	1,337,281	0.96
450,000	Stride Gaming*	1,102,500	0.79
		<hr/>	
		7,973,944	5.72
TELECOMMUNICATIONS 0.28% (1.00%)			
Mobile Telecommunications 0.28% (1.00%)			
60,000	Gamma Communications*	387,000	0.28
FINANCIALS 10.67% (8.88%)			
Real Estate Investment & Services 0.00% (1.08%)			
Financial Services 10.67% (7.80%)			
250,000	Alpha FX*	1,187,500	0.85
450,000	Ashmore	1,822,950	1.31
121,025	Brooks MacDonald*	2,191,763	1.57
600,975	Curtis Banks*	1,652,681	1.19
509,543	Liontrust Asset Management	2,394,852	1.72
2,200,000	Park*	1,897,500	1.36
933,494	Tatton Asset Management*	1,747,968	1.25
1,600,000	Tungsten*	960,000	0.69
525,000	Xafinity	1,005,375	0.72
40,384	Xafinity basic open offer entitlement	8,683	0.01
		<hr/>	
		14,869,272	10.67

MI Chelverton UK Equity Growth Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2017
TECHNOLOGY 19.55% (20.71%)			
Software & Computer Services 16.43% (17.58%)			
3,000,000	Castleton Technology*	1,980,000	1.42
82,500	Craneware*	1,188,000	0.85
3,000,000	dotDigital*	3,090,000	2.22
200,000	Eagle Eye Solutions*	442,000	0.32
3,274,000	Eckoh*	1,473,300	1.06
5,000,000	eServGlobal*	562,500	0.40
350,000	GB*	1,517,250	1.09
1,385,000	Ideagen*	1,371,150	0.98
975,000	IMImobile*	2,310,750	1.66
275,000	Iomart*	1,058,750	0.76
2,250,000	Oxford Metrics*	1,293,750	0.93
1,200,000	Proactis*	2,016,000	1.45
350,000	SDL	1,487,500	1.07
75,000	SQS Software Quality Systems*	607,500	0.43
1,380,000	StatPro*	1,932,000	1.39
100,000	Wandisco*	565,000	0.40
		22,895,450	16.43
Technology Hardware & Equipment 3.12% (3.13%)			
800,000	Amino Technologies*	1,520,000	1.09
400,000	Ethernity Networks*	500,000	0.36
342,500	Frontier Smart Technologies*	554,850	0.40
450,000	Quixant*	1,777,500	1.27
		4,352,350	3.12
Investment assets		127,333,390	91.38
Net other assets		12,012,799	8.62
Net assets		139,346,189	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.12.16.

* Quoted on the Alternative Investment Market.

Comparative Tables

Change in net assets per share

	A Accumulation	
	31.12.17 p	31.12.16 p
Opening net asset value per share	117.94	100.00†
Return before operating charges [^]	41.24	19.84
Operating charges	-2.44	-1.90
Return after operating charges [^]	38.80	17.94
Distributions	-0.49	-0.41
Retained distributions on accumulation shares	0.49	0.41
Closing net asset value per share	156.74	117.94
[^] After direct transaction costs of	-0.85	-0.81
Performance		
Return after charges	32.90%	17.94%
Other information		
Closing net asset value	£427,906	£1,073,396
Closing number of shares	273,009	910,151
Operating charges*	1.75%	1.75%
Direct transaction costs	0.61%	0.75%
Prices		
Highest share price	158.01	119.29
Lowest share price	119.47	92.93

† Launch price at 14 June 2016.

* The Investment Manager currently rebates the Sub-fund's operating charges in excess of 1.75% of the average Net Asset Value of the Sub-fund.

	B Income		
	31.12.17 p	31.12.16 p	31.12.15 p
Opening net asset value per share	152.54	129.86	104.49
Return before operating charges [^]	53.13	26.00	27.78
Operating charges	-1.81	-1.37	-1.18
Return after operating charges [^]	51.32	24.63	26.60
Distributions	-2.01	-1.95	-1.23
Closing net asset value per share	201.85	152.54	129.86
[^] After direct transaction costs of	-1.10	-1.03	-1.71
Performance			
Return after charges	33.64%	18.97%	25.46%
Other information			
Closing net asset value	£27,478,150	£7,532,713	£3,500,140
Closing number of shares	13,612,918	4,938,182	2,695,242
Operating charges*	1.00%	1.00%	1.00%
Direct transaction costs	0.61%	0.75%	1.44%
Prices			
Highest share price	205.73	156.24	132.35
Lowest share price	154.54	121.31	104.19

* The Investment Manager currently rebates the Sub-fund's operating charges in excess of 1.00% of the average Net Asset Value of the Sub-fund.

Comparative Tables

continued

Change in net assets per share

	B Accumulation		
	31.12.17 p	31.12.16 p	31.12.15 p
Opening net asset value per share	155.92	131.09	104.49
Return before operating charges [^]	54.28	26.21	27.78
Operating charges	-1.85	-1.38	-1.18
Return after operating charges [^]	52.43	24.83	26.60
Distributions	-2.05	-1.97	-1.23
Retained distributions on accumulation shares	2.05	1.97	1.23
Closing net asset value per share	208.35	155.92	131.09
[^] After direct transaction costs of	-1.13	-1.03	-1.71
Performance			
Return after charges	33.63%	18.94%	25.46%
Other information			
Closing net asset value	£111,440,133	£38,106,793	£11,852,545
Closing number of shares	53,487,749	24,439,997	9,041,498
Operating charges*	1.00%	1.00%	1.00%
Direct transaction costs	0.61%	0.75%	1.44%
Prices			
Highest share price	210.26	157.68	132.35
Lowest share price	157.94	122.44	104.19

* The Investment Manager currently rebates the Sub-fund's operating charges in excess of 1.00% of the average Net Asset Value of the Sub-fund.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the opening net asset value per share as a % of the opening net asset value per share.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

Comparative Tables

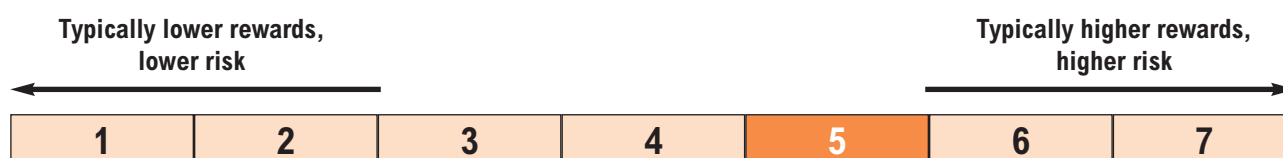
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Risk and reward profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the tables below shows the Sub-fund's ranking on the risk and reward indicator.



Classes B Income and B Accumulation are ranked 4 because funds of this type have experienced medium to high rises and falls in value in the past. During the period under review the category changed from 5 to 4, this is due to the price volatility of the Sub-fund. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases.



Class A Accumulation is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases.

The two indicators do not take into account the following risks of investing in this Sub-fund:

- Smaller company shares can be more difficult to buy and sell as they may trade infrequently, in small volumes and their share price may fluctuate more than that of a larger company.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- For further risk information please see the prospectus.

Risk warning

An investment in an Open Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

MI Chelverton UK Equity Growth Fund

Statement of Total Return

for the year ended 31 December 2017

	Note	£	31.12.17 £	£	31.12.16 £
Income					
Net capital gains	2		21,182,816		5,304,060
Revenue	3	1,732,236		721,213	
Expenses	4	(817,558)		(284,603)	
Interest payable and similar charges	4	(1)		(4)	
Net revenue before taxation		914,677		436,606	
Taxation	5	(12,583)		(5,237)	
Net revenue after taxation			902,094		431,369
Total return before distributions			22,084,910		5,735,429
Distributions	6		(902,088)		(431,357)
Change in net assets attributable to Shareholders from investment activities			21,182,822		5,304,072

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2017

	£	31.12.17 £	£	31.12.16 £
Opening net assets attributable to Shareholders		46,712,902		15,352,685
Amounts receivable on issue of shares	101,010,897		42,228,150	
Less: Amounts payable on cancellation of shares	(30,663,146)		(16,656,409)	
		70,347,751		25,571,741
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		21,182,822		5,304,072
Retained distributions on accumulation shares		1,102,714		484,404
Closing net assets attributable to Shareholders		139,346,189		46,712,902

The notes on pages 38 to 44 form an integral part of these Financial Statements.

MI Chelverton UK Equity Growth Fund

Balance Sheet

as at 31 December 2017

	Note	£	31.12.17 £	£	31.12.16 £
ASSETS					
Fixed Assets					
Investments			127,333,390		43,669,265
Current Assets					
Debtors	7	1,904,357		318,852	
Cash and bank balances	9	10,649,793		2,949,672	
Total current assets			12,554,150		3,268,524
Total assets			139,887,540		46,937,789
LIABILITIES					
Investment liabilities			–		–
Creditors					
Distribution payable		(274,559)		(96,393)	
Other creditors	8	(266,792)		(128,494)	
Total creditors			(541,351)		(224,887)
Total liabilities			(541,351)		(224,887)
Net assets attributable to Shareholders			139,346,189		46,712,902

The notes on pages 38 to 44 form an integral part of these Financial Statements.

MI Chelverton UK Equity Growth Fund

Notes to the Financial Statements

for the year ended 31 December 2017

1. Accounting Policies

The Sub-fund's Financial statements have been prepared on the same basis as the Accounting Policies stated on pages 16 and 17.

2. Net Capital Gains

	31.12.17	31.12.16
	£	£
Non-derivative securities	21,193,221	5,309,926
Currency gains/(losses)	95	(1,431)
Transaction charges	(10,500)	(4,435)
Net capital gains	21,182,816	5,304,060

3. Revenue

	31.12.17	31.12.16
	£	£
UK dividends: Ordinary	1,626,557	674,843
Overseas dividends	104,588	46,370
Underwriting commission	1,091	–
Total revenue	1,732,236	721,213

4. Expenses

	31.12.17	31.12.16
	£	£
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's fee	85,081	41,492
Registration fees	89,961	50,373
	<u>175,042</u>	<u>91,865</u>
Payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	624,017	218,990
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	28,846	14,591
Safe custody and other bank charges	2,149	(4,748)
	<u>30,995</u>	<u>9,843</u>

Notes to the Financial Statements

continued

4. Expenses (continued)	31.12.17 £	31.12.16 £
Other expenses:		
Audit fee (including VAT)	7,200	8,160
Audit fee (including VAT): taxation services	1,500	1,500
FCA fee	156	200
Listing fees	252	–
Legal fees	4,444	2,977
Printing costs	2,708	2,214
	16,260	15,051
Total Ongoing charge rebates accrued against expenses	(28,756)	(51,146)
Expenses	817,558	284,603
Interest payable and similar charges	1	4
Total	817,559	284,607

5. Taxation	31.12.17 £	31.12.16 £
(a) Analysis of charge in the year:		
Overseas tax	12,583	5,237
Total tax charge (note 5b)	12,583	5,237

(b) Factors affecting taxation charge for the year:

Net revenue before taxation	914,677	436,606
Corporation tax at 20%	182,935	87,321
Effects of:		
UK dividends	(325,311)	(134,968)
Movement in surplus management expenses	163,293	56,921
Overseas tax expensed	12,583	5,237
Non-taxable overseas earnings	(20,917)	(9,274)
Total tax charge (note 5a)	12,583	5,237

(c) Deferred tax

At the year end there is a potential deferred tax asset of £234,504 (31.12.16: £71,211) in relation to surplus management expenses. It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements

continued

6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	31.12.17	31.12.16
	£	£
Final distribution 31.12.17	1,377,273	580,797
Revenue deducted on cancellation of Shares	173,559	106,847
Revenue received on issue of Shares	(648,744)	(256,287)
Distributions	902,088	431,357

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return	902,094	431,369
Undistributed revenue brought forward	23	11
Undistributed revenue carried forward	(29)	(23)
Distributions	902,088	431,357

7. Debtors

	31.12.17	31.12.16
	£	£
Amounts receivable on issues	1,643,885	267,202
Accrued income:		
Dividends receivable	259,031	43,442
Overseas tax recoverable	–	1,010
Prepaid expenses:		
KIID fee	892	1,002
Ongoing charge rebates	549	6,196
Total debtors	1,904,357	318,852

MI Chelverton UK Equity Growth Fund

Notes to the Financial Statements

continued

8. Other Creditors	31.12.17	31.12.16
	£	£
Amounts payable on cancellations	166,122	83,349
Accrued expenses:		
Amounts payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	81,156	28,765
	<hr/>	<hr/>
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	12,479	3,464
Safe custody and other bank charges	1,335	2,116
	<hr/>	<hr/>
	13,814	5,580
	<hr/>	<hr/>
Other expenses:		
Audit fee (including VAT)	–	7,200
Audit fee (including VAT): taxation services	4,500	3,000
Printing costs	1,200	600
	<hr/>	<hr/>
	5,700	10,800
	<hr/>	<hr/>
Total other creditors	266,792	128,494
	<hr/>	<hr/>
9. Cash and Bank Balances	31.12.17	31.12.16
	£	£
Cash and bank balances	10,649,793	2,949,672
	<hr/>	<hr/>
Cash and bank balances	10,649,793	2,949,672
	<hr/>	<hr/>

10. Related Party Transactions

Authorised Corporate Director and other fees payable to Maitland Institutional Services Ltd (the ACD) are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Chelverton Asset Management Limited (the Investment Adviser) are disclosed in note 4 and amounts due at the year end are shown in note 8.

Amounts receivable on issue and payable on cancellation of shares and dilution levy are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Chelverton UK Funds.

Notes to the Financial Statements

continued

11. Contingent Liabilities and Outstanding Commitments

As at 7 December 2017 the Sub-fund had oversubscribed on the open offer offered by Xafinity. Upon the available date 5 January the Sub-fund was offered 36,269 shares at a value of £66,757.

Due to this commitment being confirmed only by the occurrence of future events after the balance sheet date the shares and monetary value associated will be recorded in the financial statements as at 31 December 2018.

There were no other contingent liabilities or outstanding commitments at 31 December 2017.

12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed in Note 12 on pages 22 and 23.

Numerical disclosures relating to the Sub-fund are as follows:

Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £12,733,339 (2016: £4,366,927).

Currency risk

The majority of the Sub-fund's assets comprise of investments and cash denominated in sterling. As a result, the income and capital value of the Sub-fund are minimally affected by currency movements.

There is no material foreign currency exposure in the Sub-fund (2016: none).

Interest rate risk

In the opinion of the ACD, there is no significant interest rate risk to the Sub-fund.

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

31.12.17

Analysis of purchases	Net purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	94,189,703	197,769	0.21%	230,447	0.24%	93,761,487
Corporate actions	120,047	–	0.00%	–	0.00%	120,047
Total purchases after commissions and tax	94,309,750					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	31,838,845	74,453	0.23%	265	0.00%	31,913,563
Total sales after commissions and tax	31,838,845					
Commission as a % of average net assets	0.33%					
Taxes as a % of average net assets	0.28%					

31.12.16

Analysis of purchases	Net purchase cost £	£	Commissions paid %	£	Taxes %	Purchases before transaction cost £
Equities	39,394,535	86,573	0.22%	93,585	0.24%	39,214,377
Corporate actions	398,678	–	0.00%	–	0.00%	398,678
Total purchases after commissions and tax	39,793,213					

Analysis of sales	Net sale proceeds £	£	Commissions paid %	£	Taxes %	Sales before transaction cost £
Equities	15,042,017	36,303	0.24%	206	0.00%	15,078,526
Total sales after commissions and tax	15,042,017					
Commission as a % of average net assets	0.43%					
Taxes as a % of average net assets	0.32%					

Commissions and taxes as a % of the average net assets form part of the direct transactions costs stated within the comparative tables on pages 33 and 34. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

Notes to the Financial Statements

continued

14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2017 is 2.06% (2016:2.09%).

15. Fair Value Disclosure

Valuation technique	31.12.17		31.12.16	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 [^]	127,333,390	–	43,669,265	–
Level 2 ^{^^}	–	–	–	–
Level 3 ^{^^^}	–	–	–	–
	127,333,390	–	43,669,265	–

[^] Level 1: Unadjusted quoted price in an active market for an identical instrument.

^{^^} Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

^{^^^} Level 3: Valuation techniques using unobservable inputs.

16. Shareholders Funds

	A Accumulation	B Income	B Accumulation
Opening number of Shares	910,151	4,938,182	24,439,997
Shares issued	291,136	10,006,227	43,588,559
Shares cancelled	(928,278)	(1,331,491)	(14,540,807)
Shares converted	–	–	–
Closing number of Shares	273,009	13,612,918	53,487,749

MI Chelverton UK Equity Growth Fund

Distribution Tables

for the year ended 31 December 2017

Income Share Distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2017 p	Distribution paid 2016 p
B	Final	Group 1	2.0169	–	2.0169	1.9520
		Group 2	0.5900	1.4269	2.0169	1.9520

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2017 p	Amount reinvested 2016 p
A	Final	Group 1	0.4937	–	0.4937	0.4139
		Group 2	0.0452	0.4485	0.4937	0.4139
B	Final	Group 1	2.0591	–	2.0591	1.9666
		Group 2	0.8520	1.2071	2.0591	1.9666

Further information

Final period: 01.01.17 - 31.12.17

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

General information

Authorised Status

MI Chelverton UK Equity Fund (the “Company”) is structured as an Investment Company with Variable Capital (“ICVC”), under regulation 12 (Authorisation) of the OEIC Regulations (Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)).

The Company does not intend to have an interest in immovable property.

The Company is authorised and regulated in the UK by the Financial Conduct Authority (“FCA”) as a UCITS Retail Scheme under the COLL Sourcebook.

The Company was incorporated in England and Wales on 04 April 2006 under registration number IC000431. The Shareholders are not liable for the debts of the Company.

The Company currently has 2 Sub-funds, which are detailed below:

MI Chelverton UK Equity Income Fund
MI Chelverton UK Equity Growth Fund

Head Office

Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW

Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency

The base currency of the Company is Pounds Sterling.

Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset value of the Sub-fund.

Classes of Shares

The Instrument of Incorporation allows each Fund to issue different classes of shares in respect of any Sub-fund.

The Sub-fund currently has the following classes of shares available for investment:

	Share Class			
	A		B	
Sub-funds	Inc	Acc	Inc	Acc
MI Chelverton UK Equity Income Fund	✓	✓	✓	✓
MI Chelverton UK Equity Growth Fund	–	✓	✓	✓

The Company may issue both Income and Accumulation Shares.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each annual accounting period in the currency of the relevant share class.

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

General information

continued

Valuation Point

The scheme property of the Company and each Sub-fund will normally be valued at 12:00 on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

For the purpose of the pricing of shares, a business day is defined as a day on which the dealing office of the ACD is open for the buying and selling of shares. The ACD may at any time during a business day carry out an additional valuation of the property of the Sub-fund if the ACD considers it desirable to do so, with the Depositary's approval.

Buying, Redeeming and Switching of Shares

The ACD will accept orders for the purchase, sale and switching of shares on normal business days between 08:30 and 16:30. Instructions to buy or sell shares may either be in writing to:

Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW

Or by telephone to:

0345 305 4217

The ACD has the right to establish facilities for recording telephone calls made or received on this telephone line.

A contract note giving details of the shares purchased will be issued no later than the next business day after the business day on which an application to purchase shares is received and instrumented by the ACD. Certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the register of shareholders.

Pricing Basis

There is a single price for buying, selling and switching shares in a Sub-fund which represents the Net Asset Value of the Sub-fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on www.maitlandgroup.com. Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company. Copies may be obtained free of charge upon application. They are also available from the website of the ACD, the details of which are given in the directory of this report.

Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD, or, following that, may make their complaint direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

Remuneration of the Authorised Corporate Director

Its purpose is to ensure that the remuneration of the staff of the ACD is consistent with and promotes sound and effective risk management, does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of itself and the UCITS it manages (including the Company) and does not impair the ACD's compliance with its duty to act in the best interests of the UCITS it manages.

Further information is available in the ACD's Remuneration Policy document which can be obtained from www.maitlandgroup.com. A paper copy of the remuneration policy is available on request from the registered office of the ACD free of charge.

General Information

continued

31.12.17	Number of Beneficiaries	Total Remuneration Paid	Fixed Remuneration
Total remuneration paid by the ACD during the year	70	£311,628	£311,628
Remuneration paid to employees of the ACD who have material impact on the risk profile of the Fund	6	£67,530	£67,530

The table has been calculated based on the total remuneration paid to the ACD as ACD fees in the period as contained within these accounts. The total remuneration has been apportioned between the code staff by way of a percentage based assessment.

The management has reviewed the general principles of the Remuneration Policy and its application in the last year which has resulted in no material changes to the Policy.

Risk Warning

An investment in an Investment Company with Variable Capital should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Maitland

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