

Monthly Fact Sheet 28 February 2019

Launch Date	4th December 2006
Fund Size	£643m
Historic Yield (%)*	5.11

Share Price (as at 28.02.19)

Shares	Income	Accumulation
B Shares	115.07p	225.84p

Investment Objective and Policy

The objective of the 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 Fund will invest in UK companies which aim to provide a high initial dividend, progressive dividend payments and long term capital appreciation.

Fund Managers



David Horner

Joined 3i Corporate Finance Limited in 1986 where he was a manager giving corporate finance advice. In May 1993 he joined Strand Partners Limited, and was appointed a director in January 1994, where he

carried out a range of corporate finance assignments identifying, structuring and managing investments in quoted and unquoted companies. In October 1997 he left to set up Chelverton Asset Management Limited and was responsible for setting up, in May 1999, the Small Companies Dividend Trust, which he still manages. He has co-managed the Chelverton UK Equity Income Fund since launch.



David Taylor

began his career as an analyst in the research department at Wedd Durlacher and moved into fund management in 1987 with the Merchant Navy Officers Pension Fund. He joined Gartmore Investment Limited in 1991, during this

time, he ran a combination of institutional funds and investment trusts, namely the Clydesdale Investment Trust and London & Strathclyde Trust. In 1995, he moved to LGT to manage small cap retail funds and latterly spent nearly seven years as head of UK smaller companies at HSBC Asset Management. He joined Chelverton Asset Management in January 2006 and has co-managed the Chelverton UK Equity Income Fund since launch.

*The historic yield reflects distributions over the past 12 months as a percentage of the bid price of the B share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.

MI Chelverton UK Equity Income Fund

Monthly Manager Commentary

More of the same last month as stock markets continued to be subject to short term swings in investor sentiment which were driven by 'noise' surrounding the two major macro issues of tariff wars on a global basis and Brexit on a domestic one. For a brief moment the threat of a Euro zone recession threatened to add to investors concerns but it appears that a change of direction by the ECB has prevented this and on a positive note the domestic economy continues to be resilient. At the time of writing we appear to be no nearer to getting clarity on the outcome of Brexit and this continues to weigh on the valuations of UK centric equities and small and mid-caps generally. The raft of corporate results has in aggregate, we believe, been supportive of current valuations but for a sustained improvement in ratings we need to see a sensible outcome with respect to Brexit or corporate earnings upgrades. The former should help to deliver the latter.

In terms of performance last month, the most significant contributor was Dairy Crest which was subject to an agreed cash offer from Canadian dairy company Saputo and we have since sold part of our holding. Other strong performers included Go Ahead, RPS and Devro and we added to our investments in the latter two after solid sets of results. On the downside, Convatec and Redde reacted poorly to numbers and Restaurant Group and XPS Pensions continued to suffer selling pressure. We took some profit in Bellway after a strong run and added to our holdings in Crest Nicholson and Galliford Try after figures which maintained our housing exposure whilst giving us a substantial yield pick up. We also took some profit in Hilton Foods and DiscoverIE on yield grounds and we supported the fund raising in Low and Bonar. For our portfolio, corporate results so far have generally been in line with expectations although it is noticeable that where they have come up short valuations still tend to overreact on the downside. Pleasingly dividend payments remain robust.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs	7 yrs
Fund (%)	1.32	1.07	7.08	-4.75	24.46	35.40	136.75
Sector Rank	67/89	73/89	38/89	76/86	14/79	4/75	1/67
Quartile Ranking	3rd	4th	2nd	4th	1st	1st	1st
IA UK Equity Income (%)	1.77	2.11	6.81	-1.09	18.50	20.86	68.87

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 28.02.2019

Discrete Annual Performance

	28.02.18 28.02.19	28.02.17 28.02.18	29.02.16 28.02.17	28.02.15 29.02.16	28.02.14 28.02.15
Fund (%)	-4.75	15.70	12.95	4.80	3.80
IA UK Equity Income (%)	-1.09	4.06	15.16	-3.77	6.35

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 28.02.2019

Dividend History

		Q1	Q2	Q3	Q4	Total
2015	B Income	0.72p	1.15p	1.15p	2.07p	5.09p
2016	B Income	0.75p	1.20p	1.20p	1.93p	5.08p
2017	B Income	0.78p	1.25p	1.25p	2.48p	5.76p
2018	B Income	0.79p	1.40p	1.40p	2.29p	5.88p

History of dividends declared per share. Source: Chelverton Asset Management Limited

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ACD
Maitland Institutional Services Limited

Investment Advisor
Chelverton Asset Management Ltd

Administrator
Maitland Institutional Services Limited

Income Paid Quarterly

XD Dates 31 March, 30 June
30 September, 31 December

Valuation 12 Noon, Daily

SEDOL Codes

	Income	Accumulation
B Shares	B1FD646	B1Y9J57

Initial Charge (%)

B Shares 5.0*

Annual Management Fee (%)

B Shares 0.75

Minimum Investment

B Shares £1,000

Ongoing Charge (%)

B Shares 0.86

* or any such lower amount agreed with the ACD

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FURTHER INFORMATION

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MI Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Dairy Crest Group	Food Producers	1.97
2. Phoenix Group	Life Insurance	1.83
3. Go-Ahead Group	Travel & Leisure	1.76
4. Ashmore	Financial Services	1.64
5. Crest Nicholson	Household Goods & Home Construction	1.49
6. Tate & Lyle	Food Producers	1.48
7. Galliford Try	Household Goods & Home Construction	1.46
8. Ultra Electronics	Aerospace & Defence	1.46
9. Polypipe Group	Construction & Materials	1.45
10. DFS Furniture	General Retailers	1.42
11. Diversified Gas & Oil	Oil & Gas	1.41
12. DMGT	Media	1.40
13. RPS Group	Support Services	1.39
14. IMI	Industrial Engineering	1.38
15. National Express	Travel & Leisure	1.37
16. Chesnara	Life Insurance	1.37
17. Saga	General Retailers	1.36
18. Northgate	Support Services	1.36
19. BCA Marketplace	Support Services	1.36
20. XP Power	Electronic & Electrical Equipment	1.35

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	29.45	24
£500m - £1bn	26.62	22
£250m - £500m	23.44	23
£100m - £250m	14.10	19
Below £100m	3.33	11
Cash and Income	3.06	-
Total	100.00	99

Source: Chelverton Asset Management Limited

Disclaimer: This fund invests in smaller companies and carries a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The fund can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risks described above. This document is provided for information purposes only and should not be interpreted as investment advice. If you have any doubts as to the suitability of an investment, please consult your financial adviser. The information contained in this document has been obtained from sources that Chelverton Asset Management Limited ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy or completeness of the information provided, and therefore no investment decision should be based solely on this data. Past performance is not a guide to future performance. This document is issued by CAM, Authorised and regulated by the Financial Conduct Authority. This document does not represent a recommendation by CAM to purchase shares in this Fund. We recommend private investors seek the services of a Financial Adviser. Maitland Institutional Services Limited are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email Chelverton@maitlandgroup.co.uk or call +44 (0) 1245 459 962.