

Maitland

MI Chelverton Equity Fund

Interim Report 30 June 2019

MI Chelverton Equity Fund

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Directory

Authorised Corporate Director (ACD) & Registrar

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(Authorised and regulated by the Financial Conduct Authority)

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Directors of the Authorised Corporate Director

R. Ackermann
P.J. Foley-Brickley
D. Jones (retired 2 May 2019)
G. Kok (retired 27 May 2019)

Investment Manager

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
Dale Robertson
Gareth Rudd
David Taylor

Depositary

Northern Trust Global Services SE (UK Branch)
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

Grant Thornton UK LLP
30 Finsbury Square, London EC2P 2YU

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 interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 31 December 2018.

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

Certification of the Interim Report by the Authorised Corporate Director

This report has been prepared in accordance with the requirements of the Financial Conduct Authority’s Collective Investment Schemes sourcebook (“the COLL sourcebook”) and the Statement of Recommended Practice issued by the Investment Association.



P.J. Foley-Brickley
R. Ackermann

Directors
Maitland Institutional Services Ltd
23 August 2019

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 period ended 30 June 2019

In the last six months the Sub-Fund returned 8.76% versus 10.47% for the IA UK Equity Income Sector.*

The Sub-fund outperformed a rising Income sector in April and a falling Income sector in May. The positive return initially corresponded to reassuring newsflow from a range of our underlying holdings and performance remained relatively resilient as it was buoyed by a number of corporate bids. This was despite the fact that the real price momentum resided in growth stocks and the valuation gap between 'growth' and our 'value' orientation continued to widen. As we entered June however the headwinds for the Sub-fund grew significantly. At home, as the Tory leadership contest was reduced to the final two candidates the possibility of a 'no deal' Brexit increased, and we reverted to worries regarding Sterling and underperformance of domestic centric stocks which was compounded by rising equity risk premiums and the associated pressure on small and mid caps. At the same time the adverse effects of the global trade wars started to bite, and it now looks as though the domestic economy has unsurprisingly suffered as the inventory build ahead of the first Brexit deadline at the end of March has partially unwound.

In the last month at the stock level we had a bid for BCA Marketplace. In the half year we have also had offers for Dairy Crest, Kcom, Mucklow, Tarsus and Manx Telecom. which does highlight a store of value across our portfolio. We have added Hays, Convatec, Senior, Synthomer and Wincanton to the portfolio to replace these holdings. At the same time, we have topped up a wide range of existing holdings at what we believe to be attractive levels of valuation. The downside to performance however was driven by a number of profit warnings including RPS, Costain, Kier and XPS Pensions. Testament to the 'risk off' nature of the stockmarket in June was the fact that share prices of stocks that warned fell by substantially more than the underlying earnings downgrades.

We have been here before both from a Brexit and market sentiment perspective and it is important that Brexit is resolved one way or another to enable investors to refocus on company fundamentals and cash flows. Analysts are now more cautious regarding the next results season and have generally been downgrading expectations which is to be welcomed. It does look as though an inevitable consequence of the appointment of a new Prime Minister is that there will be a new Chancellor as well. Any sort of Brexit resolution accompanied by a potential short term fiscal stimulus and the process of government getting back to some sort of normality would be most welcome.

**Source : Lipper NAV to NAV B Shares Acc. Total Return.*

MI Chelverton UK Equity Income Fund

Portfolio Statement

as at 30 June 2019

Holding	Security	Market value £	% of total net assets 2019
	OIL & GAS 4.06% (3.22%)		
	Oil & Gas Producers 2.76% (2.15%)		
8,000,000	Diversified Gas & Oil*	8,840,000	1.38
12,725,000	Soco International	8,843,875	1.38
		17,683,875	2.76
	Oil Equipment, Services & Distribution 1.30% (1.07%)		
1,850,000	John Wood	8,358,300	1.30
	BASIC MATERIALS 3.64% (1.87%)		
	Chemicals 3.64% (1.87%)		
6,000,000	Elementis	8,478,000	1.32
2,100,000	Synthomer	7,833,000	1.22
325,000	Victrex	7,033,000	1.10
		23,344,000	3.64
	INDUSTRIALS 33.93% (30.61%)		
	Construction & Materials 5.30% (6.16%)		
626,000	Alumasc*	575,920	0.09
2,000,000	Costain	3,468,000	0.54
5,858,500	Epwin*	4,124,384	0.64
2,600,000	Eurocell	5,460,000	0.85
1,203,500	Kier	1,279,321	0.20
350,167	Morgan Sindall	4,314,057	0.67
1,619,933	Polypipe	7,173,063	1.12
3,158,231	Tyman	7,627,128	1.19
		34,021,873	5.30
	Aerospace & Defence 4.58% (2.92%)		
1,700,000	Babcock International	7,789,400	1.22
4,200,000	Senior	9,055,200	1.41
760,000	Ultra Electronics	12,532,400	1.95
		29,377,000	4.58
	General Industrials 0.22% (0.26%)		
23,218,398	Low & Bonar	1,393,104	0.22
	Electronic & Electrical Equipment 6.36% (6.54%)		
606,082	discoverIE	2,509,179	0.39
3,726,500	Morgan Advanced Materials	10,359,670	1.61
4,995,000	Strix*	7,862,130	1.23
4,441,809	TT Electronics	10,171,743	1.59
450,000	XP Power	9,900,000	1.54
		40,802,722	6.36
	Industrial Engineering 3.08% (3.05%)		
3,500,000	Flowtech Fluidpower*	4,620,000	0.72
950,000	IMI	9,861,000	1.54
7,750,000	Severfield	5,301,000	0.82
		19,782,000	3.08

MI Chelverton UK Equity Income Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
Industrial Transportation 3.35% (1.51%)			
3,600,000	BBA Aviation	10,152,000	1.58
1,525,000	Braemar Shipping Services	2,821,250	0.44
5,775,000	DX*	721,875	0.11
2,979,729	Wincanton	7,836,687	1.22
		21,531,812	3.35
Support Services 11.04% (10.17%)			
1,100,000	Aggreko	8,687,800	1.35
4,753,143	BCA Marketplace	11,540,631	1.80
3,500,000	Connect	1,309,000	0.20
2,100,000	De La Rue	6,405,000	1.00
2,250,000	Essentra	9,648,000	1.50
1,569,520	Gattaca*	2,087,462	0.32
4,285,201	Hays	6,727,766	1.05
3,250,000	Kin and Carta	3,380,000	0.53
2,400,000	Northgate	8,340,000	1.30
5,500,000	RPS	5,907,000	0.92
2,410,746	Sthree	6,858,572	1.07
		70,891,231	11.04
CONSUMER GOODS 9.54% (11.89%)			
Food Producers 3.79% (5.67%)			
6,550,000	Bakkavor	7,820,700	1.22
3,951,500	Devro	8,179,605	1.28
1,124,969	Tate & Lyle	8,306,771	1.29
		24,307,076	3.79
Household Goods & Home Construction 5.75% (5.71%)			
250,000	Bellway	6,952,500	1.08
2,450,000	Crest Nicholson	8,741,600	1.36
1,241,777	Galliford Try	7,829,404	1.22
1,756,417	Headlam	8,255,160	1.29
2,500,200	Watkin Jones*	5,150,412	0.80
		36,929,076	5.75
Leisure Goods 0.00% (0.51%)			
HEALTH CARE 1.31% (0.00%)			
Health Care Equipment & Services 1.31% (0.00%)			
5,750,000	Convatec	8,383,500	1.31
CONSUMER SERVICES 22.37% (22.46%)			
Food & Drug Retailers 0.58% (0.49%)			
5,500,000	McColl's Retail	3,696,000	0.58

MI Chelverton UK Equity Income Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
General Retailers 6.72% (6.94%)			
4,625,547	Brown (N)	5,990,083	0.93
4,000,000	DFS Furniture	10,120,000	1.58
3,383,971	Halfords	7,580,095	1.18
1,650,000	Inchcape	10,164,000	1.58
4,849,600	Moss Bros	921,424	0.14
7,250,000	Saga	2,882,600	0.45
3,128,300	Shoe Zone*	5,505,808	0.86
		43,164,010	6.72
Media 5.35% (6.24%)			
3,445,000	Bloomsbury Publishing	7,820,150	1.22
10,000,000	Centaur Media	4,500,000	0.70
750,271	Daily Mail & General Trust	5,859,617	0.91
279,064	Euromoney Institutional Investor	3,627,832	0.57
2,200,000	STV	7,590,000	1.18
2,600,000	Wilmington	4,914,000	0.77
		34,311,599	5.35
Travel & Leisure 9.72% (8.79%)			
500,000	Go-Ahead	9,850,000	1.53
1,250,000	Greene King	7,717,500	1.20
1,100,000	GVC	7,167,600	1.12
2,980,508	Hostelworld	5,305,304	0.83
8,500,000	Marston's	9,911,000	1.54
2,300,000	National Express	9,232,200	1.44
5,400,000	Rank	8,586,000	1.34
3,485,442	Restaurant	4,593,813	0.72
		62,363,417	9.72
TELECOMMUNICATIONS 0.00% (2.02%)			
Fixed Line Telecommunications 0.00% (2.02%)			
UTILITIES 1.38% (1.17%)			
Gas, Water & Multiutilities 1.38% (1.17%)			
1,200,000	Pennon	8,880,000	1.38
FINANCIALS 17.69% (19.60%)			
Banks 1.21% (1.33%)			
550,000	Close Brothers	7,777,000	1.21
Non-life Insurance 2.40% (2.25%)			
1,350,000	Personal Group*	5,940,000	0.92
3,486,000	Sabre Insurance	9,481,920	1.48
		15,421,920	2.40

MI Chelverton UK Equity Income Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
	Life Insurance 3.28% (3.19%)		
2,485,000	Chesnara	8,212,925	1.28
1,800,000	Hansard Global	810,000	0.13
1,700,000	Phoenix	12,051,300	1.87
		21,074,225	3.28
	Real Estate Investment & Services 0.87% (0.95%)		
3,500,000	Foxtons	1,855,000	0.29
1,260,000	Palace Capital	3,717,000	0.58
		5,572,000	0.87
	Real Estate Investment Trusts 0.75% (1.49%)		
4,500,000	Regional REIT	4,824,000	0.75
	Financial Services 9.18% (10.39%)		
2,502,471	Ashmore	12,737,577	1.98
2,479,339	Brewin Dolphin	7,566,943	1.18
4,800,000	GLI Finance*	196,800	0.03
247,090	Jupiter Fund Management	1,043,708	0.16
1,250,000	Mortgage Advice Bureau*	7,125,000	1.11
1,500,000	Numis*	4,050,000	0.63
1,100,000	Polar Capital*	6,578,000	1.03
2,356,818	Premier Asset Management*	4,548,659	0.71
6,000,000	Redde*	6,288,000	0.98
2,000,000	Tatton Asset Management*	4,400,000	0.69
4,500,000	XPS Pensions	4,365,000	0.68
		58,899,687	9.18
	TECHNOLOGY 2.01% (1.76%)		
	Software & Computer Services 2.01% (1.76%)		
815,000	FDM	7,579,500	1.18
2,250,000	RM	5,355,000	0.83
		12,934,500	2.01
	Investment assets	615,723,927	95.93
	Net other assets	26,147,253	4.07
	Net assets	641,871,180	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 31.12.18.

* Quoted on the Alternative Investment Market.

Total purchases for the period: £94,246,543

Total sales for the period: £79,419,616

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Chelverton Equity Fund.

MI Chelverton UK Equity Income Fund

Comparative Tables

Change in net assets per share

	A Income			
	30.06.19 p	31.12.18 p	31.12.17 p	31.12.16 p
Opening net asset value per share	98.09	120.99	102.73	104.70
Return before operating charges [^]	10.07	-15.60	25.47	4.04
Operating charges	-1.78	-1.89	-1.86	-1.64
Return after operating charges [^]	8.29	-17.49	23.61	2.40
Distributions	-2.30	-5.41	-5.35	-4.37
Closing net asset value per share	104.08	98.09	120.99	102.73
[^] After direct transaction costs of	-0.11	-0.27	-0.29	-0.22
Performance				
Return after charges	8.45%	-14.46%	22.98%	2.29%
Other Information				
Closing net asset value	£73,158	£76,042	£38,727	£84,092
Closing number of shares	70,293	77,521	32,009	81,854
Operating charges	1.61%	1.62%	1.62%	1.65%
Ongoing operating charges*	1.61%	1.62%	1.61%	1.64%
Direct transaction costs	0.10%	0.23%	0.25%	0.22%
Prices				
Highest share price	121.98	126.07	123.69	104.55
Lowest share price	98.83	99.10	103.32	86.66

	A Accumulation			
	30.06.19 p	31.12.18 p	31.12.17 p	31.12.16 p
Opening net asset value per share	180.19	211.72	171.80	172.20
Return before operating charges [^]	18.42	-28.17	43.08	2.28
Operating charges	-3.23	-3.36	-3.16	-2.68
Return after operating charges [^]	15.19	-31.53	39.92	-0.40
Distributions	-4.24	-9.61	-9.06	-7.22
Retained distributions on accumulation shares	4.24	9.61	9.06	7.22
Closing net asset value per share	195.38	180.19	211.72	171.80
[^] After direct transaction costs of	-0.20	-0.48	-0.49	-0.36
Performance				
Return after charges	8.43%	-14.89%	23.24%	-0.23%
Other Information				
Closing net asset value	£56,875	£3,375	£3,966	£3,218
Closing number of shares	29,110	1,873	1,873	1,873
Operating charges	1.61%	1.62%	1.62%	1.65%
Ongoing operating charges*	1.61%	1.62%	1.61%	1.64%
Direct transaction costs	0.10%	0.23%	0.25%	0.22%
Prices				
Highest share price	217.37	222.13	212.79	172.52
Lowest share price	178.70	178.70	172.77	141.23

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

MI Chelverton UK Equity Income Fund

Comparative Tables

continued

Change in net assets per share

	B Income			
	30.06.19 p	31.12.18 p	31.12.17 p	31.12.16 p
Opening net asset value per share	106.88	130.84	110.26	110.09
Return before operating charges [^]	10.48	-16.98	27.42	6.21
Operating charges	-1.03	-1.10	-1.08	-0.96
Return after operating charges [^]	9.45	-18.08	26.34	5.25
Distributions	-2.30	-5.88	-5.76	-5.08
Closing net asset value per share	114.03	106.88	130.84	110.26
[^] After direct transaction costs of	-0.12	-0.29	-0.31	-0.23
Performance				
Return after charges	8.84%	-13.82%	23.89%	4.77%
Other Information				
Closing net asset value	£465,285,704	£413,377,579	£435,921,073	£334,954,510
Closing number of shares	408,025,552	386,778,885	333,175,583	303,798,230
Operating charges	0.86%	0.87%	0.87%	0.90%
Ongoing operating charges*	0.86%	0.87%	0.86%	0.89%
Direct transaction costs	0.10%	0.23%	0.25%	0.22%
Prices				
Highest share price	132.59	136.85	133.99	112.66
Lowest share price	107.68	108.26	110.90	93.04

	B Accumulation			
	30.06.19 p	31.12.18 p	31.12.17 p	31.12.16 p
Opening net asset value per share	209.79	244.58	196.98	187.75
Return before operating charges [^]	20.54	-32.70	49.56	10.90
Operating charges	-2.01	-2.09	-1.96	-1.67
Return after operating charges [^]	18.53	-34.79	47.60	9.23
Distributions	-4.53	-11.13	-10.42	-8.73
Retained distributions on accumulation shares	4.53	11.13	10.42	8.73
Closing net asset value per share	228.32	209.79	244.58	196.98
[^] After direct transaction costs of	-0.23	-0.55	-0.56	-0.41
Performance				
Return after charges	8.83%	-14.22%	24.16%	4.92%
Other Information				
Closing net asset value	£176,455,443	£180,664,786	£152,909,756	£109,062,488
Closing number of shares	77,283,183	86,118,294	62,519,670	55,366,716
Operating charges	0.86%	0.87%	0.87%	0.90%
Ongoing operating charges*	0.86%	0.87%	0.86%	0.89%
Direct transaction costs	0.10%	0.23%	0.25%	0.22%
Prices				
Highest share price	252.07	257.45	245.80	197.80
Lowest share price	208.05	208.05	198.11	161.42

*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 by annualising the expenses incurred against the average Net Asset Value for the accounting period.

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 period. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

Comparative Tables

continued

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.

← Typically lower rewards, lower risk				Typically higher rewards, higher risk →		
1	2	3	4	5	6	7

This Sub-fund is ranked at 5 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 4 to 5, this is due to 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. The indicator does not take into account the following risks of investing in this Sub-fund:

- This Sub-fund's 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 period ended 30 June 2019

	30.06.19		30.06.18	
	£	£	£	£
Income				
Net capital gains		38,829,403		6,684,372
Revenue	16,774,850		14,535,367	
Expenses	(2,809,068)		(2,680,621)	
Interest payable and similar charges	–		(7)	
Net revenue before taxation	13,965,782		11,854,739	
Taxation	(62,551)		(1,357)	
Net revenue after taxation		13,903,231		11,853,382
Total return before distributions		52,732,634		18,537,754
Distributions		(12,973,699)		(10,450,142)
Change in net assets attributable to Shareholders from investment activities		39,758,935		8,087,612

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 June 2019

	30.06.19		30.06.18	
	£	£	£	£
Opening net assets attributable to Shareholders		594,121,782		588,873,522
Amounts receivable on issue of shares	96,072,206		130,752,015	
Less: Amounts payable on cancellation of shares	(91,705,088)		(55,492,278)	
		4,367,118		75,259,737
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		39,758,935		8,087,612
Retained distribution on accumulation shares		3,623,345		2,982,834
Closing net assets attributable to Shareholders		641,871,180		675,203,705

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

MI Chelverton UK Equity Income Fund

Balance Sheet

as at 30 June 2019

		30.06.19		31.12.18	
	£	£	£	£	£
ASSETS					
Fixed assets					
Investments		615,723,927		562,061,020	
Current assets					
Debtors	5,694,894		4,352,307		
Cash and bank balances	28,074,816		37,479,216		
Total current assets		33,769,710		41,831,523	
Total assets		649,493,637		603,892,543	
LIABILITIES					
Investment liabilities		-		-	
Creditors					
Distribution payable	(6,121,438)		(8,860,201)		
Other creditors	(1,501,019)		(910,560)		
Total creditors		(7,622,457)		(9,770,761)	
Total liabilities		(7,622,457)		(9,770,761)	
Net assets attributable to Shareholders		641,871,180		594,121,782	

MI Chelverton UK Equity Income Fund

Distribution Tables

for the period ended 30 June 2019

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2019 p	Distribution paid 2018 p	
A	First interim	Group 1	0.8000	–	0.8000	0.7900	
		Group 2	0.8000	–	0.8000	–	
	Second interim	Group 1	1.5000	–	–	1.5000	1.4000
		Group 2	1.5000	–	–	1.5000	1.4000
B	First interim	Group 1	0.8000	–	0.8000	0.7900	
		Group 2	0.4445	0.3555	0.8000	0.7900	
	Second interim	Group 1	1.5000	–	–	1.5000	1.4000
		Group 2	0.1351	–	1.3649	1.5000	1.4000

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2019 p	Amount reinvested 2018 p	
A	First interim	Group 1	1.4693	–	1.4693	1.3822	
		Group 2	1.0493	0.4200	1.4693	–	
	Second interim	Group 1	2.7758	–	–	2.7758	2.4667
		Group 2	2.4158	–	0.3600	2.7758	–
B	First interim	Group 1	1.5701	–	1.5701	1.4766	
		Group 2	1.0593	0.5108	1.5701	1.4766	
	Second interim	Group 1	2.9643	–	–	2.9643	2.6336
		Group 2	–	–	2.9643	2.9643	2.6336

First interim period: 01.01.19 - 31.03.19

Second interim period: 01.04.19 - 30.06.19

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 period ended 30 June 2019

The Sub-fund performed relatively well for much of the first half of the year, recovering from the sharp sell-off experienced in the last quarter of 2018, as worries about potential rate rises abated. The USA and China made conciliatory moves on trade and investors became bored with the Brexit debate. The latter two issues came sharply into focus in June with increased rhetoric surrounding global trade wars and the European parliamentary elections, the latter of which undermined Prime Minister Theresa May's premiership, leading to Conservative Party leadership elections and increasing the possibility of a "no deal" Brexit. However, the prospect of a slowing global economy shifted Central Banks to more accommodating rather than tightening monetary policy, which was helpful for the market at large as we went into the summer, although less so for the Sub-fund, which after a strong period of outperformance earlier in the year, gave up some of its relative gains in June along with small and mid caps generally.

At the company level, newsflow from the Sub-fund's holdings was generally supportive until June, when we saw profits warnings from XPS Pensions and RPS Group. Industrials, which had been recovering gently through the first half of the year as worries about trade wars abated, then fell back again as US President Trump called off talks with China and the impact of earlier tariffs started to become apparent with signs of a slowdown in global industrial production emerging. Evidence of a domestic slowdown also became more evident as inventories built up before the original March Brexit deadline unwound and the economy became beset by increasing inertia as investment decisions are put off until corporates have a clearer view over what format Brexit will take.

A feature of the market in the first half of the year has been the sharp rebound in growth momentum stocks from the 2018 Q4 sell-off and the lack of interest in domestic cyclicals, to the point where the rating disparity between growth and value is now quite extreme. Indeed, whilst the Sub-fund started holdings in a number of growth stocks (such as GB Group, Clipper Logistics and Learning Technologies) in the first quarter of this year when their valuations fell back to attractive levels, it has since been reducing these positions after strong share price rallies. Conversely having been very underweight domestic cyclicals, which has served the Sub-fund well since the Brexit vote in June 2016, we have now tentatively started to increase the Sub-fund's UK cyclical exposure; for example adding to Topps Tiles and buying back into Severfield, the UK's leading structural steel manufacturer, in early July after a three year absence from the register.

Overall, with bond yields now resuming a downward trend once again, equities should remain an attractive asset class for investors. The "never ending" Brexit debate is, in itself, now causing inertia in the UK economy, to the extent that we now feel any resolution would now be preferable than the conclusion being once again pushed out to the right. At the micro level, the average forward PER valuation on the Sub-fund's holdings, having rallied from a low point at the end of 2018, remains near the bottom of its range since the Sub-fund's launch.

MI Chelverton UK Equity Growth Fund

Portfolio Statement

as at 30 June 2019

Holding	Security	Market value £	% of total net assets 2019
	OIL & GAS 3.14% (3.39%)		
	Oil & Gas Producers 3.14% (3.39%)		
24,000,000	Amerisur Resources*	3,091,200	0.93
4,000,000	Diversified Gas & Oil*	4,420,000	1.34
5,000,000	Jadestone Energy*	2,875,000	0.87
		<hr/>	
		10,386,200	3.14
	BASIC MATERIALS 4.77% (3.24%)		
	Chemicals 4.32% (2.60%)		
4,250,000	Elementis	6,005,250	1.82
1,200,000	Synthomer	4,476,000	1.35
175,000	Victrex	3,787,000	1.15
		<hr/>	
		14,268,250	4.32
	Mining 0.45% (0.64%)		
8,650,000	Harvest Minerals*	493,050	0.15
20,959,275	Savannah Resources*	995,566	0.30
		<hr/>	
		1,488,616	0.45
	INDUSTRIALS 30.46% (33.32%)		
	Construction & Materials 4.28% (4.30%)		
750,000	Polypipe	3,321,000	1.01
2,250,000	Tyman	5,433,750	1.64
3,000,000	Volution	5,400,000	1.63
		<hr/>	
		14,154,750	4.28
	Aerospace & Defence 4.39% (2.88%)		
375,000	Avon Rubber	5,100,000	1.54
2,400,000	Chemring	4,420,800	1.34
400,000	Senior	862,400	0.26
250,000	Ultra Electronics	4,122,500	1.25
		<hr/>	
		14,505,700	4.39
	General Industrials 0.56% (1.26%)		
2,250,000	Coats	1,843,875	0.56
	Electronic & Electrical Equipment 8.08% (10.21%)		
510,520	discoverIE	2,113,553	0.64
11,350,000	Elektron Technology*	5,675,000	1.71
2,000,000	Morgan Advanced Materials	5,560,000	1.68
3,750,000	Strix*	5,902,500	1.79
1,347,000	TT Electronics	3,084,630	0.93
200,000	XP Power	4,400,000	1.33
		<hr/>	
		26,735,683	8.08

MI Chelverton UK Equity Growth Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
Industrial Engineering 1.98% (4.32%)			
250,000	Bodycote	2,065,000	0.62
240,000	Porvair	1,396,800	0.42
1,107,339	Somero Enterprises*	3,100,549	0.94
		6,562,349	1.98
Industrial Transportation 0.00% (0.72%)			
Support Services 11.17% (9.63%)			
2,745,000	Altitude*	2,992,050	0.91
1,250,000	Boku*	1,375,000	0.42
1,854,778	Equinti	4,069,383	1.23
1,200,000	IWG	4,086,000	1.24
416,600	Keystone Law*	2,124,660	0.64
582,000	Maintel*	2,537,520	0.77
1,200,000	Renew*	4,908,000	1.48
1,759,929	Restore*	6,951,720	2.10
2,953,445	RPS	3,172,000	0.96
1,654,438	Sthree	4,706,876	1.42
		36,923,209	11.17
CONSUMER GOODS 0.87% (1.46%)			
Food Producers 0.87% (1.14%)			
426,355	MP Evans*	2,873,633	0.87
Leisure Goods 0.00% (0.32%)			
HEALTH CARE 10.15% (8.30%)			
Health Care Equipment & Services 2.32% (1.79%)			
475,000	Consort Medical	4,037,500	1.22
2,500,000	Convatec	3,645,000	1.10
		7,682,500	2.32
Pharmaceuticals & Biotechnology 7.83% (6.51%)			
7,500,000	Alliance Pharma*	5,070,000	1.53
3,000,000	Angle*	1,800,000	0.54
650,372	Clinigen*	6,542,742	1.98
950,000	Eco Animal Health*	3,515,000	1.06
691,170	MaxCyte*	1,002,197	0.30
2,500,000	Motif Bio*	58,250	0.02
1,600,000	Oxford Biodynamics*	2,112,000	0.64
1,831,850	Shield Therapeutics*	1,960,080	0.59
4,500,000	Summit Therapeutics *	1,012,500	0.31
21,800,000	Youngene Health*	2,834,000	0.86
		25,906,769	7.83

MI Chelverton UK Equity Growth Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
CONSUMER SERVICES 9.41% (11.36%)			
General Retailers 2.38% (2.38%)			
825,000	B&M European Value Retail	2,749,725	0.83
725,000	DFS Furniture	1,834,250	0.55
5,000,000	Topps Tiles	3,300,000	1.00
		<hr/>	
		7,883,975	2.38
Media 5.46% (5.43%)			
500,000	Euromoney Institutional Investor	6,500,000	1.97
750,000	Future	7,252,500	2.19
750,000	Tarsus	3,187,500	0.96
590,000	Wilmington	1,115,100	0.34
		<hr/>	
		18,055,100	5.46
Travel & Leisure 1.57% (3.55%)			
1,500,000	Rank	2,385,000	0.72
1,919,904	Revolution Bars	1,190,340	0.36
4,361,764	Safestay*	1,613,853	0.49
		<hr/>	
		5,189,193	1.57
FINANCIALS 12.40% (13.74%)			
Financial Services 12.40% (13.74%)			
350,000	Alpha FX*	2,695,000	0.82
268,500	Aquis Exchange*	1,294,170	0.39
2,500,000	Argentex*	3,310,000	1.00
228,000	Brooks Macdonald*	4,354,800	1.32
1,138,766	Curtis Banks*	3,552,950	1.07
1,260,000	Harwood Wealth Management*	1,512,000	0.46
2,500,000	IFG	4,750,000	1.44
983,500	JTC	3,648,785	1.10
675,000	Liontrust Asset Management	4,833,000	1.46
1,672,910	Park*	1,120,850	0.34
2,000,000	Tatton Asset Management*	4,400,000	1.33
3,500,000	Tungsten*	1,662,500	0.50
4,000,000	Xafinity	3,880,000	1.17
		<hr/>	
		41,014,055	12.40
TECHNOLOGY 23.87% (21.56%)			
Software & Computer Services 20.26% (16.26%)			
3,157,894	Access Intelligence*	1,768,421	0.54
250,000	Accesso Technology*	1,650,000	0.50
625,000	Aptitude Software	2,687,500	0.81
2,392,590	Attraqt*	789,555	0.24
4,250,000	Castleton Technology*	4,250,000	1.29
10,000,000	CentralNic*	6,100,000	1.85
1,750,000	Cloudcall*	1,925,000	0.58
4,285,000	dotDigital*	4,413,550	1.33

MI Chelverton UK Equity Growth Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
Software & Computer Services (continued)			
700,000	Eagle Eye Solutions*	1,295,000	0.39
9,250,000	Eckoh*	4,301,250	1.30
1,865,498	Essensys*	3,488,481	1.05
3,500,000	Ideagen*	5,425,000	1.64
1,705,000	IMImobile*	5,456,000	1.65
1,325,000	I-Nexus Global*	437,250	0.13
866,995	Instem*	2,791,724	0.84
465,553	Iomart*	1,501,408	0.45
2,500,000	Learning Technologies*	2,402,500	0.73
2,503,847	Oxford Metrics*	2,353,616	0.71
2,500,000	Pelatro*	2,000,000	0.61
5,000,000	Proactis*	1,475,000	0.45
900,000	SDL	4,554,000	1.38
3,625,000	StatPro*	4,785,000	1.45
254,500	Wandisco*	1,132,525	0.34
		66,982,780	20.26
Technology Hardware & Equipment 3.61% (5.30%)			
2,500,000	Amino Technologies*	2,500,000	0.76
2,200,000	Frontier Smart Technologies*	682,000	0.21
2,960,000	IQE*	1,795,240	0.54
3,000,000	Nanoco	427,500	0.13
1,750,000	Quixant*	3,850,000	1.16
1,750,000	Spirent Communications	2,670,500	0.81
		11,925,240	3.61
Investment assets		314,381,877	95.07
Net other assets		16,289,659	4.93
Net assets		330,671,536	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 31.12.18.

* Quoted on the Alternative Investment Market.

Total purchases for the period: £ 98,898,958

Total sales for the period: £ 81,274,190

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Chelverton Equity Fund.

MI Chelverton UK Equity Growth Fund

Comparative Tables

Change in net assets per share

	A Accumulation			
	30.06.19 p	31.12.18 p	31.12.17 p	31.12.16 p
Opening net asset value per share	140.97	156.74	117.94	100.00†
Return before operating charges [^]	27.50	-13.06	41.24	19.84
Operating charges	-2.63	-2.71	-2.44	-1.90
Return after operating charges [^]	24.87	-15.77	38.80	17.94
Distributions	0.00	-0.61	-0.49	-0.41
Retained distributions on accumulation shares	0.00	0.61	0.49	0.41
Closing net asset value per share	165.84	140.97	156.74	117.94
[^] After direct transaction costs of	-0.22	-0.71	-0.85	-0.81
Performance				
Return after charges	17.64%	-10.06%	32.90%	17.94%
Other Information				
Closing net asset value	£1,245,417	£1,209,685	£427,906	£1,073,396
Closing number of shares	750,966	858,093	273,009	910,151
Operating charges*	1.66%	1.69%	1.75%	1.75%
Direct transaction costs	0.14%	0.44%	0.61%	0.75%
Prices				
Highest share price	170.31	168.89	158.01	119.29
Lowest share price	142.65	141.36	119.47	92.93

† Launch price at 14 June 2016.

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

	B Income			
	30.06.19 p	31.12.18 p	31.12.17 p	31.12.16 p
Opening net asset value per share	181.06	201.85	152.54	129.86
Return before operating charges [^]	34.56	-16.62	53.13	26.00
Operating charges	-1.86	-1.95	-1.81	-1.37
Return after operating charges [^]	32.70	-18.57	51.32	24.63
Distributions	0.00	-2.22	-2.01	-1.95
Closing net asset value per share	213.76	181.06	201.85	152.54
[^] After direct transaction costs of	-0.29	-0.91	-1.10	-1.03
Performance				
Return after charges	18.06%	-9.18%	33.64%	18.97%
Other Information				
Closing net asset value	£58,129,697	£48,945,867	£27,478,150	£7,532,713
Closing number of shares	27,193,931	27,033,291	13,612,918	4,938,182
Operating charges*	0.91%	0.94%	1.00%	1.00%
Direct transaction costs	0.14%	0.44%	0.61%	0.75%
Prices				
Highest share price	219.46	218.51	205.73	156.24
Lowest share price	183.23	183.74	154.54	121.31

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

MI Chelverton UK Equity Growth Fund

Comparative Tables

continued

Change in net assets per share

	B Accumulation			
	30.06.19 p	31.12.18 p	31.12.17 p	31.12.16 p
Opening net asset value per share	189.17	208.35	155.92	131.09
Return before operating charges [^]	36.06	-17.16	54.28	26.21
Operating charges	-1.94	-2.02	-1.85	-1.38
Return after operating charges [^]	34.12	-19.18	52.43	24.83
Distributions	0.00	-2.29	-2.05	-1.97
Retained distributions on accumulation shares	0.00	2.29	2.05	1.97
Closing net asset value per share	223.29	189.17	208.35	155.92
[^] After direct transaction costs of	-0.30	-0.94	-1.13	-1.03
Performance				
Return after charges	18.04%	-9.21%	33.63%	18.94%
Other information				
Closing net asset value	£271,296,422	£209,248,861	£111,440,133	£38,106,793
Closing number of shares	121,499,464	110,614,754	53,487,749	24,439,997
Operating charges*	0.91%	0.94%	1.00%	1.00%
Direct transaction costs	0.14%	0.44%	0.61%	0.75%
Prices				
Highest share price	229.26	225.53	210.26	157.68
Lowest share price	191.41	189.64	157.94	122.44

*The Investment Manager rebates the Sub-funds's operating charges if 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 by annualising the expenses incurred against the average Net Asset Value for the accounting period.

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 period. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

Comparative Tables

continued

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.



Classes B (Income and Accumulation) are 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.



Class A Accumulation is ranked 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 above 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.
- 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 Growth Fund

Statement of Total Return

for the period ended 30 June 2019

		30.06.19		30.06.18
	£	£	£	£
Income				
Net capital gains		46,774,587		8,106,917
Revenue	4,230,068		2,135,928	
Expenses	(1,438,535)		(956,431)	
Interest payable and similar charges	—		—	
Net revenue before taxation	2,791,533		1,179,497	
Taxation	(55,280)		(10,999)	
Net revenue after taxation		2,736,253		1,168,498
Total return before distributions		49,510,840		9,275,415
Distributions		(40,374)		249,623
Change in net assets attributable to Shareholders from investment activities		49,470,466		9,525,038

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 June 2019

		30.06.19		30.06.18
	£	£	£	£
Opening net assets attributable to Shareholders		259,404,413		139,346,189
Amounts receivable on issue of shares	74,399,587		147,163,600	
Less: Amounts payable on cancellation of shares	(52,602,930)		(34,111,650)	
		21,796,657		113,051,950
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		49,470,466		9,525,038
Closing net assets attributable to Shareholders		330,671,536		261,923,177

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

MI Chelverton UK Equity Growth Fund

Balance Sheet

as at 30 June 2019

		30.06.19		31.12.18	
	£		£		£
ASSETS					
Fixed assets					
Investments		314,381,877		249,975,079	
Current assets					
Debtors	8,167,302		1,328,814		
Cash and bank balances	19,581,234		9,223,020		
Total current assets		27,748,536		10,551,834	
Total assets		342,130,413		260,526,913	
LIABILITIES					
Investment liabilities		–		–	
Creditors					
Distribution payable	–		(601,545)		
Other creditors	(11,458,877)		(520,955)		
Total creditors		(11,458,877)		(1,122,500)	
Total liabilities		(11,458,877)		(1,122,500)	
Net assets attributable to Shareholders		330,671,536		259,404,413	

Investment Objective and Policy

The objective of the Sub-fund is to achieve long-term capital growth.

The Sub-fund will invest primarily in a portfolio of fully listed companies that trade on Continental European stock exchanges.

The policy will be to select a focused portfolio across all ranges of capitalisation, business sectors and countries of Europe.

The asset classes in which the Sub-fund may 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 period ended 30 June 2019

2018 ended with a collective worry about the how long the current economic cycle could last. These concerns have been partially justified as a series of weak economic data were released. The response from both the Federal Reserve and the European Central Bank (ECB) has led to a change in expectations for the future path of interest rates – lower for longer. Mario Draghi provided echoes of his famous 2012 'Whatever it Takes' speech to make it clear that, however unconventional, ECB policy will continue to be ultra-supportive. This has been the underlying driver of the sharp rally in equity markets to date in 2019.

The other macro factor affecting stock markets is the ongoing trade war rhetoric, initially between the US and China but increasingly involving other regions too. Whilst markets have got used to the negotiating styles of the various parties it is clear that uncertainty weighs on sectors such as technology and industrials where medium to long term investment commitments are required.

From a European equity market perspective these factors have led to continued market leadership from so called quality-growth or low-volatility sectors. Companies in these sectors have driven markets for some years now and although timing is always a challenge, we see the relentless re-rating as unsustainable. Nestle is the largest company in our index. It trades on a 2019 PE of 24x and a free cash flow yield of 3.6% for 3-4% compounding sales growth whilst earnings are being downgraded. We find Nestle and other 'market darlings' a difficult equation to invest in.

Despite the headwind from this feature of markets we have had a strong first half of the year driven by a number of our core holdings, many of which were harshly sold off at the end of 2018. The following shares have all appreciated sharply in 2019:

- Dometic, a Swedish company which provides spare parts for the camper van market rallied as the new CEO announced ambitious long-term targets
- ASM International a Dutch semiconductor equipment supplier rebounded as their specific sub-sector of atomic layer deposition continued to show good growth despite industry trends stalling
- TKH a hi-tech industrial company announced a strategic re-focus on its high growth areas

On the downside PostNL the Dutch postal operator announced disappointing medium-term guidelines and Bayer the German pharma/chemicals concern is under pressure from US litigation around its fertiliser product.

As we continue to refine our investment process, activity was slightly elevated in the first half as we have tightened up in our objectives and process application. The net result of this is a process which will always deliver significantly cheaper cash flows than the market at a lower risk level than the market.

Quality-growth style of investing has been a one-way bet for several years now and is the only show in town for most investors. We continue to apply our valuation discipline in the knowledge that it is the right thing to do and that when sentiment reverses it will likely do so very powerfully. Our portfolio has a significant free cash flow yield premium to the market with considerably less leverage than the market. We are excited by the process enhancements we have made and are optimistic we will continue to work our way up the league table.

MI Chelverton European Select Fund

Portfolio Statement

as at 30 June 2019

Holding	Security	Market value £	% of total net assets 2019
	OIL & GAS 7.92% (7.15%)		
	Oil & Gas Producers 3.70% (3.91%)		
820	Total	36,154	2.26
19,500	Saras	23,031	1.44
		<hr/>	
		59,185	3.70
	Oil Equipment, Services & Distribution 4.22% (3.24%)		
3,190	Subsea 7	30,162	1.88
1,700	TGS Nopec Geophysical	37,428	2.34
		<hr/>	
		67,590	4.22
	BASIC MATERIALS 2.09% (3.92%)		
	Chemicals 2.09% (2.58%)		
5,200	Hexpol	33,314	2.08
552	ICF Warrants 31.07.24	103	0.01
		<hr/>	
		33,417	2.09
	Industrial Metals & Mining 0.00% (1.34%)		
	INDUSTRIALS 21.71% (28.60%)		
	Construction & Materials 0.00% (4.25%)		
	Aerospace & Defence 1.72% (2.63%)		
2,763	Leonardo	27,529	1.72
	General Industrials 2.18% (1.67%)		
374	Siemens	35,004	2.18
	Electronic & Electrical Equipment 2.07% (3.59%)		
680	TKH	33,130	2.07
	Industrial Engineering 0.00% (2.64%)		
	Industrial Transportation 2.30% (3.49%)		
27,000	PostNL	36,782	2.30
	Support Services 13.44% (10.33%)		
710	Akka Technologies	40,087	2.50
2,690	Arcadis	40,196	2.51
4,450	Bravida	30,977	1.93
5,688	Cpl Resources*	31,809	1.99
1,636	ISS	38,854	2.43
770	Randstadt	33,278	2.08
		<hr/>	
		215,201	13.44
	CONSUMER GOODS 10.78% (8.01%)		
	Automobiles & Parts 0.00% (2.00%)		
	Food Producers 2.75% (0.00%)		
660	Danone	43,984	2.75

MI Chelverton European Select Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
	Household Goods & Home Construction 3.10% (1.41%)		
1,650	Kaufman & Broad	49,665	3.10
	Leisure Goods 2.21% (2.49%)		
4,500	Dometic	35,388	2.21
	Personal Goods 2.72% (2.11%)		
910	Unilever	43,554	2.72
	HEALTH CARE 16.23% (12.80%)		
	Health Care Equipment & Services 2.07% (2.03%)		
779	Fresenius	33,161	2.07
	Pharmaceuticals & Biotechnology 14.16% (10.77%)		
900	Bayer	49,075	3.06
700	Novartis	50,307	3.14
1,040	Novo Nordisk	41,668	2.60
208	Roche	46,020	2.87
586	Sanofi	39,802	2.49
		226,872	14.16
	CONSUMER SERVICES 5.02% (1.90%)		
	Media 2.62% (1.90%)		
2,202	Relx	41,928	2.62
	Travel & Leisure 2.40% (0.00%)		
1,700	Lastminute.com	38,496	2.40
	FINANCIALS 16.88% (23.47%)		
	Banks 8.87% (11.54%)		
10,600	Banco Santander	38,702	2.42
3,770	ING	34,381	2.15
4,846	Nordea	27,699	1.73
4,410	UBS	41,225	2.57
		142,007	8.87
	Non-life Insurance 2.39% (2.24%)		
140	Zurich Insurance	38,348	2.39
	Life Insurance 0.00% (2.43%)		
	Real Estate Investment & Services 0.00% (1.69%)		
	Financial Services 5.62% (5.57%)		
1,094	Bolsas y Mercados Espanoles	21,066	1.32
3,880	GAM	14,102	0.88
15,543	IFG	29,206	1.82
9,452	Ringmetall	25,626	1.60
		90,000	5.62

MI Chelverton European Select Fund

Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
TECHNOLOGY 15.34% (6.65%)			
Software & Computer Services 7.98% (3.99%)			
920	Aubay	25,684	1.60
900	Bouvet	25,048	1.57
280	Capgemini	27,396	1.71
1,472	Know It	26,552	1.66
2,870	Silli Solutions	23,061	1.44
		127,741	7.98
Technology Hardware & Equipment 7.36% (2.66%)			
760	ASM International	38,925	2.43
2,270	BE Semiconductor Industries	45,985	2.87
2,360	STMicroelectronics	32,931	2.06
		117,841	7.36
Investment assets		1,536,823	95.97
Net other assets		64,527	4.03
Net assets		1,601,350	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 31.12.18.

* Quoted on the Alternative Investment Market.

Total purchases for the period: £534,079

Total sales for the period: £575,585

At the period end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Chelverton Equity Fund.

Comparative Tables

Change in net assets per share

	A Income	
	30.06.19 [^] p	31.12.18 p
Opening net asset value per share	81.68	100.00†
Return before operating charges [^]	-81.08	-15.15
Operating charges	-0.60	-0.72
Return after operating charges [^]	-81.68	-15.87
Distributions	0.00	-2.45
Closing net asset value per share	0.00	81.68
[^] After direct transaction costs of	-0.06	-0.27
Performance		
Return after charges	-100.00%	-15.87%
Other Information		
Closing net asset value	£0	£20,420
Closing number of shares	0	25,000
Operating charges	0.75%	0.75%
Direct transaction costs	0.07%	0.28%
Prices		
Highest share price	95.58	103.10
Lowest share price	81.68	80.88

† A Income shares launched 13 March 2018

[^] A Income share class disinvested on 11 June 2019. The return after charges at the date of disinvestment was 17.02%.

	B Income	
	30.06.19 p	31.12.18 p
Opening net asset value per share	82.00	100.00†
Return before operating charges [^]	16.23	-15.17
Operating charges	-0.90	-0.96
Return after operating charges [^]	15.33	-16.13
Distributions	-2.13	-1.87
Closing net asset value per share	95.20	82.00
[^] After direct transaction costs of	-0.06	-0.27
Performance		
Return after charges	18.70%	-16.13%
Other Information		
Closing net asset value	£273,676	£250,454
Closing number of shares	287,483	305,448
Operating charges	1.00%	1.00%
Direct transaction costs	0.07%	0.28%
Prices		
Highest share price	97.63	103.18
Lowest share price	82.11	80.99

† B Income shares launched 8 March 2018

Comparative Tables

continued

Change in net assets per share

	B Accumulation	
	30.06.19 p	31.12.18 p
Opening net asset value per share	84.46	100.00†
Return before operating charges [^]	16.75	-14.56
Operating charges	-0.93	-0.98
Return after operating charges [^]	15.82	-15.54
Distributions	-2.23	-2.24
Retained distributions on accumulation shares	2.23	2.24
Closing net asset value per share	100.28	84.46
[^] After direct transaction costs of	-0.06	-0.27
Performance		
Return after charges	18.73%	-15.54%
Other Information		
Closing net asset value	£1,327,674	£1,188,222
Closing number of shares	1,323,923	1,406,882
Operating charges	1.00%	1.00%
Direct transaction costs	0.07%	0.28%
Prices		
Highest share price	100.59	104.62
Lowest share price	84.43	83.34

† B Accumulation shares launched 6 March 2018

Chelverton Asset Management Ltd (the “Investment Manager”) has agreed to rebate the expenses of the Sub-fund (i.e. those expressly set out on the applicable Prospectus that have been reasonably incurred, including transaction charges and synthetic ongoing charges), in the annual management charge, in excess of 0.75% (for the A Income Share Class) and 1.00% (for the B Income and B Accumulation Share Class) of the average Net Asset Value over each accounting period.

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 by annualising the expenses incurred against the average Net Asset Value for the accounting period.

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 period. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

Comparative Tables

continued

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.



This Sub-fund 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 indicator does not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of the investment to decrease or increase.
- 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 European Select Fund

Statement of Total Return

for the period ended 30 June 2019

	01.07.18 to 30.06.19		06.03.18 to 30.06.18	
	£	£	£	£
Income				
Net capital gains/(losses)		225,747		(16,260)
Revenue	44,914		24,474	
Expenses	(5,027)		(595)	
Interest payable and similar charges	–		(6)	
Net revenue before taxation	39,887		23,873	
Taxation	(3,659)		(1,868)	
Net revenue after taxation		36,228		22,005
Total return before distributions		261,975		5,745
Distributions		(36,228)		(22,004)
Change in net assets attributable to Shareholders from investment activities		225,747		(16,259)

Statement of Change in Net Assets Attributable to Shareholders

for the period ended 30 June 2019

	01.07.18 to 30.06.19		06.03.18 to 30.06.18	
	£	£	£	£
Opening net assets attributable to Shareholders		1,459,096		–
Amounts receivable on issue of shares	55,417		1,320,472	
Less: Amounts payable on cancellation of shares	(168,456)		(26,389)	
		(113,039)		1,294,083
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		225,747		(16,259)
Retained distribution on accumulation shares		29,546		24,516
Closing net assets attributable to Shareholders		1,601,350		1,302,340

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

MI Chelverton European Select Fund

Balance Sheet

as at 30 June 2019

		30.06.19		31.12.18	
	£		£		£
ASSETS					
Fixed assets					
Investments		1,536,823		1,349,641	
Current assets					
Debtors	21,101		8,956		
Cash and bank balances	67,711		116,229		
Total current assets		88,812		125,185	
Total assets		1,625,635		1,474,826	
LIABILITIES					
Investment liabilities		–		–	
Creditors					
Bank overdrafts	(11)		(3,042)		
Distribution payable	(6,146)		(71)		
Other creditors	(18,128)		(12,617)		
Total creditors		(24,285)		(15,730)	
Total liabilities		(24,285)		(15,730)	
Net assets attributable to Shareholders		1,601,350		1,459,096	

MI Chelverton European Select Fund

Distribution Tables

for the period ended 30 June 2019

Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2019 p	Distribution paid 2018 p
A	Interim	Group 1	–	–	–	2.1681
		Group 2	–	–	–	–
B	Interim	Group 1	2.1377	–	2.1377	1.8709
		Group 2	0.2602	1.8775	2.1377	1.8709

Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2019 p	Amount reinvested 2018 p
B	Interim	Group 1	2.2317	–	2.2317	2.0796
		Group 2	1.4746	0.7571	2.2317	2.0796

Interim period: 01.01.19 - 30.06.19

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.

MI Chelverton Equity Fund

General information

Authorised status and structure of the Company

MI Chelverton 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 and “Umbrella Company” 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 3 Sub-funds, which are detailed below:

MI Chelverton UK Equity Income Fund
MI Chelverton UK Equity Growth Fund
MI Chelverton European Select Fund

Head Office

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

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	–	✓	✓	✓
MI Chelverton European Select 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:

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

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.

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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