

# Maitland

**MI Chelverton Equity Fund**

**Annual Report 31 December 2019**

# MI Chelverton Equity Fund

## Contents

## Page

Directory*	1
Statement of the Authorised Corporate Director's Responsibilities	2
Certification of Annual Report by the Authorised Corporate Director	2
Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders	3
Independent Auditor's Report to the Shareholders of the Company	4
Accounting Policies and Risk Management Policies	7
<b>MI Chelverton UK Equity Income Fund</b>	
Investment Objective and Policy*	10
Investment Adviser's Report*	10
Portfolio Statement*	11
Comparative Tables	15
Risk and Reward Profile*	17
Statement of Total Return	18
Statement of Change in Net Assets Attributable to Shareholders	18
Balance Sheet	19
Notes to the Financial Statements	20
Distribution Tables	27
<b>MI Chelverton UK Equity Growth Fund</b>	
Investment Objective and Policy*	29
Investment Adviser's Report*	29
Portfolio Statement*	30
Comparative Tables	34
Risk and Reward Profile*	36
Statement of Total Return	37
Statement of Change in Net Assets Attributable to Shareholders	37
Balance Sheet	38
Notes to the Financial Statements	39
Distribution Tables	46
<b>MI Chelverton European Select Fund</b>	
Investment Objective and Policy*	47
Investment Adviser's Report*	47
Portfolio Statement*	49
Comparative Tables	52
Risk and Reward Profile*	53
Statement of Total Return	54
Statement of Change in Net Assets Attributable to Shareholders	54
Balance Sheet	55
Notes to the Financial Statements	56
Distribution Tables	63
General Information	64

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

## Directory

### Authorised Corporate Director (ACD) & Registrar

Maitland Institutional Services Ltd  
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Telephone: 01245 398950  
Fax: 01245 398951  
Website: [www.maitlandgroup.com](http://www.maitlandgroup.com)  
(Authorised and regulated by the Financial Conduct Authority)

### Customer Service Centre

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Telephone: 0345 305 4217  
Fax: 0845 280 0188  
E-mail: [chelverton@maitlandgroup.com](mailto:chelverton@maitlandgroup.com)

### Directors of the Authorised Corporate Director

R. Ackermann (retired 31 January 2020)  
P.J. Foley-Brickley  
C. O'Keeffe (appointed 28 January 2020)  
D. Jones (retired 2 May 2019)  
G. Kok (retired 27 May 2019)  
D. Phillips (Non-Executive Director appointed 18 December 2019)  
J. Thompson (Non-Executive Director appointed 18 December 2019)

### 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  
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, Statutory Auditor  
Chartered Accountants  
30 Finsbury Square, London EC2A 1AG

## 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 year.

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 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.

**P.J. Foley-Brickley**

**C. O'Keeffe**

Director

Maitland Institutional Services Ltd

6 March 2020

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

for the year ended 31 December 2019

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 SE (UK Branch)**

UK Trustee and Depositary Services

6 March 2020

## Independent Auditor's Report to the Shareholders of MI Chelverton Equity Fund

### Opinion

We have audited the financial statements of MI Chelverton Equity Fund (the 'Company') for the year ended 31 December 2019. These financial statements comprise together the statement of accounting policies and risk management policies and the individual financial statements of each of the following Sub-funds of the company:

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

The individual financial statements for each of the company's Sub-funds comprise the statement of total return, the statement of change in net assets attributable to shareholders, the balance sheet, notes to the financial statements and the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the company and each of the Sub-funds as at 31 December 2019 and of the net revenue and net capital gains/(losses) on the scheme property of the company and each of the Sub-funds for the year then ended, and
- have been properly prepared in accordance with the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014, the Collective Investment Schemes sourcebook, and the company's Instrument of Incorporation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the entity's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company or a Sub-fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Independent Auditor's Report to the Shareholders of MI Chelverton Equity Fund

continued

### Conclusions relating to going concern (continued)

In our evaluation of the Authorised Corporate Director's conclusions, we considered the risks associated with the Company's business model, including effects arising from Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company or a Sub-fund will continue in operation.

### Other information

The Authorised Corporate Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Collective Investment Schemes sourcebook

In our opinion:

- we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit, and
- 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 the Collective Investment Schemes sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the company or a Sub-fund have not been kept, or
- the financial statements are not in agreement with those accounting records.

### Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities on page 2, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the company's and each of the 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 the Authorised Corporate Director either intends to terminate a Sub-fund, wind up the company or to cease operations, or has no realistic alternative but to do so.

## Independent Auditor's Report to the Shareholders of MI Chelverton Equity Fund

continued

### Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes sourcebook. 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.

### Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London, United Kingdom

6 March 2020



## Accounting Policies and Risk Management Policies

for the year ended 31 December 2019

The financial statements for MI Chelverton Equity Fund comprises the individual financial statements for each Sub-fund and the accounting policies and risk management policies below:

### 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-funds can be found within the general information starting on page 64.

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 are charged against revenue for the year on an accruals basis.

#### (e) Allocation of revenue and expenses to multiple share classes

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.

#### (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 ACD’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) in respect of the MI Chelverton 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.

## Accounting Policies and Risk Management Policies

continued

### 1. Accounting Policies (continued)

#### (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 ACD 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 an 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.

### 2. Risk Management Policies

In pursuing its investment objectives, the Sub-funds 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 and currency risk in relation to the investment portfolio and foreign cash positions.

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 Company 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.

## Accounting Policies and Risk Management Policies

continued

### 2. Risk Management Policies (continued)

#### Currency risk

Although the Sub-fund's capital and income are denominated in sterling, a proportion of the Sub-fund's investments may have currency exposure and, as a result, the income and capital value of the Sub-funds are affected by currency movements.

Currency risk is the risk that the value of the Sub-fund's investments will fluctuate as a result of changes in currency exchange rates. For Sub-funds where a proportion of the net assets of the Sub-fund is denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The Company monitors the currency exposure of the Sub-funds and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

#### 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-funds' 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.

#### 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

Stress testing and scenario analysis is carried out on a regular basis.

#### Liquidity risk

Liquidity risk is the risk that the 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, the 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.

The ACD manages the Sub-funds' cash to ensure they can meet their liabilities. In addition the ACD monitors market liquidity of all securities, seeking to ensure the Sub-fund maintains sufficient liquidity to meet known and potential redemption activity. The Sub-funds' cash balances are monitored daily by the ACD and the Investment Advisor. All of the Sub-funds' financial liabilities are payable on demand or in less than one year.

MISL conducts regular monitoring to ensure the liquidity profile of the Sub-funds' investments comply with their underlying obligations particularly their ability to meet redemption requests.

Stress tests are undertaken, under normal and exceptional liquidity conditions, in order to assess the liquidity risk of each Sub-fund.

#### 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.

## 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 2019

In the last year the fund produced a total return of 24.59% compared to 20.12% for the IA UK Equity Income sector as a whole.

Source: Morningstar NAV to NAV B Shares Acc.

The unexpected election result at the end of our year was treated with a mixture of relief and enthusiasm by the market. For corporate UK the real frustration of the last few years has been an inability to plan ahead with any certainty given the political stalemate over Brexit and although negotiations with our European partners will not be plain sailing, the direction of travel is now clear. This all served to give our fund with its concentration of UK centric investments a strong end to the year and importantly the potential for a dramatic over reaction has been tempered by setting a definitive time for our exit, raising the prospect of a 'no deal' again. At the same time investor sentiment in the second half of our year was affected by an escalation in global tariff wars, a slowdown in European activity and latterly by increased tensions in the Middle East.

At the stock level corporate activity continued with recommended cash offers for Greene King and Low & Bonar. Bovis merged with Galliford Try, Premier Asset Management merged with Miton and Northgate are in the process of merging with Redde, all leading to us holding three companies with more scale than before and that are more financially robust. We added four new names to the portfolio in the last six months, Vesuvius, Biffa, Vitec and we have recently started to build a position in Keller. We also topped up a broad cross section of existing holdings including Bellway, Restaurant Group, Wilmington, Elementis and Halfords. On the sell side we sold out of DiscoverIE, Victrex, Connect and Convatec in their entirety. Looking forward we fully expect the increased levels of corporate activity to continue and expect to see some interesting IPO's for the first time in over a year.

Corporate trading statements are currently reflecting the slowdown at home and globally in the last quarter of last year and earnings estimates are, on balance, being adjusted downwards. We expect this to reverse as we move through the first half year and the post election bounce in business confidence and pent up company capital expenditure contribute to an improving domestic economy. Consensus estimates suggest a pick up in overseas investment into the UK which is currently 'under owned' as an asset class, a stronger Sterling and rising real wages which should hopefully lead to an uptick in consumer confidence.

# MI Chelverton UK Equity Income Fund

## Portfolio Statement

as at 31 December 2019

Holding	Security	Market value £	% of total net assets 2019
	<b>OIL &amp; GAS 3.13% (3.22%)</b>		
	<b>Oil &amp; Gas Producers 2.17% (2.15%)</b>		
8,500,000	Diversified Gas & Oil*	9,052,500	1.25
12,725,000	Pharos Energy	6,642,450	0.92
		<hr/>	
		15,694,950	2.17
	<b>Oil Equipment, Services &amp; Distribution 0.96% (1.07%)</b>		
1,750,000	John Wood	6,973,750	0.96
		<hr/>	
	<b>BASIC MATERIALS 3.03% (1.87%)</b>		
	<b>Chemicals 3.03% (1.87%)</b>		
6,500,000	Elementis	11,635,000	1.61
2,913,625	Synthomer	10,308,405	1.42
		<hr/>	
		21,943,405	3.03
	<b>INDUSTRIALS 35.59% (30.61%)</b>		
	<b>Construction &amp; Materials 7.05% (6.16%)</b>		
626,000	Alumasc*	582,180	0.08
2,000,000	Costain	3,188,000	0.44
5,858,500	Epwin*	5,887,793	0.81
2,600,000	Eurocell	6,240,000	0.86
1,000,000	Galliford Try	8,595,000	1.19
300,500	Keller	2,253,750	0.31
1,203,500	Kier	1,146,334	0.16
350,167	Morgan Sindall	5,658,699	0.78
1,619,933	Polypipe	8,715,240	1.20
3,300,000	Tyman	8,844,000	1.22
		<hr/>	
		51,110,996	7.05
	<b>Aerospace &amp; Defence 4.25% (2.92%)</b>		
1,850,000	Babcock International	11,595,800	1.60
4,850,000	Senior	8,385,650	1.16
511,800	Ultra Electronics	10,819,452	1.49
		<hr/>	
		30,800,902	4.25
	<b>General Industrials 1.58% (0.26%)</b>		
23,218,398	Low & Bonar	2,797,817	0.39
1,733,499	Vesuvius	8,667,495	1.19
		<hr/>	
		11,465,312	1.58
	<b>Electronic &amp; Electrical Equipment 6.35% (6.54%)</b>		
3,726,500	Morgan Advanced Materials	11,813,005	1.63
4,995,000	Strix*	9,740,250	1.34
4,441,809	TT Electronics	10,660,342	1.47
450,000	XP Power	13,815,000	1.91
		<hr/>	
		46,028,597	6.35

# MI Chelverton UK Equity Income Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
<b>Industrial Engineering 4.31% (3.05%)</b>			
3,500,000	Flowtech Fluidpower*	4,287,500	0.59
950,000	IMI	11,195,750	1.55
8,250,000	Severfield	6,897,000	0.95
823,911	Vitec	8,815,848	1.22
		<b>31,196,098</b>	<b>4.31</b>
<b>Industrial Transportation 2.80% (1.51%)</b>			
1,525,000	Braemar Shipping Services	3,217,750	0.44
5,775,000	DX*	750,750	0.10
1,833,916	Signature Aviation	5,795,175	0.80
3,500,000	Wincanton	10,500,000	1.46
		<b>20,263,675</b>	<b>2.80</b>
<b>Support Services 9.25% (10.17%)</b>			
1,100,000	Aggreko	9,158,600	1.27
950,000	Biffa	2,598,250	0.36
2,100,000	De La Rue	2,990,400	0.41
2,015,480	Essentra	8,775,400	1.21
1,569,520	Gattaca*	1,977,595	0.27
6,000,000	Hays	10,896,000	1.50
3,250,000	Kin and Carta	3,237,000	0.45
2,768,500	Northgate	8,610,035	1.19
5,500,000	RPS	9,372,000	1.29
2,500,000	Sthree	9,450,000	1.30
		<b>67,065,280</b>	<b>9.25</b>
<b>CONSUMER GOODS 8.89% (11.89%)</b>			
<b>Food Producers 3.45% (5.67%)</b>			
6,550,000	Bakkavor	9,143,800	1.26
5,356,340	Devro	9,480,722	1.31
836,539	Tate & Lyle	6,359,369	0.88
		<b>24,983,891</b>	<b>3.45</b>
<b>Household Goods &amp; Home Construction 5.44% (5.71%)</b>			
320,000	Bellway	12,182,400	1.68
2,625,000	Crest Nicholson	11,324,250	1.56
1,856,417	Headlam	9,839,010	1.36
2,500,200	Watkin Jones*	6,062,985	0.84
		<b>39,408,645</b>	<b>5.44</b>
<b>Leisure Goods 0.00% (0.51%)</b>			
<b>CONSUMER SERVICES 22.58% (22.46%)</b>			
<b>Food &amp; Drug Retailers 0.29% (0.49%)</b>			
5,500,000	McColl's Retail	2,084,500	0.29

# MI Chelverton UK Equity Income Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
<b>General Retailers 7.13% (6.94%)</b>			
6,346,532	Brown (N)	10,217,917	1.41
4,000,000	DFS Furniture	11,560,000	1.60
5,500,000	Halfords	9,311,500	1.28
1,250,000	Inchcape	8,825,000	1.22
4,849,600	Moss Bros	1,042,664	0.14
10,500,000	Saga	5,559,750	0.77
3,228,300	Shoe Zone*	5,165,280	0.71
		<b>51,682,111</b>	<b>7.13</b>
<b>Media 5.54% (6.24%)</b>			
3,445,000	Bloomsbury Publishing	9,990,500	1.38
10,000,000	Centaur Media	3,500,000	0.48
750,271	Daily Mail & General Trust	6,219,747	0.86
279,064	Euromoney Institutional Investor	3,633,413	0.50
2,200,000	STV	8,976,000	1.24
3,190,000	Wilmington	7,847,400	1.08
		<b>40,167,060</b>	<b>5.54</b>
<b>Travel &amp; Leisure 9.62% (8.79%)</b>			
450,000	Go-Ahead	9,936,000	1.37
1,100,000	GVC	9,697,600	1.34
3,690,508	Hostelworld	4,605,754	0.64
8,500,000	Marston's	10,795,000	1.49
2,300,000	National Express	10,741,000	1.48
5,400,000	Rank	14,931,000	2.06
5,533,277	Restaurant	9,019,242	1.24
		<b>69,725,596</b>	<b>9.62</b>
<b>TELECOMMUNICATIONS 0.00% (2.02%)</b>			
<b>Fixed Line Telecommunications 0.00% (2.02%)</b>			
<b>UTILITIES 1.55% (1.17%)</b>			
<b>Gas, Water &amp; Multiutilities 1.55% (1.17%)</b>			
1,100,000	Pennon	11,236,500	1.55
<b>FINANCIALS 17.27% (19.60%)</b>			
<b>Banks 1.27% (1.33%)</b>			
575,000	Close Brothers	9,188,500	1.27
<b>Non-life Insurance 2.13% (2.25%)</b>			
1,425,000	Personal*	4,702,500	0.65
3,486,000	Sabre Insurance	10,736,880	1.48
		<b>15,439,380</b>	<b>2.13</b>

# MI Chelverton UK Equity Income Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
<b>Life Insurance 2.32% (3.19%)</b>			
3,006,000	Chesnara	9,378,720	1.29
1,800,000	Hansard Global	720,000	0.10
900,000	Phoenix	6,738,300	0.93
		<b>16,837,020</b>	<b>2.32</b>
<b>Real Estate Investment &amp; Services 0.96% (0.95%)</b>			
3,500,000	Foxtons	2,940,000	0.41
1,260,000	Palace Capital	3,994,200	0.55
		<b>6,934,200</b>	<b>0.96</b>
<b>Real Estate Investment Trusts 0.70% (1.49%)</b>			
4,500,000	Regional REIT	5,094,000	0.70
<b>Financial Services 9.89% (10.39%)</b>			
2,000,000	Ashmore	10,340,000	1.43
2,479,339	Brewin Dolphin	9,198,348	1.27
4,800,000	GLI Finance*	216,000	0.03
1,747,090	Jupiter Fund Management	7,156,081	0.99
1,250,000	Mortgage Advice Bureau*	9,375,000	1.29
1,500,000	Numis*	4,432,500	0.61
1,250,000	Polar Capital*	6,750,000	0.93
2,356,818	Premier Miton*	4,360,113	0.60
7,000,000	Redde*	7,420,000	1.02
2,000,000	Tatton Asset Management*	5,400,000	0.75
5,500,000	XPS Pensions	6,985,000	0.97
		<b>71,633,042</b>	<b>9.89</b>
<b>TECHNOLOGY 2.41% (1.76%)</b>			
<b>Software &amp; Computer Services 2.41% (1.76%)</b>			
1,080,000	FDM	11,167,200	1.54
2,250,000	RM	6,322,500	0.87
		<b>17,489,700</b>	<b>2.41</b>
<b>Investment assets</b>		<b>684,447,110</b>	<b>94.45</b>
<b>Net other assets</b>		<b>40,257,155</b>	<b>5.55</b>
<b>Net assets</b>		<b>724,704,265</b>	<b>100.00</b>

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.



## Comparative Tables

### Change in net assets per share

	A Income		
	31.12.19 p	31.12.18 p	31.12.17 p
<b>Opening net asset value per share</b>	98.09	120.99	102.73
Return before operating charges <sup>^</sup>	24.39	-15.60	25.47
Operating charges	-1.71	-1.89	-1.86
Return after operating charges <sup>^</sup>	22.68	-17.49	23.61
Distributions	-5.29	-5.41	-5.35
<b>Closing net asset value per share</b>	<b>115.48</b>	<b>98.09</b>	<b>120.99</b>
<sup>^</sup> After direct transaction costs of	-0.19	-0.27	-0.29
<b>Performance</b>			
Return after charges	23.12%	-14.46%	22.98%
<b>Other information</b>			
Closing net asset value	£73,459	£76,042	£38,727
Closing number of shares	63,614	77,521	32,009
Operating charges	1.61%	1.62%	1.62%
Ongoing operating charges*	1.61%	1.62%	1.61%
Direct transaction costs	0.18%	0.23%	0.25%
<b>Prices</b>			
Highest share price	117.82	126.07	123.69
Lowest share price	98.83	99.10	103.32

	A Accumulation		
	31.12.19 p	31.12.18 p	31.12.17 p
<b>Opening net asset value per share</b>	180.19	211.72	171.80
Return before operating charges <sup>^</sup>	45.69	-28.17	43.08
Operating charges	-3.19	-3.36	-3.16
Return after operating charges <sup>^</sup>	42.50	-31.53	39.32
Distributions	-9.87	-9.61	-9.06
Retained distributions on accumulation shares	9.87	9.61	9.06
<b>Closing net asset value per share</b>	<b>222.69</b>	<b>180.19</b>	<b>211.72</b>
<sup>^</sup> After direct transaction costs of	-0.36	-0.48	-0.49
<b>Performance</b>			
Return after charges	23.59%	-14.89%	23.24%
<b>Other information</b>			
Closing net asset value	£62,026	£3,375	£3,966
Closing number of shares	27,853	1,873	1,873
Operating charges	1.61%	1.62%	1.62%
Ongoing operating charges*	1.61%	1.62%	1.61%
Direct transaction costs	0.18%	0.23%	0.25%
<b>Prices</b>			
Highest share price	224.33	222.13	212.79
Lowest share price	181.50	178.70	172.77

## MI Chelverton UK Equity Income Fund

### Comparative Tables

continued

#### Change in net assets per share

	B Income		
	31.12.19 p	31.12.18 p	31.12.17 p
<b>Opening net asset value per share</b>	106.88	130.84	110.26
Return before operating charges <sup>^</sup>	26.89	-16.98	27.42
Operating charges	-1.00	-1.10	-1.08
Return after operating charges <sup>^</sup>	25.68	-18.08	26.34
Distributions	-5.79	-5.88	-5.76
<b>Closing net asset value per share</b>	<b>126.77</b>	<b>106.88</b>	<b>130.84</b>
<sup>^</sup> After direct transaction costs of	-0.21	-0.29	-0.31
<b>Performance</b>			
Return after charges	24.02%	-13.82%	23.89%
<b>Other information</b>			
Closing net asset value	£548,703,173	£413,377,579	£435,921,073
Closing number of shares	432,818,274	386,778,885	333,175,583
Operating charges	0.86%	0.87%	0.87%
Ongoing operating charges*	0.86%	0.87%	0.86%
Direct transaction costs	0.18%	0.23%	0.25%
<b>Prices</b>			
Highest share price	129.70	136.85	133.99
Lowest share price	107.68	108.26	110.90

	B Accumulation		
	31.12.19 p	31.12.18 p	31.12.17 p
<b>Opening net asset value per share</b>	209.79	244.58	196.98
Return before operating charges <sup>^</sup>	53.35	-32.70	49.56
Operating charges	-1.99	-2.09	-1.96
Return after operating charges <sup>^</sup>	51.36	-34.79	47.60
Distributions	-11.52	-11.13	-10.42
Retained distributions on accumulation shares	11.52	11.13	10.42
<b>Closing net asset value per share</b>	<b>261.15</b>	<b>209.79</b>	<b>244.58</b>
<sup>^</sup> After direct transaction costs of	-0.42	-0.55	-0.56
<b>Performance</b>			
Return after charges	24.48%	-14.22%	24.16%
<b>Other information</b>			
Closing net asset value	£175,865,607	£180,664,786	£152,909,756
Closing number of shares	67,343,222	86,118,294	62,519,670
Operating charges	0.86%	0.87%	0.87%
Ongoing operating charges*	0.86%	0.87%	0.86%
Direct transaction costs	0.18%	0.23%	0.25%
<b>Prices</b>			
Highest share price	263.05	257.45	245.80
Lowest share price	211.34	208.05	198.11

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

Operating charges include indirect cost 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

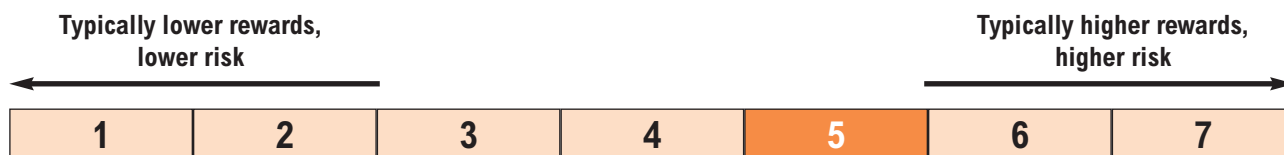
continued

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. The basis of valuation of investments used to calculate net asset value per share is described in notes to the Financial Statements 1h), and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

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 at 5 because funds of this type have experienced average rises and falls in value in the past. During the year under review the category changed from 4 to 5, 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. The indicator does not take into account the following risks of investing in this Sub-fund:

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 2019

	Note	£	31.12.19 £	31.12.18 £
Income				
Net capital gains/(losses)	2		115,299,803	(123,543,388)
Revenue	3	32,359,734		30,031,940
Expenses	4	(5,610,080)		(5,565,814)
Interest payable and similar charges	4	–		(32)
Net revenue before taxation		26,749,654		24,466,094
Taxation	5	(163,889)		(41,246)
Net revenue after taxation			26,585,765	24,424,848
<b>Total return before distributions</b>			<b>141,885,568</b>	<b>(99,118,540)</b>
Distributions	6		(32,099,038)	(29,877,591)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>109,786,530</b>	<b>(128,996,131)</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2019

	£	31.12.19 £	31.12.18 £
<b>Opening net assets attributable to Shareholders</b>		<b>594,121,782</b>	<b>588,873,522</b>
Amounts receivable on issue of shares	188,560,371		250,871,741
Less: Amounts payable on cancellation of shares	(176,101,748)		(125,461,211)
		12,458,623	125,410,530
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		109,786,530	(128,996,131)
Retained distributions on accumulation shares		8,337,330	8,833,860
Unclaimed distributions		–	1
<b>Closing net assets attributable to Shareholders</b>		<b>724,704,265</b>	<b>594,121,782</b>

The notes on pages 20 to 26 form an integral part of these Financial Statements.

# MI Chelverton UK Equity Income Fund

## Balance Sheet

as at 31 December 2019

	Note	£	31.12.19 £	£	31.12.18 £
<b>ASSETS</b>					
<b>Fixed Assets</b>					
Investments			684,447,110		562,061,020
<b>Current Assets</b>					
Debtors	7	5,237,430		4,352,307	
Cash and bank balances	9	44,771,423		37,479,216	
<b>Total current assets</b>			<b>50,008,853</b>		<b>41,831,523</b>
<b>Total assets</b>			<b>734,455,963</b>		<b>603,892,543</b>
<b>LIABILITIES</b>					
Investment liabilities			–		–
<b>Creditors</b>					
Distribution payable		(8,593,689)		(8,860,201)	
Other creditors	8	(1,158,009)		(910,560)	
<b>Total creditors</b>			<b>(9,751,698)</b>		<b>(9,770,761)</b>
<b>Total liabilities</b>			<b>(9,751,698)</b>		<b>(9,770,761)</b>
<b>Net assets attributable to Shareholders</b>			<b>724,704,265</b>		<b>594,121,782</b>

The notes on pages 20 to 26 form an integral part of these Financial Statements.

# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 to 9.

### 2. Net Capital Gains/(Losses)

	31.12.19	31.12.18
	£	£
Non-derivative securities	115,311,374	(123,528,683)
Currency losses	(3,753)	(4,263)
Transaction charges	(7,818)	(10,442)
<b>Net capital gains/(losses)</b>	<b>115,299,803</b>	<b>(123,543,388)</b>

### 3. Revenue

	31.12.19	31.12.18
	£	£
UK dividends: Ordinary	29,625,465	26,391,297
Overseas dividends	2,249,331	3,075,253
Property Income Distributions	484,940	565,385
Bank interest	(2)	5
<b>Total revenue</b>	<b>32,359,734</b>	<b>30,031,940</b>

### 4. Expenses

	31.12.19	31.12.18
	£	£
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's fee	253,564	253,734
Registration fees	328,413	318,585
	<u>581,977</u>	<u>572,319</u>
Payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	4,850,742	4,816,692
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	119,138	119,241
Safe custody and other bank charges	30,445	31,097
	<u>149,583</u>	<u>150,338</u>

# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

continued

<b>4. Expenses (continued)</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration:		
Audit fee (including VAT)	8,652	–
Audit fee (including VAT) - predecessor fee	–	7,200
Tax compliance services (including VAT)	1,800	–
Tax compliance services (including VAT) - predecessor tax advisor	300	2,400
	<hr/> 10,752	<hr/> 9,600
Other expenses:		
Legal fees	5,080	4,271
Printing costs	11,946	12,594
	<hr/> 17,026	<hr/> 16,865
<b>Expenses</b>	<hr/> <b>5,610,080</b>	<hr/> <b>5,565,814</b>
Interest payable and similar charges	–	32
<b>Total</b>	<hr/> <b>5,610,080</b>	<hr/> <b>5,565,846</b>

<b>5. Taxation</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
(a) Analysis of charge in the year:		
Overseas tax	163,889	41,246
<b>Total tax charge (note 5b)</b>	<hr/> <b>163,889</b>	<hr/> <b>41,246</b>
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	26,749,654	24,466,094
Corporation tax at 20%	5,349,931	4,893,219
Effects of:		
UK dividends	(5,925,093)	(5,278,259)
Movement in taxable income accruals	(13,378)	13,384
Movement in surplus management expenses	1,038,406	986,707
Overseas tax expensed	163,889	41,246
Non-taxable overseas earnings	(449,866)	(615,051)
<b>Total tax charge (note 5a)</b>	<hr/> <b>163,889</b>	<hr/> <b>41,246</b>

### (c) Deferred tax

At the year end there is a potential deferred tax asset of £5,318,712 (2018: £4,280,306) 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.

# MI Chelverton UK Equity Income Fund

## 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:

		<b>31.12.19</b>	<b>31.12.18</b>
		£	£
First interim distribution	31.03.19	4,516,946	3,793,693
Second interim distribution	30.06.19	8,413,151	7,129,863
Third interim distribution	30.09.19	8,045,398	7,450,762
Final distribution	31.12.19	11,279,581	12,617,259
		<b>32,255,076</b>	<b>30,991,577</b>
Revenue deducted on cancellation of shares		1,666,892	1,212,936
Revenue received on issue of shares		(1,822,930)	(2,326,922)
<b>Distributions</b>		<b>32,099,038</b>	<b>29,877,591</b>

### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return		26,585,765	24,424,848
Expenses allocated to capital		5,610,080	5,565,814
Relief on expenses allocated to capital		(96,986)	(113,072)
Undistributed revenue brought forward		377	378
Undistributed revenue carried forward		(198)	(377)
<b>Distributions</b>		<b>32,099,038</b>	<b>29,877,591</b>

### 7. Debtors

		<b>31.12.19</b>	<b>31.12.18</b>
		£	£
Amounts receivable on issues		2,856,905	1,373,335
Accrued income:			
Dividends receivable		2,345,770	2,944,514
Overseas tax recoverable		31,479	33,347
UK income tax recoverable		3,276	–
Prepaid expenses:			
Legal fee		–	1,111
<b>Total debtors</b>		<b>5,237,430</b>	<b>4,352,307</b>



# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

continued

<b>8. Other Creditors</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	660,806	482,904
Accrued expenses:		
Amounts payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	448,187	388,731
Amounts payable to the Depository, associates of the Depository and agents of either of them:		
Depository's fee (including VAT)	20,177	19,890
Safe custody and other bank charges	4,918	5,015
	25,095	24,905
Auditor's remuneration		
Audit fee (including VAT)	8,652	–
Audit fee (including VAT) - predecessor fee	7,200	7,200
Tax compliance services (including VAT)	1,800	–
Tax compliance services (including VAT) - predecessor tax advisor	2,100	3,600
	19,752	10,800
Other expenses:		
Legal fees	969	–
Printing costs	3,200	3,220
	4,169	3,220
<b>Total other creditors</b>	<b>1,158,009</b>	<b>910,560</b>
<b>9. Cash and Bank Balances</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	44,771,423	37,479,216
<b>Cash and bank balances</b>	<b>44,771,423</b>	<b>37,479,216</b>

## 10. Related Party Transactions

Maitland Institutional Services Limited (MISL) is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director (ACD).

ACD and other fees payable to MISL 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 MI Chelverton UK Equity Income Fund did not hold shares in any of the other Sub-funds within the MI Chelverton Equity Fund.

## Notes to the Financial Statements

continued

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2018: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 8 and 9.

#### **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 £68,444,711 (2018: £56,206,102).

#### **Currency risk**

There is no material foreign currency exposure in the Sub-fund (2018: none).

Notes to the Financial Statements

continued

13. Portfolio Transaction Costs

31.12.19

Analysis of purchases	Total purchase cost £	Commissions paid		Taxes		Purchases before transaction costs £
		£	%	£	%	
Equities	158,631,847	233,170	0.15	740,957	0.47	157,657,720
Corporate actions	614,815	–	0.00	–	0.00	614,815
<b>Total purchases after commissions and tax</b>	<b>159,246,662</b>					

Analysis of sales	Net sale proceeds £	Commissions paid		Taxes		Sales before transaction costs £
		£	%	£	%	
Equities	152,171,946	169,270	0.11	73	0.00	152,341,289
<b>Total sales after commissions and tax</b>	<b>152,171,946</b>					
Commission as a % of average net assets	0.06%					
Taxes as a % of average net assets	0.12%					

31.12.18

Analysis of purchases	Total purchase cost £	Commissions paid		Taxes		Purchases before transaction costs £
		£	%	£	%	
Equities	219,785,060	364,563	0.17	958,236	0.44	218,462,261
Corporate actions	9,000,284	–	0.00	–	0.00	9,000,284
<b>Total purchases after commissions and tax</b>	<b>228,785,344</b>					

Analysis of sales	Net sale proceeds £	Commissions paid		Taxes		Sales before transaction costs £
		£	%	£	%	
Equities	107,643,542	159,243	0.15	74	0.00	107,802,859
<b>Total sales after commissions and tax</b>	<b>107,643,542</b>					
Commission as a % of average net assets	0.08%					
Taxes as a % of average net assets	0.15%					

Commissions and taxes as a % of the average net assets form part of the direct transactions costs stated within the comparative tables on pages 15 to 17. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

continued

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2019 is 1.13% (2018: 1.34%).

### 15. Fair Value Disclosure

Valuation technique	31.12.19		31.12.18	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	684,447,110	–	562,061,020	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	–	–	–	–
	<b>684,447,110</b>	<b>–</b>	<b>562,061,020</b>	<b>–</b>

<sup>^</sup> Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup> Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup> Level 3: Valuation techniques using unobservable inputs.

### 16. Shareholders Funds

	A Income	A Accumulation	B Income	B Accumulation
Opening number of shares	77,521	1,873	386,778,885	86,118,294
Shares issued	–	27,237	123,747,028	19,586,244
Shares cancelled	(13,907)	(1,257)	(78,364,955)	(38,034,718)
Shares converted	–	–	657,316	(326,598)
<b>Closing number of shares</b>	<b>63,614</b>	<b>27,853</b>	<b>432,818,274</b>	<b>67,343,222</b>

## MI Chelverton UK Equity Income Fund

### Distribution Tables

for the year ended 31 December 2019

#### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution 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
Third interim	Group 1	1.5000	–	1.5000	1.4000	
	Group 2	1.5000	–	1.5000	–	
Final	Group 1	1.4893	–	1.4893	1.8284	
	Group 2	1.4893	–	1.4893	1.8284	
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
Third interim	Group 1	1.5000	–	1.5000	1.4000	
	Group 2	0.1113	1.3887	1.5000	1.4000	
Final	Group 1	1.9853	–	1.9853	2.2904	
	Group 2	0.4481	1.5372	1.9853	2.2904	

#### 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	–
Third interim	Group 1	2.8155	–	2.8155	2.4948	
	Group 2	2.8155	–	2.8155	–	
Final	Group 1	2.8128	–	2.8128	3.2681	
	Group 2	–	2.8128	2.8128	–	
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
Third interim	Group 1	3.0031	–	3.0031	2.6614	
	Group 2	–	3.0031	3.0031	2.6614	
Final	Group 1	3.9872	–	3.9872	4.3626	
	Group 2	–	3.9872	3.9872	4.3626	

## Distribution Tables

continued

### Further information

First interim period: 01.01.19 - 31.03.19

Second interim period: 01.04.19 - 30.06.19

Third interim period: 01.07.19 - 30.09.19

Final period: 01.10.19 - 31.12.19

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 year ended 31 December 2019

In the year to 31 December 2019, the Sub-fund returned 40.58%, compared to 22.37% for the IA UK All Companies sector (source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.12.2019).

A strong year for the Sub-fund was capped off by the Conservative election victory in December, which provided a final flourish. The high return achieved last year needs to be seen in the context of a very weak Q4 2018 for UK Small and Mid-caps with the Sub-fund coming into 2019 on its lowest average forward earnings multiple since launch, notwithstanding that it outperformed its peer group quite comfortably. At the individual stock level, Future, the acquisitive B2C online media business and the Sub-fund's largest holding, was the single largest contributor to returns on the back of a series of earnings upgrades. Thematically, the Sub-fund benefitted from holding a number of defence suppliers (namely Avon Rubber, Ultra Electronics and Chemring) which, after a period in the doldrums, benefitted from a pick-up in the US defence budget, particularly at the higher tech end of the spectrum. Having seen no takeover bids in 2018, the Sub-fund had a number of approaches last year as overseas and Private Equity buyers took advantage of lowly-priced UK equity assets, with agreed bids for Tarsus, StatPro, Dairy Crest and others.

In terms of market positioning, the Sub-fund had benefitted from having a very low exposure to UK domestic cyclical earners post the Brexit vote in 2016. With these domestic names looking increasingly oversold and takeover activity picking up, we started to increase the Sub-fund's weighting in these names through the second half of the year, building up the Sub-fund's very small positions in Topps Tiles and DFS Furniture, and buying back into Severfield (the UK's leading structural steel business) after a three-year absence from the shareholder register. This process was accelerated in Q4 2019 with investments in Eurocell (building products), Gamesys (the UK's leading online bingo operator) and Ten Entertainment (the UK's second largest ten-pin bowling operator), leaving the Sub-fund with a greater exposure to UK domestic earners.

At the macro level, political inertia and the lack of direction on Brexit were increasingly weighing on the domestic economy as we went through the year, with signs of an economic slowdown becoming increasingly apparent as we moved into the second half of the year as both corporates and consumers deferred spending plans given the uncertainty, evidenced by deteriorating earnings outlooks. Globally, industrial production growth was impacted by trade wars, which disrupted industrial supply chains. The election of a relatively business friendly government with a clear majority was clearly a relief for the equity market, providing clear direction on Brexit, a stronger pound and the prospect of a pick up in public spending. For the sharp rally in domestic earners to be sustained we will need the post-election bounce in business confidence to translate into higher activity levels and earnings as we go through the year. At the same time, the progress on a future trading relationship between the US and China has improved the prospects for overseas industrials.

# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

as at 31 December 2019

Holding	Security	Market value £	% of total net assets 2019
<b>OIL &amp; GAS 4.09% (3.39%)</b>			
<b>Oil &amp; Gas Producers 4.09% (3.39%)</b>			
22,500,000	Amerisur Resources*	4,302,000	0.90
4,742,797	Diversified Gas & Oil*	5,051,079	1.06
6,000,000	Jadestone Energy*	5,520,000	1.16
248,987,333	Reabold Resources*	1,817,608	0.38
150,000	Rockrose Energy	2,805,000	0.59
		<b>19,495,687</b>	<b>4.09</b>
<b>BASIC MATERIALS 4.29% (3.24%)</b>			
<b>Chemicals 3.96% (2.60%)</b>			
4,750,000	Elementis	8,502,500	1.79
1,688,625	Synthomer	5,974,355	1.25
175,000	Victrex	4,364,500	0.92
		<b>18,841,355</b>	<b>3.96</b>
<b>Mining 0.33% (0.64%)</b>			
8,650,000	Harvest Minerals*	328,700	0.07
55,959,275	Savannah Resources*	1,231,104	0.26
		<b>1,559,804</b>	<b>0.33</b>
<b>INDUSTRIALS 27.89% (33.32%)</b>			
<b>Construction &amp; Materials 7.05% (4.30%)</b>			
2,329,900	Eurocell	5,591,760	1.17
1,050,000	Polypipe	5,649,000	1.19
10,975,609	Sigmaroc*	5,378,048	1.13
2,250,000	Tyman	6,030,000	1.27
4,250,000	Volution	10,922,500	2.29
		<b>33,571,308</b>	<b>7.05</b>
<b>Aerospace &amp; Defence 3.29% (2.88%)</b>			
75,000	Avon Rubber	1,560,000	0.33
3,000,000	Chemring	7,215,000	1.51
2,155,000	Senior	3,725,995	0.78
150,000	Ultra Electronics	3,171,000	0.67
		<b>15,671,995</b>	<b>3.29</b>
<b>General Industrials 0.00% (1.26%)</b>			
<b>Electronic &amp; Electrical Equipment 5.11% (10.21%)</b>			
1,000,000	Checkit*	330,000	0.07
2,000,000	Morgan Advanced Materials	6,340,000	1.33
3,375,000	Strix*	6,581,250	1.38
2,050,000	TT Electronics	4,920,000	1.04
200,000	XP Power	6,140,000	1.29
		<b>24,311,250</b>	<b>5.11</b>



# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
<b>Industrial Engineering 1.87% (4.32%)</b>			
6,000,000	Severfield	5,016,000	1.05
1,440,000	Somero Enterprises*	3,888,000	0.82
		<b>8,904,000</b>	<b>1.87</b>
<b>Industrial Transportation 0.00% (0.72%)</b>			
<b>Support Services 10.57% (9.63%)</b>			
3,904,216	Altitude*	1,834,982	0.38
4,250,000	Boku*	3,612,500	0.76
1,600,000	Equiniti	3,299,200	0.69
1,325,000	IWG	5,770,375	1.21
260,000	Keystone Law*	1,352,000	0.28
593,961	Maintel*	2,375,844	0.50
1,400,000	Renew*	7,560,000	1.59
1,450,000	Restore*	7,859,000	1.65
3,426,785	RPS	5,839,242	1.23
2,250,000	Sthree	8,505,000	1.79
249,375	VP	2,344,125	0.49
		<b>50,352,268</b>	<b>10.57</b>
<b>CONSUMER GOODS 2.47% (1.46%)</b>			
<b>Food Producers 0.86% (1.14%)</b>			
573,944	MP Evans*	4,097,960	0.86
<b>Leisure Goods 1.61% (0.32%)</b>			
2,749,700	Codemasters*	7,644,166	1.61
<b>HEALTH CARE 10.43% (8.30%)</b>			
<b>Health Care Equipment &amp; Services 2.67% (1.79%)</b>			
810,000	Consort Medical	8,302,500	1.74
1,250,000	Convatec	2,480,625	0.52
544,598	Renalytix AI*	1,949,661	0.41
		<b>12,732,786</b>	<b>2.67</b>
<b>Pharmaceuticals &amp; Biotechnology 7.76% (6.51%)</b>			
8,135,000	Alliance Pharma*	6,841,535	1.44
2,550,000	Amryt Pharma*	3,060,000	0.64
3,000,000	Angle*	1,842,000	0.39
1,000,000	Clinigen*	9,245,000	1.94
2,250,000	Eco Animal Health*	4,500,000	0.94
985,989	MaxCyte Restricted Shares*	1,183,187	0.25
764,011	MaxCyte*	932,093	0.20
2,000,000	Oxford Biodynamics*	2,280,000	0.48
1,876,500	Shield Therapeutics*	3,340,170	0.70
4,500,000	Summit Therapeutics*	900,000	0.19
21,800,000	Yourgene Health*	2,834,000	0.59
		<b>36,957,985</b>	<b>7.76</b>

# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
<b>CONSUMER SERVICES 12.13% (11.36%)</b>			
<b>General Retailers 3.21% (2.38%)</b>			
825,000	B&M European Value Retail	3,379,200	0.71
2,250,000	DFS Furniture	6,502,500	1.36
7,612,651	Topps Tiles	5,420,208	1.14
		15,301,908	3.21
<b>Media 5.82% (5.43%)</b>			
697,132	Euromoney Institutional Investor	9,076,659	1.90
775,000	Future	11,222,000	2.36
27,100,000	Minds Plus Machines*	1,788,600	0.38
28,000	Next Fifteen Communications*	147,280	0.03
4,025,000	Pebble*	5,474,000	1.15
		27,708,539	5.82
<b>Travel &amp; Leisure 3.10% (3.55%)</b>			
661,500	Gamesys	4,676,805	0.98
1,500,000	Rank	4,147,500	0.87
1,919,904	Revolution Bars	1,305,535	0.27
4,361,764	Safestay*	1,352,147	0.29
1,092,036	Ten Entertainment	3,265,188	0.69
		14,747,175	3.10
<b>FINANCIALS 10.55% (13.74%)</b>			
<b>Financial Services 10.55% (13.74%)</b>			
275,000	Alpha FX*	3,382,500	0.71
1,213,300	Appreciate*	655,182	0.14
268,500	Aquis Exchange*	1,074,000	0.23
833,387	Argentex*	1,391,756	0.29
259,290	Brooks Macdonald*	5,471,019	1.15
1,750,000	Curtis Banks *	5,985,000	1.26
2,223,042	Harwood Wealth Management*	3,112,259	0.64
1,122,275	JTC	4,511,546	0.95
700,000	Liontrust Asset Management	7,560,000	1.59
15,000,000	Mercia Asset Management*	3,900,000	0.82
2,000,000	Tatton Asset Management *	5,400,000	1.13
6,750,000	Tungsten*	2,700,000	0.57
4,000,000	XPS Pensions	5,080,000	1.07
		50,223,262	10.55

# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
<b>TECHNOLOGY 19.97% (21.56%)</b>			
<b>Software &amp; Computer Services 17.87% (16.26%)</b>			
4,616,576	Access Intelligence*	2,354,454	0.49
705,373	Accesso Technology*	3,315,253	0.70
87,500	Aptitude Software	544,250	0.11
5,435,000	Attraqt*	1,793,550	0.38
1,542,510	Blanco Technology*	2,622,267	0.55
2,500,000	Castleton Technology*	1,775,000	0.37
10,000,000	CentralNic*	8,800,000	1.85
1,750,000	Cloudcall*	1,715,000	0.36
2,045,000	D4t4 Solutions*	4,396,750	0.92
10,970,000	dotDigital*	10,311,800	2.17
750,000	Eagle Eye Solutions*	1,605,000	0.34
8,500,000	Eckoh*	4,590,000	0.96
1,900,000	Essensys*	3,800,000	0.80
3,500,000	Ideagen*	6,825,000	1.43
2,012,500	IMImobile*	6,842,500	1.44
1,225,000	I-Nexus Global*	183,750	0.04
1,000,000	Instem*	3,720,000	0.78
156,000	Iomart*	580,320	0.12
8,250,000	Netcall*	3,102,000	0.65
2,000,000	Oxford Metrics*	2,100,000	0.44
2,121,872	Pelatro*	1,464,092	0.31
4,635,000	Proactis*	2,132,100	0.45
1,125,000	SDL	6,412,500	1.35
251,815	Sopheon*	1,586,435	0.33
575,000	Wandisco*	2,530,000	0.53
		85,102,021	17.87
<b>Technology Hardware &amp; Equipment 2.10% (5.30%)</b>			
2,922,834	Amino Technologies*	4,238,109	0.89
2,960,000	IQE*	1,450,400	0.30
1,965,245	Quixant*	4,323,539	0.91
		10,012,048	2.10
<b>Investment assets</b>		<b>437,235,517</b>	<b>91.82</b>
<b>Net other assets</b>		<b>38,932,518</b>	<b>8.18</b>
<b>Net assets</b>		<b>476,168,035</b>	<b>100.00</b>

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.

## MI Chelverton UK Equity Growth Fund

### Comparative Tables

#### Change in net assets per share

	A Accumulation		
	31.12.19 p	31.12.18 p	31.12.17 p
<b>Opening net asset value per share</b>	140.97	156.74	117.94
Return before operating charges <sup>^</sup>	59.11	-13.06	41.24
Operating charges	-2.75	-2.71	-2.44
Return after operating charges <sup>^</sup>	56.36	-15.77	38.80
Distributions	-0.99	-0.61	-0.49
Retained distributions on accumulation shares	0.99	0.61	0.49
<b>Closing net asset value per share</b>	<b>197.33</b>	<b>140.97</b>	<b>156.74</b>
<sup>^</sup> After direct transaction costs of	-0.50	-0.71	-0.85
<b>Performance</b>			
Return after charges	39.98%	-10.06%	32.90%
<b>Other information</b>			
Closing net asset value	£1,892,262	£1,209,685	£427,906
Closing number of shares	958,913	858,093	273,009
Operating charges*	1.65%	1.69%	1.75%
Direct transaction costs	0.30%	0.44%	0.61%
<b>Prices</b>			
Highest share price	199.43	168.89	158.01
Lowest share price	142.65	141.36	119.47

\* The Investment Adviser currently rebates the Sub-fund's operating charges if the ongoing charge for the year is in excess of 1.75% of the average Net Asset Value of the Sub-fund.

	B Income		
	31.12.19 p	31.12.18 p	31.12.17 p
<b>Opening net asset value per share</b>	181.06	201.85	152.54
Return before operating charges <sup>^</sup>	75.94	-16.62	53.13
Operating charges	-1.94	-1.95	-1.81
Return after operating charges <sup>^</sup>	74.00	-18.57	51.32
Distributions	-2.88	-2.22	-2.01
<b>Closing net asset value per share</b>	<b>252.18</b>	<b>181.06</b>	<b>201.85</b>
<sup>^</sup> After direct transaction costs of	-0.65	-0.91	-1.10
<b>Performance</b>			
Return after charges	40.87%	-9.18%	33.64%
<b>Other information</b>			
Closing net asset value	£75,374,659	£48,945,867	£27,478,150
Closing number of shares	29,889,421	27,033,291	13,612,918
Operating charges*	0.90%	0.94%	1.00%
Direct transaction costs	0.30%	0.44%	0.61%
<b>Prices</b>			
Highest share price	257.75	218.51	205.73
Lowest share price	183.23	183.74	154.54

\*The Investment Adviser currently rebates the Sub-fund's operating charges if the ongoing charge for the year is 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		
	31.12.19 p	31.12.18 p	31.12.17 p
<b>Opening net asset value per share</b>	189.17	208.35	155.92
Return before operating charges <sup>^</sup>	79.31	-17.16	54.28
Operating charges	-2.02	-2.02	-1.85
Return after operating charges <sup>^</sup>	77.29	-19.18	52.43
Distributions	-3.01	-2.29	-2.05
Retained distributions on accumulation shares	3.01	2.29	2.05
<b>Closing net asset value per share</b>	<b>266.46</b>	<b>189.17</b>	<b>208.35</b>
<sup>^</sup> After direct transaction costs of	-0.67	-0.94	-1.13
<b>Performance</b>			
Return after charges	40.86%	-9.21%	33.63%
<b>Other information</b>			
Closing net asset value	£398,901,114	£209,248,861	£111,440,133
Closing number of shares	149,704,799	110,614,754	53,487,749
Operating charges*	0.90%	0.94%	1.00%
Direct transaction costs	0.30%	0.44%	0.61%
<b>Prices</b>			
Highest share price	269.25	225.53	210.26
Lowest share price	191.41	189.64	157.94

\*The Investment Adviser 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. The basis of valuation of investments used to calculate net asset value per share is described in notes to the Financial Statements 1h), and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

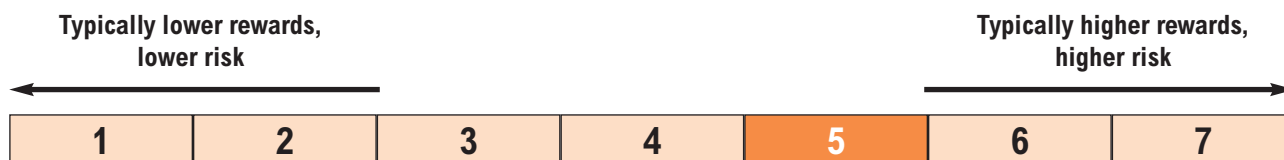
Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net 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 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 2019

	Note	£	31.12.19 £	£	31.12.18 £
Income					
Net capital gains/(losses)	2		114,016,285		(35,336,949)
Revenue	3	7,762,825		4,911,081	
Expenses	4	(3,089,753)		(2,262,535)	
Interest payable and similar charges	4	–		–	
Net revenue before taxation		4,673,072		2,648,546	
Taxation	5	(117,116)		(35,720)	
Net revenue after taxation			4,555,956		2,612,826
<b>Total return before distributions</b>			<b>118,572,241</b>		<b>(32,724,123)</b>
Distributions	6		(4,555,888)		(2,612,818)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>114,016,353</b>		<b>(35,336,941)</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2019

	£	31.12.19 £	£	31.12.18 £
<b>Opening net assets attributable to Shareholders</b>		<b>259,404,413</b>		<b>139,346,189</b>
Amounts receivable on issue of shares	195,161,445		248,670,816	
Less: Amounts payable on cancellation of shares	(96,944,218)		(95,823,274)	
		98,217,227		152,847,542
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		114,016,353		(35,336,941)
Retained distributions on accumulation shares		4,530,042		2,547,623
<b>Closing net assets attributable to Shareholders</b>		<b>476,168,035</b>		<b>259,404,413</b>

The notes on pages 39 to 45 form an integral part of these Financial Statements.

# MI Chelverton UK Equity Growth Fund

## Balance Sheet

as at 31 December 2019

	Note	£	31.12.19 £	£	31.12.18 £
<b>ASSETS</b>					
<b>Fixed Assets</b>					
Investments			437,235,517		249,975,079
<b>Current Assets</b>					
Debtors	7	9,453,610		1,328,814	
Cash and bank balances	9	34,943,972		9,223,020	
<b>Total current assets</b>			<b>44,397,582</b>		<b>10,551,834</b>
<b>Total assets</b>			<b>481,633,099</b>		<b>260,526,913</b>
<b>LIABILITIES</b>					
Investment liabilities			–		–
<b>Creditors</b>					
Distribution payable		(863,535)		(601,545)	
Other creditors	8	(4,601,529)		(520,955)	
<b>Total creditors</b>			<b>(5,465,064)</b>		<b>(1,122,500)</b>
<b>Total liabilities</b>			<b>(5,465,064)</b>		<b>(1,122,500)</b>
<b>Net assets attributable to Shareholders</b>			<b>476,168,035</b>		<b>259,404,413</b>

The notes on pages 39 to 45 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 2019

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 to 9.

<b>2. Net Capital Gains/(Losses)</b>	<b>31.12.19</b>	<b>31.12.18</b>
	£	£
Non-derivative securities	114,031,019	(35,322,126)
Currency (losses)/gains	(2,406)	991
Transaction charges	(12,328)	(15,814)
<b>Net capital gains/(losses)</b>	<b>114,016,285</b>	<b>(35,336,949)</b>

<b>3. Revenue</b>	<b>31.12.19</b>	<b>31.12.18</b>
	£	£
UK dividends: Ordinary	6,411,516	4,269,990
Overseas dividends	1,351,294	641,089
Bank interest	15	2
<b>Total revenue</b>	<b>7,762,825</b>	<b>4,911,081</b>

<b>4. Expenses</b>	<b>31.12.19</b>	<b>31.12.18</b>
	£	£
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's fee	191,304	168,199
Registration fees	223,245	191,425
	<u>414,549</u>	<u>359,624</u>
Payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	<u>2,557,564</u>	<u>1,805,832</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	81,782	66,688
Safe custody and other bank charges	16,082	12,265
	<u>97,864</u>	<u>78,953</u>

# MI Chelverton UK Equity Growth Fund

## Notes to the Financial Statements

continued

<b>4. Expenses (continued)</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration:		
Audit fee (including VAT)	8,652	–
Audit fee (including VAT) - predecessor fee	–	7,200
Tax compliance services (including VAT)	1,800	–
Tax compliance services (including VAT) - predecessor tax advisor	300	2,400
	<hr/> 10,752	<hr/> 9,600
Other expenses:		
Legal fees	4,068	3,296
Printing costs	4,956	4,681
	<hr/> 9,024	<hr/> 10,377
Investment Adviser rebate accrued against expenses	–	549
	<hr/>	<hr/>
<b>Expenses</b>	<b>3,089,753</b>	<b>2,262,535</b>
Interest payable and similar charges	–	–
<b>Total</b>	<b>3,089,753</b>	<b>2,262,535</b>

<b>5. Taxation</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
(a) Analysis of charge in the year:		
Overseas tax	117,116	35,720
<b>Total tax charge (note 5b)</b>	<b>117,116</b>	<b>35,720</b>

(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	4,673,072	2,648,546
Corporation tax at 20%	934,614	529,709
Effects of:		
UK dividends	(1,282,303)	(853,998)
Movement in surplus management expenses	617,948	452,507
Overseas tax expensed	117,116	35,720
Non-taxable overseas earnings	(270,259)	(128,218)
<b>Total tax charge (note 5a)</b>	<b>117,116</b>	<b>35,720</b>

(c) Deferred tax

At the year end there is a potential deferred tax asset of £1,304,959 (2018: £687,011) 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.

# MI Chelverton UK Equity Growth Fund

## 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:

		<b>31.12.19</b>	<b>31.12.18</b>
		£	£
Final distribution	31.12.19	5,393,577	3,149,168
Revenue deducted on cancellation of shares		666,455	549,350
Revenue received on issue of shares		(1,504,144)	(1,085,700)
<b>Distributions</b>		<b>4,555,888</b>	<b>2,612,818</b>

### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return		4,555,956	2,612,826
Undistributed revenue brought forward		37	29
Undistributed revenue carried forward		(105)	(37)
<b>Distributions</b>		<b>4,555,888</b>	<b>2,612,818</b>

### 7. Debtors

		<b>31.12.19</b>	<b>31.12.18</b>
		£	£
Amounts receivable on issues		8,822,116	809,645
Accrued income:			
Dividends receivable		631,044	517,884
Overseas tax recoverable		450	450
Prepaid expenses:			
Legal fee		–	835
<b>Total debtors</b>		<b>9,453,610</b>	<b>1,328,814</b>

# MI Chelverton UK Equity Growth Fund

## Notes to the Financial Statements

continued

<b>8. Other Creditors</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	942,806	323,966
Purchases awaiting settlement	3,340,215	–
Accrued expenses:		
Amounts payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	278,811	169,955
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	14,687	12,553
Safe custody and other bank charges	2,825	2,281
	<u>17,512</u>	<u>14,834</u>
Auditor's remuneration:		
Audit fee (including VAT)	8,652	–
Audit fee (including VAT) - predecessor fee	7,200	7,200
Tax compliance services (including VAT)	1,800	–
Tax compliance services (including VAT) - predecessor tax advisor	2,100	3,600
	<u>19,752</u>	<u>10,800</u>
Other expenses:		
Legal fees	729	–
Printing costs	1,704	1,400
	<u>2,433</u>	<u>1,400</u>
<b>Total other creditors</b>	<b><u>4,601,529</u></b>	<b><u>520,955</u></b>
<b>9. Cash and Bank Balances</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	34,943,972	9,223,020
<b>Cash and bank balances</b>	<b><u>34,943,972</u></b>	<b><u>9,223,020</u></b>

## 10. Related Party Transactions

Maitland Institutional Services Limited (MISL) is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director (ACD).

ACD and other fees payable to MISL 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.

## Notes to the Financial Statements

continued

### 10. Related Party Transactions (continued)

Amounts receivable from the Investment Adviser for Total ongoing charge rebates accrued against expenses are disclosed in note 4 and amounts due at the year end are shown in note 7.

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2018: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 8 and 9.

#### 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 £43,723,552 (2018: £24,997,508).

#### Currency risk

There is no material foreign currency exposure in the Sub-fund (2018: none).

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

#### 31.12.19

Analysis of purchases	Total purchase cost £	Commissions paid		£	Taxes %	Purchases before transaction costs £
		£	%			
Equities	244,594,044	310,143	0.13	496,194	0.20	243,787,707
Corporate actions	647,000	–	0.00	–	0.00	647,000
<b>Total purchases after commissions and tax</b>	<b>245,241,044</b>					
Analysis of sales	Net sale proceeds £	Commissions paid		£	Taxes %	Sales before transaction costs £
		£	%			
Equities	172,011,625	219,151	0.13	460	0.00	172,231,236
<b>Total sales after commissions and tax</b>	<b>172,011,625</b>					
Commission as a % of average net assets	0.15%					
Taxes as a % of average net assets	0.15%					

#### 31.12.18

Analysis of purchases	Total purchase cost £	Commissions paid		£	Taxes %	Purchases before transaction costs £
		£	%			
Equities	247,812,617	365,447	0.15	538,883	0.22	246,908,287
Corporate actions	2,087,348	–	0.00	–	0.00	2,087,348
<b>Total purchases after commissions and tax</b>	<b>249,899,965</b>					
Analysis of sales	Net sale proceeds £	Commissions paid		£	Taxes %	Sales before transaction costs £
		£	%			
Equities	91,936,150	160,153	0.17	354	0.00	92,096,657
<b>Total sales after commissions and tax</b>	<b>91,936,150</b>					
Commission as a % of average net assets	0.22%					
Taxes as a % of average net assets	0.22%					

Commissions and taxes as a % of the average net assets form part of the direct transactions costs stated within the comparative tables on pages 34 and 35. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

# MI Chelverton UK Equity Growth Fund

## Notes to the Financial Statements

continued

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2019 is 2.42% (2018: 2.78%).

### 15. Fair Value Disclosure

Valuation technique	31.12.19		31.12.18	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	437,235,517	–	249,975,079	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	–	–	–	–
	<b>437,235,517</b>	<b>–</b>	<b>249,975,079</b>	<b>–</b>

<sup>^</sup> Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup> Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

<sup>^^^</sup> Level 3: Valuation techniques using unobservable inputs.

### 16. Shareholders Funds

	<b>A</b> <b>Accumulation</b>	<b>B</b> <b>Income</b>	<b>B</b> <b>Accumulation</b>
Opening number of shares	858,093	27,033,291	110,614,754
Shares issued	413,093	7,863,188	77,527,811
Shares cancelled	(311,273)	(5,007,903)	(38,437,698)
Shares converted	(1,000)	845	(68)
<b>Closing number of shares</b>	<b>958,913</b>	<b>29,889,421</b>	<b>149,704,799</b>

# MI Chelverton UK Equity Growth Fund

## Distribution Tables

for the year ended 31 December 2019

### Income Share Distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2019 p	Distribution paid 2018 p
B	Final	Group 1	2.8891	–	2.8891	2.2252
		Group 2	1.1279	1.7612	2.8891	2.2252

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2019 p	Amount reinvested 2018 p
A	Final	Group 1	0.9965	–	0.9965	0.6123
		Group 2	0.1454	0.8511	0.9965	0.6123
B	Final	Group 1	3.0196	–	3.0196	2.2984
		Group 2	1.2354	1.7842	3.0196	2.2984

### Further information

Final period: 01.01.19 - 31.12.19

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.

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 year ended 31 December 2019

The old proverb that markets climb a wall of worry is an apt epitaph for 2019. Trade war rhetoric was an ever-present threat, many European economies flirted with recession and historically unconventional economic policies showed little signs of reversing. The markets' ability to climb this wall of worry reflected confidence that these issues can be resolved. Local returns in the range of 20%-30% from all Europe's main exchanges reflects a switch from glass half-empty to glass half-full.

At the end of 2018 we made some enhancements to our process as well as 'hard-coding' portfolio rules to ensure we maintained both a valuation and a risk discipline. Whilst it is still early days in terms of a long-term investment horizon, the early signs are encouraging. The fund had a strong year in both absolute and relative terms. The fund was +30.1% in GBP with the comparable market +21.0% and peer median 20.1%. Small and mid-cap stocks drove our performance during 2019. We also managed to add some value around the edges of most of the large index sectors, the notable exception being consumer durables where lack of exposure to the market darlings cost us c.4% of performance.

We had some success in the technology stocks BE Semiconductor Industries, ASM International and STMicroelectronics. As well as anticipating the next semiconductor up-cycle these stocks all had stock specific investment cases around market share gains which drove their performance. Whilst we have reduced position sizes, collectively these stocks are still c.6% of the fund. Other winners over the year included lastminute.com, an online travel company now reaping the rewards of a multi-year investment program and Dometic, a Swedish provider of spare parts to the camper van market. We still own lastminute.com but have sold Dometic as the valuation equation became less appealing.

At the end of 2018 we introduced our valuation and risk disciplines. This meant that in the first half of 2019 there was some 'residual' portfolio turnover from implementing the new rules. The sales of Renault, Inwido and ICF were due to the companies not complying with the new disciplines. All 3 stocks detracted from performance during 2019 but in aggregate would have done more damage had we held on to them. Our worst performing stock was GAM, the asset manager undergoing a turnaround after well publicised issues. We are of the view that should they stabilise AUM the shares are very cheap. Of course, this is a risk but with a significant net cash Balance Sheet we think this is an equation worth backing, albeit with a moderate 1.6% weighting.

Although our semiconductor exposure is lower than it was, we continue to believe we are in a very significant technology investment cycle. Another way we play this is via our IT Services 'Cluster'. These asset-light, cash generative companies are helping their clients negotiate the many opportunities and threats that big data and artificial intelligence amongst other trends are throwing up. We have 9% of the fund here all in small-cap rapidly growing stocks, all with consolidation potential. Adding together all our direct technology holdings we consider our exposure here around 20%. This is direct technology investment exposure. Indirectly, all of our holdings are investing in technology to try and protect and enhance their competitive positioning.

Our valuation discipline is a commitment to maintain a material Free Cash Flow Yield (FCFY) premium to the market at all times. Despite the strong rise in the NAV, the portfolio FCFY traded in a relatively narrow 6-7% range for most of the year, ending just below at 5.8%. The market FCFY ended the year at 4.2%. The resultant FCFY premium is in the 30-40% range we have seen throughout 2019. It is encouraging we have been able to replace strong performing stocks which have fallen out of our valuation sweet spot consistently with cheaper stocks without compromising valuation, growth or risk profile. Of course, as markets continue to rise this becomes an increasing challenge.

## Investment Adviser's Report

continued

Our risk discipline is founded on the belief that to outperform over the longer term there is no need to take excessive financial risk. We express this discipline in a commitment to keep the portfolio financial leverage (defined by Net Debt/Ebitda) lower than the market at all times. At the start of 2019 we had a ND/Ebitda ratio of 1.0x compared to the market on 1.4x. By the end of 2019, market leverage has increased to 1.6x but our portfolio leverage has fallen sharply to 0.5x. We believe that lowering the portfolio risk profile is an appropriate response to a rising market. More than half our (non-financial) portfolio has either a net cash Balance Sheet or less than one year's cash flow in net debt. Depending on what markets may take fright about, this specific feature, in addition to our cash-flow based valuation discipline, should help give our portfolio downside protection.

The perennial question of whether to follow Value or Growth strategies continues to exercise many. Our philosophical response (courtesy of Warren Buffet) is to note that growth is always a component in the calculation of value. In other words, the strategies are not distinct, but inextricably linked. The sweet spot for us is finding investments with both cheaper cash flows than the market and better growth prospects than the market. As noted above we have considerably cheaper cash flows than the market and we expect our portfolio to deliver better sales growth than the European market average: 4.8% compared to 3.4%.

The recent backing up of bond yields has brought value and valuation discipline back on to the agenda. The gap between the cheapest and the most expensive stocks had become extended by historical standards and this has started to close. We will continue to monitor this relationship as if this continues it may well offer opportunities in quality growth stocks whose main crime was to be overvalued by the market. The bounce in many out of favour stocks now needs to be followed by earnings upgrades.

Irrespective of the moods and trends of the market we will continue to be driven by our twin valuation and risk disciplines to deliver cheaper cash flows than the market at a lower financial risk profile than the market.

31/12/19	Portfolio	Market
FCFY	5.8%	4.2%
Sales growth	4.8%	3.4%
ND/EBITDA	0.5x	1.6x
DY 2018	3.2%	3.5%
PE 2019	16.0x	15.9x

# MI Chelverton European Select Fund

## Portfolio Statement

as at 31 December 2019

Holding	Security	Market value £	% of total net assets 2019
	<b>OIL &amp; GAS 9.56% (7.15%)</b>		
	<b>Oil &amp; Gas Producers 4.49% (3.91%)</b>		
30,000	Saras	36,426	1.99
1,100	Total	45,829	2.50
		<hr/>	
		82,255	4.49
	<b>Oil Equipment, Services &amp; Distribution 5.07% (3.24%)</b>		
6,000	Subsea 7	54,016	2.94
1,700	TGS Nopec Geophysical	39,006	2.13
		<hr/>	
		93,022	5.07
	<b>BASIC MATERIALS 4.12% (3.92%)</b>		
	<b>Chemicals 4.12% (2.58%)</b>		
4,600	Hexpol	34,052	1.86
552	ICF Warrants 31.07.24	65	0.00
5,900	Recticel	41,393	2.26
		<hr/>	
		75,510	4.12
	<b>Industrial Metals &amp; Mining 0.00% (1.34%)</b>		
	<b>INDUSTRIALS 15.54% (28.60%)</b>		
	<b>Construction &amp; Materials 2.25% (4.25%)</b>		
750	HeidelbergCement Group	41,243	2.25
	<b>Aerospace &amp; Defence 0.00% (2.63%)</b>		
	<b>General Industrials 0.00% (1.67%)</b>		
	<b>Electronic &amp; Electrical Equipment 1.17% (3.59%)</b>		
510	TKH	21,390	1.17
	<b>Industrial Engineering 2.27% (2.64%)</b>		
2,300	Valmet	41,588	2.27
	<b>Industrial Transportation 1.86% (3.49%)</b>		
20,000	PostNL	34,096	1.86
	<b>Support Services 7.99% (10.33%)</b>		
3,250	Arcadis	57,003	3.11
8,500	Cpl Resources*	54,016	2.94
770	Randstadt	35,518	1.94
		<hr/>	
		146,537	7.99
	<b>CONSUMER GOODS 15.04% (8.01%)</b>		
	<b>Automobiles &amp; Parts 0.00% (2.00%)</b>		
	<b>Food Producers 4.12% (0.00%)</b>		
430	Danone	26,918	1.47
700	SalMar	27,017	1.47
1,800	The Grieg Seafood	21,648	1.18
		<hr/>	
		75,583	4.12

# MI Chelverton European Select Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
	<b>Household Goods &amp; Home Construction 5.70% (1.41%)</b>		
1,830	Kaufman & Broad	57,372	3.13
420	Groupe SEB	47,117	2.57
		<hr/>	
		104,489	5.70
	<b>Leisure Goods 1.12% (2.49%)</b>		
220	Fenix Outdoor International	20,614	1.12
	<b>Personal Goods 1.77% (2.11%)</b>		
750	Unilever	32,556	1.77
	<b>Tobacco 2.33% (0.00%)</b>		
1,100	Swedish Match	42,684	2.33
	<b>HEALTH CARE 14.13% (12.80%)</b>		
	<b>Health Care Equipment &amp; Services 2.38% (2.03%)</b>		
1,029	Fresenius	43,629	2.38
	<b>Pharmaceuticals &amp; Biotechnology 11.75% (10.77%)</b>		
770	Bayer	47,504	2.59
700	Novartis	50,143	2.73
840	Novo Nordisk	36,828	2.01
170	Roche	41,612	2.27
520	Sanofi	39,478	2.15
		<hr/>	
		215,565	11.75
	<b>CONSUMER SERVICES 6.63% (1.90%)</b>		
	<b>General Retailers 2.08% (0.00%)</b>		
720	D'ieteren	38,129	2.08
	<b>Media 1.87% (1.90%)</b>		
1,810	Relx	34,292	1.87
	<b>Travel &amp; Leisure 2.68% (0.00%)</b>		
1,370	Lastminute.com	49,127	2.68
	<b>FINANCIALS 16.56% (23.47%)</b>		
	<b>Banks 12.05% (11.54%)</b>		
15,000	Banco Santander	47,407	2.59
7,500	Bank of Ireland	31,024	1.69
4,800	ING	43,461	2.37
9,300	Nordea	57,051	3.11
4,410	UBS	42,010	2.29
		<hr/>	
		220,953	12.05
	<b>Non-life Insurance 2.11% (2.24%)</b>		
125	Zurich Insurance	38,695	2.11

# MI Chelverton European Select Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2019
	<b>Life Insurance 0.00% (2.43%)</b>		
	<b>Real Estate Investment &amp; Services 0.00% (1.69%)</b>		
	<b>Financial Services 2.40% (5.57%)</b>		
14,000	GAM	30,602	1.67
6,000	Ringmetall	13,421	0.73
		<hr/>	
		44,023	2.40
	<b>TECHNOLOGY 14.66% (6.65%)</b>		
	<b>Software &amp; Computer Services 8.80% (3.99%)</b>		
1,220	Bouvet	40,663	2.22
1,470	Infotel	49,698	2.71
2,072	Know It	34,753	1.89
4,700	Silli Solutions	36,319	1.98
		<hr/>	
		161,433	8.80
	<b>Technology Hardware &amp; Equipment 5.86% (2.66%)</b>		
440	ASM International	37,338	2.04
1,360	BE Semiconductor Industries	39,710	2.16
1,500	STMicroelectronics	30,465	1.66
		<hr/>	
		107,513	5.86
	<b>Investment assets</b>	<b>1,764,926</b>	<b>96.24</b>
	<b>Net other assets</b>	<b>68,980</b>	<b>3.76</b>
	<b>Net assets</b>	<b>1,833,906</b>	<b>100.00</b>

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.

## MI Chelverton European Select Fund

### Comparative Tables

#### Change in net assets per share

	A Income	
	31.12.19 p	31.12.18 p
<b>Opening net asset value per share</b>	81.68	100.00†
Return before operating charges <sup>^</sup>	14.20	-15.15
Operating charges	-0.30	-0.72
Return after operating charges <sup>^</sup>	13.90	-15.87
Distributions	0.00	-2.45
Redemption payment	-95.58	0.00
<b>Closing net asset value per share</b>	<b>0.00</b>	<b>81.68</b>
<sup>^</sup> After direct transaction costs of	-0.06	-0.27
<b>Performance</b>		
Return after charges	17.02%	-15.87%
<b>Other Information</b>		
Closing net asset value	–	£20,420
Closing number of shares	–	25,000
Operating charges*	0.75%	0.75%
Direct transaction costs	0.06%	0.28%
<b>Prices</b>		
Highest share price	95.58	103.10
Lowest share price	81.68	80.88

†A Income shares launched 13 March 2018

<sup>^</sup>A Income share class disinvested on 11 June 2019. The return after charges at the date of disinvestment was 17.02%

	B Income		B Accumulation	
	31.12.19 p	31.12.18 p	31.12.19 p	31.12.18 p
<b>Opening net asset value per share</b>	82.00	100.00†	84.46	100.00†
Return before operating charges <sup>^</sup>	24.80	-15.17	25.78	-14.56
Operating charges	-0.94	-0.96	-0.98	-0.98
Return after operating charges <sup>^</sup>	23.86	-16.13	24.80	-15.54
Distributions	-2.27	-1.87	-2.37	-2.24
Retained distributions on accumulation shares	n/a	n/a	2.37	2.24
<b>Closing net asset value per share</b>	<b>103.59</b>	<b>82.00</b>	<b>109.26</b>	<b>84.46</b>
<sup>^</sup> After direct transaction costs of	-0.13	-0.27	-0.14	-0.27
<b>Performance</b>				
Return after charges	29.10%	-16.13%	29.36%	-15.54%
<b>Other Information</b>				
Closing net asset value	£303,279	£250,454	£1,530,627	£1,188,222
Closing number of shares	292,776	305,448	1,400,961	1,406,882
Operating charges*	1.00%	1.00%	1.00%	1.00%
Direct transaction costs	0.14%	0.28%	0.14%	0.28%
<b>Prices</b>				
Highest share price	105.02	103.18	110.63	104.62
Lowest share price	82.11	80.99	84.43	83.34

†B Income shares launched 8 March 2018 and 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 year.

## Comparative Tables

continued

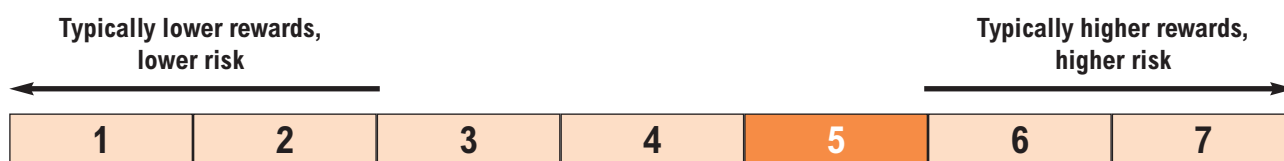
Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting 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. The basis of valuation of investments used to calculate net asset value per share is described in notes to the Financial Statements (1h), and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

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.



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 year ended 31 December 2019

	Note	01.01.19 to 31.12.19		06.03.18 to 31.12.18	
		£	£	£	£
Income					
Net capital gains/(losses)	2		368,551		(274,330)
Revenue	3	53,856		30,634	
Expenses	4	(10,456)		(4,299)	
Interest payable and similar charges	4	–		(7)	
Net revenue before taxation		43,400		26,328	
Taxation	5	(4,881)		(2,417)	
Net revenue after taxation			38,519		23,911
<b>Total return before distributions</b>			<b>407,070</b>		<b>(250,419)</b>
Distributions	6		(38,519)		(24,264)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>368,551</b>		<b>(274,683)</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2019

	01.01.19 to 31.12.19		06.03.18 to 31.12.18	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>1,459,096</b>		–
Amounts receivable on issue of shares	212,259		1,796,103	
Less: Amounts payable on cancellation of shares	(237,576)		(89,202)	
		(25,317)		1,706,901
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		368,551		(274,683)
Retained distributions on accumulation shares		31,576		26,878
<b>Closing net assets attributable to Shareholders</b>		<b>1,833,906</b>		<b>1,459,096</b>

The notes on pages 56 to 62 form an integral part of these Financial Statements.



# MI Chelverton European Select Fund

## Balance Sheet

as at 31 December 2019

	Note	£	31.12.19 £	£	31.12.18 £
<b>ASSETS</b>					
<b>Fixed Assets</b>					
Investments			1,764,926		1,349,641
<b>Current Assets</b>					
Debtors	7	12,089		8,956	
Cash and bank balances	9	81,962		116,229	
<b>Total current assets</b>			<b>94,051</b>		<b>125,185</b>
<b>Total assets</b>			<b>1,858,977</b>		<b>1,474,826</b>
<b>LIABILITIES</b>					
Investment liabilities			–		–
<b>Creditors</b>					
Bank overdrafts	9	–		(3,042)	
Distribution payable		(393)		(71)	
Other creditors	8	(24,678)		(12,617)	
<b>Total creditors</b>			<b>(25,071)</b>		<b>(15,730)</b>
<b>Total liabilities</b>			<b>(25,071)</b>		<b>(15,730)</b>
<b>Net assets attributable to Shareholders</b>			<b>1,833,906</b>		<b>1,459,096</b>

The notes on pages 56 to 62 form an integral part of these Financial Statements.

# MI Chelverton European Select Fund

## Notes to the Financial Statements

for the year ended 31 December 2019

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 to 9.

<b>2. Net Capital Gains/(Losses)</b>	<b>01.01.19 to 31.12.19</b>	<b>06.03.18 to 31.12.18</b>
	£	£
Non-derivative securities	374,474	(268,991)
Currency (losses)/gains	(525)	1,001
Transaction charges	(5,398)	(6,340)
<b>Net capital gains/(losses)</b>	<b>368,551</b>	<b>(274,330)</b>

<b>3. Revenue</b>	<b>01.01.19 to 31.12.19</b>	<b>06.03.18 to 31.12.18</b>
	£	£
UK dividends: Ordinary	953	–
Overseas dividends	52,908	30,654
Bank interest	(5)	(20)
<b>Total revenue</b>	<b>53,856</b>	<b>30,634</b>

<b>4. Expenses</b>	<b>01.01.19 to 31.12.19</b>	<b>06.03.18 to 31.12.18</b>
	£	£
Payable to the Authorised Corporate Director (ACD), associates of the ACD and agents of either of them:		
ACD's fee	33,295	1,217
Registration fees	16,500	13,565
	<u>49,795</u>	<u>14,782</u>
Payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	11,909	7,971
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	12,000	9,863
Safe custody and other bank charges	233	164
	<u>12,233</u>	<u>10,027</u>

# MI Chelverton European Select Fund

## Notes to the Financial Statements

continued

<b>4. Expenses (continued)</b>	<b>01.01.19 to 31.12.19</b>	<b>06.03.18 to 31.12.18</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration:		
Audit fee (including VAT)	8,652	–
Audit fee (including VAT) - predecessor fee	–	7,200
Tax compliance services (including VAT)	1,800	–
Tax compliance services (including VAT) - predecessor tax advisor	300	1,800
	<hr/> 10,752	<hr/> 9,000
Other expenses:		
Legal fees	5,167	7,439
Printing costs	1,436	1,290
	<hr/> 6,603	<hr/> 8,729
Investment Adviser rebate accrued against expenses	(80,836)	(46,210)
	<hr/>	<hr/>
<b>Expenses</b>	<b>10,456</b>	<b>4,299</b>
Interest payable and similar charges	–	7
<b>Total</b>	<b>10,456</b>	<b>4,306</b>

<b>5. Taxation</b>	<b>01.01.19 to 31.12.19</b>	<b>06.03.18 to 31.12.18</b>
	<b>£</b>	<b>£</b>
(a) Analysis of charge in the year:		
Corporation Tax - Adjustments in respect of prior periods	335	–
Overseas tax	4,546	2,417
<b>Total tax charge (note 5b)</b>	<b>4,881</b>	<b>2,417</b>
	<hr/>	<hr/>
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	43,400	26,328
Corporation tax at 20%	8,680	5,266
Effects of:		
UK dividends	(190)	–
Corporation Tax - Adjustments in respect of prior periods	335	–
Movement in surplus management expenses*	2,092	865
Overseas tax expensed	4,546	2,417
Non-taxable overseas earnings	(10,582)	(6,131)
<b>Total tax charge (note 5a)</b>	<b>4,881</b>	<b>2,417</b>

## Notes to the Financial Statements

continued

### 5. Taxation (continued)

(c) Deferred tax

At the year end there is a potential deferred tax asset of £2,092 (2018: £nil) 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.

\*The comparative potential net deferred tax asset has been restated from £865 to nil. The potential deferred tax asset has been reduced to nil and a tax charge of £335 was actually paid. This was due to an incorrect classification of allowable expenses in the prior year.

### 6. Distributions

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

	01.01.19 to 31.12.19 £	06.03.18 to 31.12.18 £
Interim distribution	30.06.19 35,692	26,821
Final distribution	31.12.19 2,423	2,433
	38,115	29,254
Revenue deducted on cancellation of shares	1,150	484
Revenue received on issue of shares	(746)	(5,474)
<b>Distributions</b>	<b>38,519</b>	<b>24,264</b>
<b>Reconciliation of net revenue after taxation to net distributions:</b>		
Net revenue after taxation per Statement of Total Return	38,519	23,911
Revenue deficit	–	355
Undistributed revenue brought forward	2	–
Undistributed revenue carried forward	(2)	(2)
<b>Distributions</b>	<b>38,519</b>	<b>24,264</b>

# MI Chelverton European Select Fund

## Notes to the Financial Statements

continued

<b>7. Debtors</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
Amounts receivable on issues	250	–
Accrued income:		
Dividends receivable	–	472
Overseas tax recoverable	3,812	1,479
Prepaid expenses:		
Legal fee	–	1,082
Total ongoing charge (OGC) rebate	8,027	5,923
<b>Total debtors</b>	<b>12,089</b>	<b>8,956</b>
<b>8. Other Creditors</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
Accrued expenses:		
Amounts payable to the Investment Adviser, associates of the Investment Adviser and agents of either of them:		
Investment Adviser's fee	1,129	925
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	2,005	2,006
Safe custody and other bank charges	42	36
	2,047	2,042
Auditor's remuneration:		
Audit fee (including VAT)	8,652	–
Audit fee (including VAT) - predecessor fee	7,200	7,200
Tax compliance services (including VAT)	1,800	–
Tax compliance services (including VAT) - predecessor tax advisor	2,100	1,800
	19,752	9,000
Other expenses:		
Legal fees	1,100	–
Printing costs	650	650
	1,750	650
<b>Total other creditors</b>	<b>24,678</b>	<b>12,617</b>
<b>9. Cash and Bank Balances</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	81,962	116,229
Overdraft positions	–	(3,042)
<b>Cash and bank balances</b>	<b>81,962</b>	<b>113,187</b>

## Notes to the Financial Statements

continued

### 10. Related Party Transactions

Maitland Institutional Services Limited (MISL) is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director (ACD).

ACD and other fees payable to MISL 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.

Amounts receivable from the Investment Adviser for total ongoing charge rebates accrued against expenses are disclosed in note 4, and amounts due at the year end are shown in note 7.

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

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2018: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 8 and 9.

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 £176,493 (2018: £134,964).

#### Currency risk

Although the Sub-fund's capital and income are denominated in sterling, a proportion of the Sub-fund's investments may have currency exposure and, as a result, the income and capital value of the Sub-fund are affected by currency movements.

The table below details the currency risk profile at the balance sheet date.

Currency	31.12.19 £	31.12.18 £
Danish krone	37,096	41,400
Euro	1,163,230	935,619
Norwegian krone	182,588	72,076
Pound sterling	65,168	107,504
Swedish krona	132,103	128,454
Swiss franc	253,721	174,043
	<b>1,833,906</b>	<b>1,459,096</b>

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £176,874 (2018: £135,159).

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

31.12.19

Analysis of purchases	Total purchase cost £	Commissions paid		Taxes		Purchases before transaction costs £
		£	%	£	%	
Equities	1,146,705	859	0.07	601	0.05	1,145,245
Corporate Actions	(1,972)	–	0.00	–	0.00	(1,972)
<b>Total purchases after commissions and tax</b>	<b>1,144,733</b>					

Analysis of sales	Net sale proceeds £	Commissions paid		Taxes		Sales before transaction costs £
		£	%	£	%	
Equities	1,103,921	806	0.07	1	0.00	1,104,728
<b>Total sales after commissions and tax</b>	<b>1,103,921</b>					
Commission as a % of average net assets	0.10%					
Taxes as a % of average net assets	0.04%					

31.12.18

Analysis of purchases	Total purchase cost £	Commissions paid		Taxes		Purchases before transaction costs £
		£	%	£	%	
Equities	2,051,974	1,536	0.07	1,848	0.09	2,048,590
Corporate Actions	949	–	0.00	–	0.00	949
<b>Total purchases after commissions and tax</b>	<b>2,052,923</b>					

Analysis of sales	Net sale proceeds £	Commissions paid		Taxes		Sales before transaction costs £
		£	%	£	%	
Equities	434,283	326	0.08	1	0.00	434,610
<b>Total sales after commissions and tax</b>	<b>434,283</b>					
Commission as a % of average net assets	0.14%					
Taxes as a % of average net assets	0.14%					

Commissions and taxes as a % of the average net assets form part of the direct transactions costs stated within the comparative tables on page 52. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

# MI Chelverton European Select Fund

## Notes to the Financial Statements

continued

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2019 is 0.36% (2018: 0.45%).

### 15. Fair Value Disclosure

Valuation technique	31.12.19		31.12.18	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	1,764,926	–	1,349,641	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	–	–	–	–
	<b>1,764,926</b>	<b>–</b>	<b>1,349,641</b>	<b>–</b>

<sup>^</sup> Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup> Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

<sup>^^^</sup> Level 3: Valuation techniques using unobservable inputs.

### 16. Shareholders Funds

	A Income	B Income	B Accumulation
Opening number of shares	25,000	305,448	1,406,882
Shares issued	–	36,057	174,028
Shares cancelled	(25,000)	(48,729)	(179,949)
<b>Closing number of shares</b>	<b>–</b>	<b>292,776</b>	<b>1,400,961</b>



# MI Chelverton European Select Fund

## Distribution Tables

for the year ended 31 December 2019

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution payable 2019 p	Distribution paid 2018 p
A <sup>^</sup>	Interim	Group 1	–	–	–	2.1681
		Group 2	–	–	–	2.1681
	Final	Group 1	–	–	–	0.2854
		Group 2	–	–	–	0.2854
B	Interim	Group 1	2.1377	–	2.1377	1.8709
		Group 2	0.2602	1.8775	2.1377	1.8709
	Final	Group 1	0.1342	–	0.1342	–
		Group 2	0.0223	0.1119	0.1342	–

### 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
	Final	Group 1	0.1449	–	0.1449	0.1679
		Group 2	0.0359	0.1090	0.1449	0.1679

<sup>^</sup>A Income share class disinvested on 11 June 2019.

### Further information

Interim period: 01.01.19 - 30.06.19

Final period: 01.07.19 - 31.12.19

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

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-funds' currently have 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](http://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 Company 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 Company, 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.

### ACD Value Assessment

The ACD is required to provide an annual statement for the Fund, attesting that in the opinion of the ACD the services provided to the Fund and any fees chargeable to the scheme property represent value for money, taking into account the following criteria as set out by the Regulator under COLL 6.6.20R:

- Quality of Service
- Performance
- Economies of Scale
- Comparable Services and Market Rates
- Classes of Units

This statement references services provided directly by the ACD and those services delegated by the ACD to third parties such as, but not limited to, investment management, depositary services, custody and settlement, audit provision, legal services, printing services, KIID production and maintenance, and other costs as may be set out or allowable in the scheme documentation.

## General Information

continued

### Investment Adviser Fees

The investment management function is delegated to an FCA authorised, professional investment management firm. The Investment Manager provides an active investment management service consistent with the Investment Policy and Objectives set out within the scheme documentation.

The fees of the Investment Adviser represent the largest cost to the Fund, are clearly set out within the scheme documentation, and are consistent with the market rates for other professional investment managers for hire providing comparable services.

The Investment Adviser fees may vary by share class reflecting the size of the minimum investment into that share class, with the objective of providing economies of scale for larger investors.

### Services Provided by the ACD

The ACD fees are regularly reviewed against prevalent market rates for a professional ACD for hire taking into account the complexity and risk profile of the Fund. The ACD's fees are clearly set out in the scheme documentation and are tiered based on the overall value of the Fund to reflect economies of scale.

### Services Delegated by the ACD

Services delegated by the ACD are provided by professional entities for hire appointed on an arm's length basis. Delegates are appointed under competitive tender and their services are regularly reviewed and benchmarked by the ACD to ensure that they are consistent with services provided by other similar professional entities for hire. When appointing or reviewing delegates the ACD takes into account the quality of the services provided, the performance of the appointed entity over a period of time and, that the costs of the service provided take into account any economies of scale that may be available to funds of a similar size or complexity.

### Summary

It is the opinion of the ACD that the fees charged to the scheme property of the Fund represent value for money for investors taking into account the criteria set out by the Regulator.

### Remuneration of the ACD

The ACD is subject to a remuneration policy which meets the requirements of the Undertakings for Collective Investment in Transferable Securities Directive (UCITS) as set out in SYSC 19E of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the ACD compliance with its duty to act in the best interests of the funds it manages.

The ACD has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

This disclosure does not include portfolio management activities as these are undertaken by various third party investment managers appointed by the ACD. The investment manager is required to make separate public disclosure as part of their obligations under the Capital Requirements Directive.

The ACD is required to disclose the total remuneration it pays to its staff during the financial year of the fund, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a fund or the ACD itself. This includes executives, senior risk and compliance staff and certain senior managers.

## General Information

continued

### Remuneration of the ACD (continued)

	Number of Beneficiaries	Fixed	Variable	Total
Total remuneration paid by the AUTM during the year	84	£5,143,072	£42,920	£5,185,992
Remuneration paid to employees of the ACD who are material risk takers	5	£937,996	£2,500	£940,496

Further information is available in the ACD's Remuneration Policy Statement which can be obtained from [www.maitlandgroup.com](http://www.maitlandgroup.com) or, on request free of charge, by writing to the registered office of the ACD.

### 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.

# Maitland Institutional Services Limited

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