

Monthly Fact Sheet

30 September 2020

Launch Date	4 December 2006
Fund Size	£395m
Historic Yield*	4.26%

Share Price (as at 30.09.20)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	87.96p	182.86p

Investment Objective and Policy

The objective of the Fund is to provide a progressive income stream and achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities. The Fund will invest in UK companies which aim to provide a high initial dividend, progressive dividend payments and long term capital appreciation.

Fund Managers



David Horner

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

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



David Taylor

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

Investment Limited in 1991, during this time, he ran a combination of institutional funds and investment trusts, namely the Clydesdale Investment Trust and London & Strathclyde Trust. In 1995, he moved to LGT to manage small cap retail funds and latterly spent nearly seven years as head of UK smaller companies at HSBC Asset Management. He joined Chelverton Asset Management in January 2006 and has co-managed the Chelverton UK Equity Income Fund since launch.

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

MI Chelverton UK Equity Income Fund

Monthly Manager Commentary

Towards the end of the month, the Fund suffered as new restrictions were imposed by the government, including the 10pm curfew. The adverse effects on the hospitality trade needs no explanation but share prices fell across the board as investor sentiment turned negative in the face of a constantly changing set of rules. Whilst this is not a political forum, it is interesting to note what appears to be an increased level of debate in government about the social and economic implications of such measures. Whilst domestic consumer facing business remains volatile there has been a consistent trend of improvement in B2B trading in recent months against a background where inventory levels appear to be relatively low, leading some commentators to talk about the prospect of a sharp recovery in industrials. If this turns out to be the case, it should start to focus minds on the underlying valuation of 'value' stocks and sectors. At the time of writing the prospects of a 'no deal' Brexit and all the uncertainties implied with such an outcome appear to have reduced as well, as both sides make more conciliatory statements. We shall see. In the meantime, corporate UK still seems to be trading ahead of what appear to be overly bearish analyst estimates.

An indication that the corporate world is returning to some sort of normality is that after a lengthy period of inactivity a number of our holdings announced acquisitions or potential acquisitions last month. Redde Northgate was first out of the blocks with the purchase of Nationwide Accident which was well received and the fact that it was paid for out of cash resources highlighted balance sheet strength. TT Electronics used a combination of a small equity raise and existing cash resources to buy a business in the US that they had been keen on for some time, and the crisis has provided the opportunity. On the other hand, Essentra 'over raised' when they announced the purchase of a US packaging business via a share issue and this has caused a short term sell off in the share price to the point that the stock was one of our worst performers in the month. Another poor performer in the month was TP ICAP which towards the end of the month announced the intention to buy Liquidnet, but it is to be partially funded by issuing new equity and the news has caused a sharp sell off in the share price. Financial stocks in general performed poorly last month with Ashmore and Provident Financial also detracting value. Consumer cyclicals such as Rank and Marstons suffered, but Halfords bucked the trend as the continuing momentum in cycles was highlighted in a positive trading update. STV bounced back strongly from last month's sell off, Strix benefitted from a reassuring trading update and consumer defensives, Devro and Bakkavor, performed relatively well.

Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	-2.85	-0.11	-21.80	-22.27	1.14	119.20
Rank in sector	63/86	13/86	61/85	63/81	43/74	2/59
Quartile	3rd	1st	3rd	4th	3rd	1st
IA UK Equity Income (%)	-2.32	-3.23	-17.41	-14.67	5.22	63.36

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2020

Calendar Year Performance (%)

	YTD	2019	2018	2017	2016	2015
Fund	-30.41	24.59	-14.20	24.27	4.56	16.85
IA Sector (%)	-22.94	20.12	-10.53	11.50	8.89	6.12

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2020

Dividend History

	Q1	Q2	Q3	Q4	Total
2017 B Income	0.78p	1.25p	1.25p	2.48p	5.76p
2018 B Income	0.79p	1.40p	1.40p	2.29p	5.88p
2019 B Income	0.80p	1.50p	1.50p	1.99p	5.79p
2020 B Income	0.24p	0.55p	0.98p (e)		

History of dividends declared per share. Source: Chelverton Asset Management Limited. (e) is estimated.

© Morningstar 2020. All rights reserved. Use of this content requires expert knowledge. It is to be used by specialist institutions only. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is no guarantee of future results.

Monthly Fact Sheet

30 September 2020

ACD

Maitland Institutional Services Limited

Investment Advisor

Chelverton Asset Management Limited

Administrator

Maitland Institutional Services Limited

Income Paid Quarterly

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

Valuation 12 Noon, Daily

SEDOL Codes

	Income	Accumulation
B Shares	B1FD646	B1Y9J57

Initial Charge (%)

B Shares 5.0*

Annual Management Fee (%)

B Shares 0.75

Minimum Investment

B Shares £1,000

Ongoing Charge (%)

B Shares 0.89

*or any such lower amount agreed with the ACD

Dealing Line 0345 305 4217

Dealing Fax 0845 280 0188

FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

Tel +44 (0)20 3195 0076

Email chelverton@springcapitalpartners.com

Visit springcapitalpartners.com

springcapital

MI Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Diversified Gas & Oil	Oil & Gas	2.66
2. Strix	Electronic & Electrical Equipment	2.46
3. Sabre Insurance	Nonlife Insurance	2.31
4. Contourglobal	Utilities	2.24
5. FDM	Software & Computer Services	2.16
6. Chesnara	Life Insurance	2.12
7. Mortgage Advice Bureau	Financial Services	2.01
8. Devro	Food Producers	1.93
9. Ashmore	Financial Services	1.80
10. Bloomsbury	Media	1.77
11. Tate & Lyle	Food Producers	1.76
12. Redde Northgate	Support Services	1.74
13. Phoenix Group	Life Insurance	1.57
14. Polar Capital Holdings	Financial Services	1.56
15. TT Electronics	Electronic & Electrical Equipment	1.49
16. Synthomer	Chemicals	1.49
17. Supermarket Income REIT	Real Estate Investment Trusts	1.46
18. STV Group	Media	1.43
19. Close Brothers Group	Banks	1.42
20. Halfords	General Retailers	1.41

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	30.59	24
£500m - £1bn	13.61	10
£250m - £500m	30.27	25
£100m - £250m	14.70	18
Below £100m	6.73	16
Cash and Income	4.10	-
Total	100.00	93

Source: Chelverton Asset Management Limited

Disclaimer: This fund invests in smaller companies and carries a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The fund can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risks described above. This document is provided for information purposes only and should not be interpreted as investment advice. If you have any doubts as to the suitability of an investment, please consult your financial adviser. The information contained in this document has been obtained from sources that Chelverton Asset Management Limited ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy or completeness of the information provided, and therefore no investment decision should be based solely on this data. Past performance is not a guide to future performance. This document is issued by CAM, authorised and regulated by the Financial Conduct Authority. This document does not represent a recommendation by CAM to purchase shares in this Fund. The contents of this document are intended for Professional Investors and Eligible Counterparties only. We recommend private investors seek the services of a Financial Adviser. Maitland Institutional Services Limited are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email Chelverton@maitlandgroup.co.uk or call +44 (0)345 305 4217.