

Monthly Fact Sheet

31 October 2020

Launch Date	4 December 2006
Fund Size	£382m
Historic Yield*	4.29%

Share Price (as at 31.10.20)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	87.21p	183.35p

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

After a policy of tiered lockdowns in England the move to a full national lockdown was 'leaked' at the end of the month. Interestingly the share prices of some of our more UK centric consumer stocks that are directly affected such as Marstons and Restaurant Group were unmoved suggesting that a good deal of bad news is already being priced in. They are also obviously helped by the extension of the furlough payments. DFS, the sofa retailer, released a statement saying that due to a strong order book and delivery schedules this years numbers would not be materially impacted by the latest lockdown. Perhaps the main difference this time is that companies now have the experience of trading through lockdown and have adapted. Sticking with DFS, they now have evidence that their orders either migrate to online or are deferred until stores re open, the proverbial V shaped recovery. The experience of pubs and restaurants is that when they are able to open the demand is there. Elsewhere company trading updates and results continue to be generally better than overly cautious analyst estimates.

The recent announcement of a viable vaccine in the fight against Covid is hopefully the catalyst that investors have been waiting for to start buying 'value' stocks again. In the immediate aftermath of the announcement 'value' significantly outperformed 'growth' both in large and small cap and we wait to see if this leads to a fundamental shift in fund flows over the coming months. Increased confidence resulting from a vaccine should lead to more companies returning to the dividend list over the next six months and should add significantly to our investible universe. At the same time it should also encourage private equity investors to finally start spending their substantial war chests on acquiring some relatively lowly rated public companies. At the stock level last month Bloomsbury was the top contributor to performance in the month as it released its best interim results since 2008 buoyed by the decision to continue to publish and release new titles through the pandemic where competitors chose not to. Pleasingly they returned to paying a cash dividend. Other good performers included Tyman, Synthomer and Halfords. Laggards included Devro, Keller and Strix.

Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	0.27	1.92	-22.17	-24.26	-0.98	109.85
Rank in sector	1/86	3/86	50/85	60/82	30/74	2/59
Quartile	1st	1st	3rd	3rd	2nd	1st
IA UK Equity Income (%)	-3.63	-3.85	-20.43	-19.00	-2.46	53.63

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.10.2020

Calendar Year Performance (%)

	YTD	2019	2018	2017	2016	2015
Fund	-30.22	24.59	-14.20	24.27	4.56	16.85
IA Sector (%)	-25.74	20.12	-10.53	11.50	8.89	6.12

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.10.2020

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	0.97p		

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

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ACD

Maitland Institutional Services Limited

Investment Advisor

Chelverton Asset Management 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

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FURTHER INFORMATION

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MI Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Diversified Gas & Oil	Oil & Gas	2.92
2. Bloomsbury	Media	2.39
3. Contourglobal	Utilities	2.29
4. Chesnara	Life Insurance	2.16
5. Sabre Insurance	Nonlife Insurance	2.14
6. FDM	Software & Computer Services	2.09
7. Strix	Electronic & Electrical Equipment	1.91
8. Mortgage Advice Bureau	Financial Services	1.88
9. Ashmore	Financial Services	1.87
10. Synthomer	Chemicals	1.86
11. Halfords	General Retailers	1.76
12. Polar Capital Holdings	Financial Services	1.74
13. Redde Northgate	Support Services	1.69
14. Close Brothers Group	Banks	1.67
15. Devro	Food Producers	1.67
16. Tate & Lyle	Food Producers	1.62
17. Phoenix Group	Life Insurance	1.56
18. STV Group	Media	1.54
19. TT Electronics	Electronic & Electrical Equipment	1.50
20. Supermarket Income REIT	Real Estate Investment Trusts	1.46

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	31.48	24
£500m - £1bn	16.61	12
£250m - £500m	25.68	21
£100m - £250m	16.51	20
Below £100m	6.21	15
Cash and Income	3.51	-
Total	100.00	92

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.