

Monthly Fact Sheet

31 January 2021

Launch Date	4 December 2006
Fund Size	£452m
Historic Yield*	2.33% (e)

Share Price (as at 31.01.21)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	105.58p	223.41p

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 positive first week, the market gave up its early gains as the rest of the month was dominated by the vaccine row with the EU and increased fears over mutant virus strains culminating in the adoption of a new UK quarantine regime. The relative success of the domestic vaccine roll-out continues to underpin recovery hopes for our UK centric stocks although the lack of a roadmap out of the current lockdown continues to cause uncertainty as to timing. As a result, analysts attention continues to focus on monthly cash burn for those stocks most affected by the lockdown such as pub groups and restaurants. The bulls are hopeful that there has been a shift by the government towards a policy of under promise and over deliver, something that we always encourage in the companies we invest in. Whilst the relaxation of restrictions remains a moveable feast, the market still appears to be happy to look through the short-term issues to a more normalised future. With the resolution of the trade deal with the EU and the relatively poor performance of the domestic equity market last year, UK analysts are increasingly highlighting the scope for corporate activity and it is interesting to note that towards month end we had an approach for our holding in Marston's from private equity. We expect to see more of this as the year progresses.

Our top positive contributors to performance last month were spread across a wide range of industries but the common theme running through most was a recovery in trading. Devro and Headlam announced that figures would come in at the top end of expectations and Headlam also confirmed that they would resume dividend payments earlier than forecast. STV and Bloomsbury released trading statements guiding to numbers ahead of market estimates with Bloomsbury benefitting from the growth in reading of printed books through the pandemic. Sthree also performed relatively well as it resumed dividend payments along with the release of its final results. We believe that this combination of positive earnings momentum alongside reinstatement of dividends will be a powerful driver of performance for those companies that can achieve it. The negative contributors in the month were a bit of a mixed bag and included Provident Financial, Redde, Sabre and Polar Capital, over worries about the earnings exposure to its technology funds. On the trading front, we added to our positions in Paragon, Watkin Jones and Stock Spirits ahead of good dividend payments, and reduced our exposure to Wood Group, after a short-term price rise, on income grounds.

Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	-0.61	21.85	-12.74	-7.95	24.10	148.24
Rank in sector	33/87	20/86	70/86	55/82	28/75	1/60
Quartile	2nd	1st	4th	3rd	2nd	1st
IA UK Equity Income (%)	-0.75	19.07	-9.21	-3.99	20.56	80.78

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.01.2021

Calendar Year Performance (%)

	YTD	2020	2019	2018	2017	2016
Fund	-0.61	-14.45	24.59	-14.20	24.27	4.77
IA Sector (%)	-0.75	-10.91	20.12	-10.53	11.50	9.05

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.01.2021

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	0.70p(e)	2.46(e)

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

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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	2.55
2. Bloomsbury	Media	2.35
3. Ashmore	Financial Services	2.04
4. Contourglobal	Utilities	2.03
5. Chesnara	Life Insurance	1.99
6. Redde Northgate	Support Services	1.99
7. Sabre Insurance	Nonlife Insurance	1.99
8. Mortgage Advice Bureau	Financial Services	1.93
9. Polar Capital Holdings	Financial Services	1.91
10. Close Brothers Group	Banks	1.89
11. FDM	Software & Computer Services	1.77
12. Devro	Food Producers	1.71
13. Strix	Electronic & Electrical Equipment	1.69
14. STV Group	Media	1.62
15. Tate & Lyle	Food Producers	1.61
16. Synthomer	Chemicals	1.55
17. Keller Group	Construction & Materials	1.49
18. Tyman	Construction & Materials	1.46
19. Drax Group	Utilities	1.46
20. Brewin Dolphin	Financial Services	1.44

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	31.19	25
£500m - £1bn	26.65	23
£250m - £500m	22.55	20
£100m - £250m	12.51	14
Below £100m	4.73	12
Cash and Income	2.37	-
Total	100.00	94

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.