

## Monthly Fact Sheet

### 28 February 2021

<b>Launch Date</b>	4 December 2006
<b>Fund Size</b>	£464m
<b>Historic Yield*</b>	2.24%

#### Share Price (as at 28.02.21)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	109.84p	232.42p

### 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

As investors look through lockdown to a period of economic recovery, the debate has moved increasingly to one of 'value' versus 'growth'. It is well documented that growth as a style performed relatively well through the pandemic and commentators have been searching for a catalyst that may start to close the performance gap moving forward. To this end all eyes are now firmly on the recent increase in the US long bond yield, a lead indicator of rising inflation, and something that has historically provided a tail wind to 'value' investors. Over the coming months we expect an increase in inflationary pressures at home after the effects of the rise in the oil price and a 're-opening' bounce in domestic consumer spending start to be reflected in macro data. We have seen the first signs of increased investor interest in our investible universe and this will hopefully be sustained moving forward as the recent build up in the domestic savings ratio starts to be run down. The busy results season has started well with most numbers coming in at least in line with expectations, although some momentum has been lost in US Dollar earners as the relative strength of Sterling is holding back this year's earnings progress. The lack of downgrades in these stocks however does reassure us that generally analyst estimates remain conservative.

As the vaccine rollout continues unabated our best performers over the last month include a number of stocks geared to a reopening of the UK economy including Restaurant Group, Rank and Saga. Whilst the roadmap out of lockdown may appear to be too slow for some and too fast for others it should at least give companies a definitive timeline with respect to their own move to more normalised trading. One of the biggest operational frustrations for the stocks that we invest in over the past year has been the constant changing of external rules and guidelines making both day to day management and forward planning difficult. Wilmington performed well after a good set of results and a good investor update. The pandemic has forced the company and its clients to adopt a more digital approach to their relationship at a much faster rate than would have happened otherwise and this will benefit both parties in the future. The fact that a lot of our stocks have brought forward 'change' in their business models throughout the last year makes us believe that the quality of underlying earnings in our portfolio will be improved as profits recover. Close Brothers continued to rise after last month's update and DMGT shares were up as they sold their Hobsons Education division for a price that was ahead of analyst expectations. On the downside, Bloomsbury gave up some of its strong recent gains, RM fell on further worries over school reopening and we added to Ultra Electronics as it drifted off ahead of results.

## Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	4.03	9.05	2.85	-1.98	28.09	159.12
Rank in sector	16/87	14/86	42/86	55/82	23/75	1/60
Quartile	1st	1st	2nd	3rd	2nd	1st
IA UK Equity Income (%)	2.60	5.58	3.21	1.42	22.49	81.87

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 28.02.2021

## Calendar Year Performance (%)

	YTD	2020	2019	2018	2017	2016
Fund	3.40	-14.45	24.59	-14.20	24.27	4.77
IA Sector (%)	1.83	-10.91	20.12	-10.53	11.50	9.05

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 28.02.2021

## 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	2.46p

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

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Monthly Fact Sheet

**28 February 2021**

**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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**springcapital**

## MI Chelverton UK Equity Income Fund

**Top 20 Holdings**

Holding	Sector	% of Portfolio
1. Diversified Gas & Oil	Oil & Gas	2.67
2. Redde Northgate	Support Services	2.13
3. Contourglobal	Utilities	2.06
4. Mortgage Advice Bureau	Financial Services	2.01
5. Bloomsbury	Media	2.01
6. Chesnara	Life Insurance	2.00
7. Close Brothers Group	Banks	2.00
8. Polar Capital Holdings	Financial Services	1.90
9. Sabre Insurance	Nonlife Insurance	1.87
10. Ashmore	Financial Services	1.80
11. Strix	Electronic & Electrical Equipment	1.77
12. FDM	Software & Computer Services	1.72
13. Devro	Food Producers	1.70
14. Tate & Lyle	Food Producers	1.64
15. Synthomer	Chemicals	1.59
16. STV Group	Media	1.57
17. Keller Group	Construction & Materials	1.50
18. Drax Group	Utilities	1.44
19. SThree	Support Services	1.42
20. Jupiter Fund Management	Financial Services	1.41

Source: Chelverton Asset Management Limited

**Market Cap Breakdown**

	% of Portfolio	No. of Stocks
Above £1bn	30.29	24
£500m - £1bn	35.74	31
£250m - £500m	14.48	13
£100m - £250m	12.77	13
Below £100m	5.03	12
Cash and Income	1.69	-
<b>Total</b>	<b>100.00</b>	<b>93</b>

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](mailto:Chelverton@maitlandgroup.co.uk) or call +44 (0)345 305 4217.