

Monthly Fact Sheet

31 March 2021

Launch Date	4 December 2006
Fund Size	£490m
Historic Yield*	2.47% (e)

Share Price (as at 31.03.21)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	116.40p	246.30p

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

Results season went into full swing in March and in general companies were able to meet or beat expectations. This was undoubtedly aided by the fact that forecasts were heavily cut at the height of the pandemic and had been upgraded more gradually, however it was enough to maintain the positive momentum in the market. The budget was largely a non-event from an investment point of view, with most of the important announcements well flagged in the press beforehand. Domestically all eyes remain fixed on the re-opening of the economy and the market seems content to look through any hiccups in the vaccine rollout, with a general belief that the government will largely stick to its roadmap out of lockdown. The UK is also looking increasingly attractive when compared to other global economies given the expected pace of recovery and the receding uncertainty around post-Brexit trading. This has helped fuel continued demand for UK cyclicals with small caps also outperforming large caps, both positives for our portfolio. The continued rise in the US long bond yield has put inflation firmly on the radar for investors, adding more momentum to the value rotation and leading to increased investor interest in our investable universe. With the much talked about unwind in the domestic savings ratio expected over the next few months, we are optimistic that this increased appetite will continue.

Our top performers in the month were a diverse group, but the common denominator was increased confidence as the UK economy re-opens. Our top performer was Mortgage Advice Bureau buoyed by a strong set of results, strength in the housing market and the launch of a Mortgage Guarantee Scheme in the budget. Similar sentiment also pushed the housebuilders higher, with Bellway, Vistry and Crest Nicholson all performing well. Halfords and DFS were beneficiaries of the re-open trade, as was Redde Northgate whose Redde business has been suffering from a lack of cars on the road during lockdown. The exception to the trend was Zegona which rose on the back of a recommended bid for its core investment, Spanish telecoms business Euskaltel. We have seen a pickup in the number of bids across the market, and we expect to see more as confidence continues to improve. There was no real theme to our negative contributors on the month with Provident Financial falling after announcing a strategic review of its Consumer Credit Division and Diversified Gas & Oil and Moneysupermarket giving up some of their recent gains.

Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	5.97	9.57	52.57	6.81	31.71	172.41
Rank in sector	14/85	13/85	4/84	46/80	22/73	1/60
Quartile	1st	1st	1st	3rd	2nd	1st
IA UK Equity Income (%)	4.87	6.79	32.57	8.84	25.97	91.58

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.03.2021

Calendar Year Performance (%)

	YTD	2020	2019	2018	2017	2016
Fund	9.57	-14.45	24.59	-14.20	24.27	4.77
IA Sector (%)	6.79	-10.91	20.12	-10.53	11.50	9.05

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.03.2021

Dividend History

	Q1	Q2	Q3	Q4	Total
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
2021 B Income	0.65p (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. Redde Northgate	Support Services	2.31
2. Diversified Gas & Oil	Oil & Gas	2.27
3. Chesnara	Life Insurance	2.08
4. Bloomsbury	Media	2.03
5. Mortgage Advice Bureau	Financial Services	1.99
6. Sabre Insurance	Nonlife Insurance	1.94
7. Close Brothers Group	Banks	1.90
8. Polar Capital Holdings	Financial Services	1.90
9. Contourglobal	Utilities	1.89
10. Devro	Food Producers	1.78
11. Tate & Lyle	Food Producers	1.65
12. FDM	Software & Computer Services	1.65
13. Strix	Electronic & Electrical Equipment	1.64
14. Ashmore	Financial Services	1.61
15. STV Group	Media	1.54
16. Synthomer	Chemicals	1.52
17. Drax Group	Utilities	1.50
18. Bakkavor	Food Producers	1.50
19. SThree	Support Services	1.45
20. Keller Group	Construction & Materials	1.44

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	31.88	27
£500m - £1bn	35.88	30
£250m - £500m	14.42	14
£100m - £250m	12.83	14
Below £100m	3.79	10
Cash and Income	1.20	-
Total	100.00	95

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.