

Monthly Fact Sheet

30 June 2023

Launch Date 4 December 2006

Fund Size £330m

Historic Yield 5.67% (e)

The historic yield reflects distributions over the past 12 months as a percentage of the 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.

Share Price (as at 30.06.23)

Shares	Income	Accumulation
B Shares	99.34p	233.09p

SEDOL Codes

	Income	Accumulation
Sedol	B1FD646	B1Y9J57
ISIN	GB00B1FD6467	GB00B1Y9J570

Income Paid Quarterly

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

Valuation 12 Noon, Daily

Initial Charge (%) 5.0*

Annual Management Fee (%) 0.75

Minimum Investment £1,000

Ongoing Charge (%) 0.89

Charges are for B share class.

*or any such lower amount agreed with the ACD

ACD

Maitland Institutional Services Limited

Investment Advisor

Chelverton Asset Management Limited

Administrator

Maitland Administration Services Ltd

Dealing Details

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MI Chelverton UK Equity Income Fund

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.

Monthly Manager Commentary

UK equity funds continued to take the strain of poor macro news as fund flows remained negative and investors looked elsewhere for more positive momentum. For the second month in a row domestic inflation numbers surprised on the upside with the services sector and rising wages being the main culprit. Commentators now appear fixated about how high UK interest rates will have to go before authorities can get on top of the inflation problem and estimates as high as six and a half percent are being talked about. This is a significant step up from the expectations just a few months ago and is the root cause of the current 'risk off' attitude towards domestic equities. We believe and history suggests that it can take up to eighteen months for the full effects of interest rate rises to be reflected in inflation numbers and our worry is that there is a fine line between controlling inflation on the one hand and overly tightening and tipping the economy into recession on the other. In the meantime there are some parts of the economy such as housing that will feel the full force of rate rises almost immediately as mortgage rates rise and buyers become more cautious. Not surprisingly Mortgage Advice Bureau, Marshalls, Crest Nicholson and Bellway were amongst our worst performers over the month. At current prices, we believe all of them represent very good value over the medium term.

Despite the travails of the economy investors can glean some comfort from a cross selection of bottom-up news within our portfolio. Morgan Sindall issued a very positive trading update leading to high single digit earnings upgrades as profits are expected to be above previous estimates. The continued strong performance of fit-out was a major positive. Despite the much vaunted trend to working from home office fit out continues to be in high demand as space needs to be reconfigured to adapt to new working practices. Telecom Plus and XPS released good results, as did Severfield where their JV in India is making good progress. Ocean Wilsons responded to press speculation and announced a strategic review of their Wilson Sons business, the largest integrated port and logistics operator in the Brazilian market which may ultimately release value for shareholders. Whilst the negative view of the UK prevails company share prices are not being rewarded for good news. We look forward to the start of a period of falling inflation which should go some way to rectifying this.

Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	-1.74	-2.95	-0.53	27.32	-7.73	78.46
Rank in sector	68/77	59/77	65/76	43/73	67/71	19/61
Quartile	4th	4th	4th	3rd	4th	2nd
IA UK Equity Income (%)	-0.69	-1.69	3.94	29.64	9.02	68.26

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.06.2023

Calendar Year Performance (%)

	YTD	2022	2021	2020	2019	2018
Fund	-3.78	-12.16	22.68	-14.45	24.59	-14.20
IA Sector (%)	0.13	-2.18	18.30	-10.91	20.12	-10.53

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.06.2023

Dividend History

	Q1	Q2	Q3	Q4	Total
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	1.64p	1.56p	0.95p	4.80p
2022 B Income	0.79p	2.30p	1.55p	1.07p	5.71p
2023 B Income	0.94p	2.08p(e)			

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

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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.



Oliver Knott

joined Chelverton Asset Management in January 2020 as an Assistant Fund Manager. He has extensive experience in UK small and mid cap equities having joined Brewin Dolphin as a generalist salesman after

graduating from the University of Essex with a 1st class honours degree in Politics, Philosophy and Economics. Prior to joining Chelverton, he worked as an equity analyst for N+1 Singer, in their highly respected technology research franchise. Oliver is a CFA Charterholder.

FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

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MI Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Redde Northgate	Industrial Transportation	3.32
2. Chesnara	Life Insurance	2.98
3. Telecom Plus	Telecommunications Service Providers	2.56
4. XPS Pensions Group	Investment Banking & Brokerage Services	2.45
5. Diversified Energy	Oil, Gas & Coal	2.27
6. Kitwave	Personal Care, Drug and Grocery Stores	2.06
7. Moneysupermarket.com	Software & Computer Services	2.05
8. Keller Group	Construction & Materials	2.00
9. Morgan Sindall	Construction & Materials	1.92
10. Severfield	Construction & Materials	1.92
11. Polar Capital Holdings	Investment Banking & Brokerage Services	1.89
12. Vesuvius	Industrial Engineering	1.88
13. Rathbones	Investment Banking & Brokerage Services	1.83
14. Bakkavor Group	Food Producers	1.80
15. Sabre Insurance Group	Non-life Insurance	1.74
16. Dunelm	Retailers	1.70
17. STV Group	Media	1.52
18. FDM	Industrial Support Services	1.51
19. Close Brothers	Banks	1.49
20. PayPoint	Industrial Support Services	1.46

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	28.46	23
£500m - £1bn	23.06	17
£250m - £500m	24.69	24
£100m - £250m	14.66	18
Below £100m	4.34	9
Cash and Income	4.79	-
Total	100.00	91

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. Fund performance figures are net of the ongoing charges and portfolio transaction costs unless otherwise stated. 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. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.