

Monthly Fact Sheet

30 September 2023

Launch Date	4 December 2006
Fund Size	£310m
Historic Yield	6.05% (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 30.09.23)		
<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	96.45p	231.10p

SEDOL Codes		
	<i>Income</i>	<i>Accumulation</i>
Sedol	B1FD646	B1Y9J57
ISIN	GB00B1FD6467	GB00B1Y9J570

Income Paid	Quarterly
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XD Dates	31 March, 30 June, 30 September, 31 December
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Valuation	12 Noon, Daily
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Initial Charge (%)	5.0*
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Annual Management Fee (%)	0.75
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Minimum Investment	£1,000
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Ongoing Charge (%)	0.90
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*Charges are for B share class.
or any such lower amount agreed with the ACD

ACD
Apex Fundrock Ltd

Investment Advisor
Chelverton Asset Management Limited

Administrator
Apex Fundrock Ltd

Dealing Details

Dealing Line	0345 305 4217
Dealing Fax	0845 280 0188

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

As the global economy slows, short term sentiment in markets is being driven by a constant stream of macro data and central bank musings. No sooner had domestic inflation data provided a positive surprise that buoyed the UK stock market than rhetoric from the Fed about interest rates having to stay higher for longer led to a wider sell-off of risk assets. The effect of this 'higher for longer' outlook for interest rates can be seen at home with the yield on long term gilts rising through five per cent, further eroding the relative attraction of equities. The increased cost of borrowing for governments around the world will have to be factored into macro forecasts by analysts and perhaps the lack of domestic tax cuts and pre-election giveaways and the cancellation of HS2 as an example represent the sort of cautious, ahead of the curve, approach to the nation's finances that will ultimately be rewarded by global capital flows into UK assets. Whilst the 'bottom up' news surrounding UK small and mid-cap earnings continues to be 'in-line' or 'downgrade', it is interesting to note that both DFS and Wickes both highlighted market share gains in recent announcements. Whilst it is too soon to talk about upgrades, we are seeing stocks we own improve their competitive positions into the downturn which should be reflected in improved upside momentum when the tide turns.

In the last month we have started to build a holding in Victrex, on an estimated four per cent dividend yield as the small and mid-cap market malaise continues to present us with a myriad of good quality long term investment opportunities. It is a high-performance polymer manufacturer with a strong balance sheet and is a stock that we have owned before and that we sold out of five years ago. Our minimum four percent yield requirement when adding stocks to the fund is a key price discipline in our investment process. Unsurprisingly we are currently at a stage in the macro cycle where our investible universe is being populated by 'growth' stocks where earnings momentum has temporarily slowed. It was a quiet month for trading as we added to Mattioli Woods and sold out of Elementis and Atalaya Mining. We also sold out of Vistry into share price strength as their new strategy update pleased some investors but means a short-term halt to dividend payments as the cost of increased share buy backs, obviously not good news for us as an income fund. As a general rule we like to see returns of capital allocated between both share buy backs and increasing ordinary dividends. From a performance perspective two of our largest holdings, Chesnara and Redde were positive contributors as was Vanquis which started to recover from the recent price fall. On the downside Videndum warned as a result of the actors and writers strike in the US and Diversified Energy fell as the FD left.

Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	-1.82	-0.85	9.19	26.38	-6.36	57.40
Rank in sector	71/75	70/75	65/74	55/71	65/69	40/60
Quartile	4th	4th	4th	4th	4th	3rd
IA UK Equity Income (%)	1.38	2.25	13.31	37.05	13.02	62.62

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2023

Calendar Year Performance (%)

	YTD	2022	2021	2020	2019	2018
Fund	-4.60	-12.16	22.68	-14.45	24.59	-14.20
IA Sector (%)	2.43	-2.18	18.30	-10.91	20.12	-10.53

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 30.09.2023

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	1.75p (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	3.17
2. Chesnara	Life Insurance	3.13
3. XPS Pensions Group	Investment Banking & Brokerage Services	2.62
4. Telecom Plus	Telecommunications Service Providers	2.39
5. Morgan Sindall	Construction & Materials	2.30
6. Keller Group	Construction & Materials	2.29
7. Diversified Energy	Oil, Gas & Coal	2.22
8. Vesuvius	Industrial Engineering	2.16
9. Moneysupermarket.com	Software & Computer Services	1.93
10. Bakkavor Group	Food Producers	1.89
11. Rathbones	Investment Banking & Brokerage Services	1.86
12. Polar Capital Holdings	Investment Banking & Brokerage Services	1.81
13. Severfield	Construction & Materials	1.80
14. PayPoint	Industrial Support Services	1.71
15. Dunelm	Retailers	1.69
16. Sabre Insurance Group	Non-life Insurance	1.69
17. Close Brothers	Banks	1.64
18. Wilmington	Media	1.63
19. FDM	Industrial Support Services	1.61
20. Tyman	Construction & Materials	1.53

Source: Chelverton Asset Management Limited

Market Cap Breakdown

% of Portfolio	No. of Stocks	
Above £1bn	29.49	23
£500m - £1bn	22.94	16
£250m - £500m	25.83	20
£100m - £250m	9.64	15
Below £100m	6.96	13
Cash and Income	5.14	-
Total	100.00	87

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. Apex Fundrock Ltd 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.