

Monthly Fact Sheet

31 December 2023

Launch Date 4 December 2006

Fund Size £314m

Historic Yield 5.71% (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 31.12.23)

Shares	Income	Accumulation
B Shares	101.61p	247.99p

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 (%) 0.90

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

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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

As the Fed continued to hold interest rates the rhetoric appeared more dovish and markets briefly rallied on expectations of rate cuts earlier than had previously been expected. The Bank of England also held rates for the third month in a row but the associated commentary was more cautious than that in the US. This was despite the fact that having been perceived for many months as an outlier with respect to inflation, largely due to energy prices, it now looks as though the UK economy is reverting back to the pack with respect to inflation expectations. An increasing number of market commentators now expect a widespread easing of monetary policy in 2024, with the US leading the way and the UK to follow albeit there is still no consensus over the timing of UK rate cuts. In this context it is interesting to note the recent cut in UK mortgage rates by a good number of our domestic lenders. The stocks that we invest in are largely in good health as evidenced by the number of stocks buying shares back and balance sheet strength but the absence of an obvious catalyst to perform remains an issue. On a brighter note however once again our dividend expectations were exceeded in calendar year 2023, which against such a difficult macro background is testament to the resilience of the majority of the companies that we invest in.

At the stock level we added one new company to the portfolio, Hargreaves Services, a diversified business specialising in brownfield land regeneration and Environmental & Bulk Logistics services. The increasingly widespread belief that the interest rate rise has run its course has led to an uptick in corporate activity which we expect to continue through the first half of our new year. KKR made a recommended cash offer at a 40% increase over the prevailing market price for our holding in Smart Metering Systems, and we have subsequently sold part of our position. We have also sold out of Virgin Money after a change relating to our dividend expectations and have reduced one of our long standing investments, Wilmington on valuation grounds. We added to our investment in Paypoint. Ashmore and Paragon performed well in the month and Diversified Energy underperformed as it dual listed in the US as well as here. Whilst we await a shift in investor sentiment towards UK mid and small cap equities our investment process requires us to seek companies where the dividend yield is at least four percent. In the current environment we continue to see a wide range of attractive opportunities.

Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	6.96	7.31	2.38	10.32	17.59	56.75
Rank in sector	3/69	6/69	63/69	59/67	61/66	35/56
Quartile	1st	1st	4th	4th	4th	3rd
IA UK Equity Income (%)	4.91	4.58	7.08	23.91	32.60	59.37

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.12.2023

Calendar Year Performance (%)

	2023	2022	2021	2020	2019	2018
Fund	2.38	-12.16	22.68	-14.45	24.59	-14.20
IA Sector (%)	7.08	-2.18	18.30	-10.91	20.12	-10.53

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.12.2023

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	2.07p	1.75p	1.04p (e)	5.80p (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	3.02
2. Chesnara	Life Insurance	2.96
3. XPS Pensions Group	Investment Banking & Brokerage Services	2.85
4. Keller Group	Construction & Materials	2.66
5. Telecom Plus	Telecommunications Service Providers	2.58
6. Vesuvius	Industrial Engineering	2.38
7. Moneysupermarket.com	Software & Computer Services	2.23
8. Mortgage Advice Bureau	Finance & Credit Services	1.87
9. Severfield	Construction & Materials	1.83
10. Rathbones	Investment Banking & Brokerage Services	1.81
11. Polar Capital Holdings	Investment Banking & Brokerage Services	1.79
12. Dunelm	Retailers	1.76
13. ICG	Investment Banking & Brokerage Services	1.74
14. PayPoint	Industrial Support Services	1.74
15. Tyman	Construction & Materials	1.64
16. Ashmore Group	Investment Banking & Brokerage Services	1.64
17. Bellway	Household Goods & Home Construction	1.64
18. Bakkavor Group	Food Producers	1.60
19. Phoenix Group	Life Insurance	1.54
20. Diversified Energy	Oil, Gas & Coal	1.51

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	33.96	25
£500m - £1bn	17.69	13
£250m - £500m	26.90	20
£100m - £250m	12.67	17
Below £100m	5.22	10
Cash and Income	3.56	-
Total	100.00	85

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.