

Monthly Fact Sheet

31 January 2024

Launch Date 4 December 2006

Fund Size £300m

Historic Yield 5.93% (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 31.01.24)

| Shares | Income | Accumulation |
|----------|--------|--------------|
| B Shares | 97.83p | 241.26p |

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

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

After the positive end to last year for our small and mid-cap asset class the New Year has started on a more downbeat note as the momentum in share prices has stalled. Investors continue to debate the timing of economic recovery both in the US, where we expect interest rates to begin to fall first, and the domestic market where top-down caution remains the over-riding sentiment. On that note the UK equity market did suffer as the December inflation figures were released and showed a 4% increase, ahead of expectations of 3.8%, which was largely explained by higher tobacco duty. Whilst we continue to expect inflation to fall meaningfully as we move through the year, the negative investor reaction to this short-term macro news highlights how 'risk off' appetites continue to be. Suffice to say few, if any, of the companies that we invest in will have noticed this short-term glitch as they continue to look and plan further forward. In this context we are looking for companies to start to increase levels of capital spend as we move through this year which should enhance earnings growth prospects and underpin dividend payments in future years. The capital is there to fund this increased spending as evidenced by balance sheet strength and the number of share buybacks, the missing ingredient is confidence in an improving trading outlook and we expect this to be rectified as we move through the year.

At the stock level a wide range of retailers release their Christmas trading updates in January and the majority were in line with analyst expectations, with cost saving measures offsetting some weakness in large ticket spending. Wickes was one of our leading positive contributors in the month as a solid performance from Core product sales resulted in full year PBT at the top end of analyst expectations. Similarly fresh food provider Bakkavor came in at the top end of expectations, with good cash generation meaning that leverage was better than expected. Ocean Wilsons also performed well on expectations that the ongoing strategic review would deliver a positive outcome for investors. On the downside, Close Brothers was weak in response to FCA reviews of the motor finance and premium finance markets while XPS Pensions gave up some of its recent gains. On the trading front we continued to add to new holding Hargreaves Services and sold our position in Smart Metering Systems after the recent bid.

Cumulative Performance

| | 1 m | 3 m | 1 yr | 3 yrs | 5 yrs | 10 yrs |
|-------------------------|-------|-------|-------|-------|-------|--------|
| Fund (%) | -2.72 | 10.64 | -4.41 | 7.99 | 8.23 | 51.52 |
| Rank in sector | 66/70 | 10/70 | 65/70 | 61/68 | 64/67 | 41/56 |
| Quartile | 4th | 1st | 4th | 4th | 4th | 3rd |
| IA UK Equity Income (%) | -1.44 | 7.79 | 1.30 | 23.05 | 24.50 | 60.72 |

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.01.2024

Calendar Year Performance (%)

| | YTD | 2023 | 2022 | 2021 | 2020 | 2019 |
|---------------|-------|------|--------|-------|--------|-------|
| Fund | -2.72 | 2.38 | -12.16 | 22.68 | -14.45 | 24.59 |
| IA Sector (%) | -1.44 | 7.08 | -2.18 | 18.30 | -10.91 | 20.12 |

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.01.2024

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 | Industry | % of Portfolio |
|----------------------------|------------------------------|----------------|
| 1. Chesnara | Insurance | 3.14 |
| 2. Redde Northgate | Ground Transportation | 3.08 |
| 3. Keller Group | Construction & Engineering | 2.76 |
| 4. XPS Pensions Group | Capital Markets | 2.64 |
| 5. Vesuvius | Machinery | 2.50 |
| 6. Telecom Plus | Multi-Utilities | 2.37 |
| 7. Moneysupermarket.com | Interactive Media & Services | 2.09 |
| 8. Mortgage Advice Bureau | Financial Services | 2.07 |
| 9. Bakkavor Group | Food Products | 1.93 |
| 10. PayPoint | Financial Services | 1.92 |
| 11. Bellway | Household Durables | 1.83 |
| 12. Dunelm | Specialty Retail | 1.83 |
| 13. Polar Capital Holdings | Capital Markets | 1.81 |
| 14. Severfield | Construction & Engineering | 1.80 |
| 15. Rathbones | Capital Markets | 1.79 |
| 16. Tyman | Building Products | 1.68 |
| 17. ICG | Capital Markets | 1.62 |
| 18. Ashmore Group | Capital Markets | 1.62 |
| 19. Morgan Sindall | Construction & Engineering | 1.58 |
| 20. Wickes | Specialty Retail | 1.56 |

Source: Chelverton Asset Management Limited, Sector and Industry information per GICS

Market Cap Breakdown

| | % of Portfolio | No. of Stocks |
|-----------------|----------------|---------------|
| Above £1bn | 32.46 | 23 |
| £500m - £1bn | 17.68 | 12 |
| £250m - £500m | 27.77 | 21 |
| £100m - £250m | 13.66 | 17 |
| Below £100m | 5.14 | 10 |
| Cash and Income | 3.29 | - |
| Total | 100.00 | 83 |

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.