

## Monthly Fact Sheet

### 29 February 2024

<b>Launch Date</b>	4 December 2006
<b>Fund Size</b>	£289m
<b>Historic Yield</b>	6.00% (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.

<b>Share Price</b> (as at 29.02.24)		
<b>Shares</b>	<b>Income</b>	<b>Accumulation</b>
B Shares	96.68p	238.47p

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

**Income Paid** Quarterly

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

**Valuation** 12 Noon, Daily

<b>Initial Charge (%)</b>	5.0*
<b>Annual Management Fee (%)</b>	0.75
<b>Minimum Investment</b>	£1,000
<b>Ongoing Charge (%)</b>	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

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<b>Dealing Fax</b>	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

In a month when the UK economy entered a technical recession commentators continued to look to falling energy and food prices to support forecasts of falling inflation. The debate over when to expect the first domestic rate cut appears now to centre around how quickly wage growth can be brought back to levels that the central bank is comfortable with. We have often cited levels of corporate activity as a barometer of the relative attraction of the UK small and mid-cap universe and in the last couple of weeks there has been a noticeable pick-up bid approaches including for Direct Line and Mattioli Woods both of which we own. Interestingly the entities making the approaches comprise the full set of overseas companies, UK companies, private equity and management teams, all of whom are seeking to take advantage of what they perceive as undervaluation across a range of UK small and mid-cap equities at present. The timing is interesting as this increase in activity suggests that there is a growing feeling that we are somewhere near an inflexion point in underlying company trading activity and the disconnect between current valuation and medium-term trading prospects are sufficient to justify bid activity. In a nutshell business confidence appears to be returning.

The budget passed with little fanfare as the Chancellor gave a little bit away but was obviously restricted in what he could do given the state of public finances. It will be interesting to see if these 'giveaways' are ultimately spent or saved by the recipients. Whilst it is too early to judge the effect of the additional British company ISA allowance, it should at least generate a bit more interest and third party research into some of the stocks that we own. Our poor performers on the month were a mixed bag and included Severfield, FDM, Ecora and Halfords which warned on profits with the cycling market being disrupted by events at the online retailer Wiggle. On the positive side Conduit, Kitwave and Wilmington all responded well to results. We sold our holding in Bellway after a period of good performance and added to our positions in ITV, Inchcape, Bodycote and Page Group amongst others. Company trading updates remain largely in line with estimates and dividend announcements are in line with our expectations. On analyst estimates a lot of company earnings currently appear to be bumping along the bottom and we look forward to the second half of this year when we believe that the focus will be on calendar 2025 for the start of the upgrade cycle.

## Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	-1.16	2.85	-6.31	2.60	5.59	44.44
Rank in sector	55/70	36/70	67/70	65/68	65/67	40/56
Quartile	4th	3rd	4th	4th	4th	3rd
IA UK Equity Income (%)	-0.46	2.92	-1.07	19.38	21.73	51.81

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 29.02.2024

## Calendar Year Performance (%)

	YTD	2023	2022	2021	2020	2019
Fund	-3.84	2.38	-12.16	22.68	-14.45	24.59
IA Sector	-1.89	7.08	-2.18	18.30	-10.91	20.12

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 29.02.2024

## 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

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## MI Chelverton UK Equity Income Fund

#### Top 20 Holdings

Holding	Industry	% of Portfolio
1. Chesnara	Insurance	3.13
2. Redde Northgate	Ground Transportation	2.90
3. Keller Group	Construction & Engineering	2.85
4. Telecom Plus	Multi-Utilities	2.57
5. Vesuvius	Machinery	2.56
6. XPS Pensions Group	Capital Markets	2.49
7. Moneysupermarket.com	Interactive Media & Services	2.14
8. Dunelm	Specialty Retail	2.10
9. Bakkavor Group	Food Products	2.06
10. Mortgage Advice Bureau	Financial Services	2.05
11. PayPoint	Financial Services	1.80
12. Conduit Re	Insurance	1.79
13. Rathbones	Capital Markets	1.78
14. Polar Capital Holdings	Capital Markets	1.74
15. Morgan Sindall	Construction & Engineering	1.71
16. Tyman	Building Products	1.69
17. Ashmore Group	Capital Markets	1.67
18. Severfield	Construction & Engineering	1.67
19. Wickes	Specialty Retail	1.66
20. Sabre Insurance Group	Insurance	1.65

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

#### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	29.95	20
£500m - £1bn	19.18	13
£250m - £500m	26.01	20
£100m - £250m	14.82	19
Below £100m	5.91	11
Cash and Income	4.13	-
<b>Total</b>	<b>100.00</b>	<b>83</b>

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@matlandgroup.co.uk](mailto:Chelverton@matlandgroup.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.