

Monthly Fact Sheet

31 March 2024

Launch Date	4 December 2006
Fund Size	£297m
Historic Yield	5.77% (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 31.03.24)		
Shares	Income	Accumulation
B Shares	100.08p	246.84p

SEDOL Codes		
	Income	Accumulation
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*
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
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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

Although domestic interest rates were unmoved in March the consensus amongst almost all commentators is that longer term rates are set to be meaningfully lower than current levels. The timing of the first cuts remains the issue. At home inflation remains the main barrier to this first rate cut as data has proved to be relatively volatile on a month-by-month basis. Despite continued 'top down' UK gloom the busy corporate results season has just ended with a good cross section of our companies reporting results at least in line with expectations. We are not yet at the stage where analysts are looking forward to next years numbers which should start to trend upwards and instead there is a feeling of 'more of the same' for the rest of this year. When investors are able to 'look through' to a pick-up in earnings however we believe it will be reflected very quickly in small and mid-cap share prices from current valuations that we generally believe to be oversold and with substantial scope for recovery. This is important as it should hopefully relieve some of the pressure on UK fund flows which remain a headwind to us.

Amongst our top contributors to performance last month was Keller. Turnover and cash flows were ahead of expectations to such a degree that the Board has decided to rebase the ordinary dividend upwards by approximately 20%. We believe that this is a more powerful reflection of the underlying strength of cash generation in the business than an occasional 'special' dividend as it suggests it is sustainable. As an aside we would prefer more companies to do this rather than pay 'specials' which in our opinion are never really reflected in higher valuations as they are soon forgotten about. TP ICAP was strong after reassuring numbers and a raft of analyst notes highlighted the potential value of its subsidiary Parameta Solutions which provides licenses for data to the global OTC derivatives market. ITV surprised on the upside by selling its 50% stake in Britbox to the BBC for £235m all of which will go into share buybacks. On the downside there were earnings downgrades in Vanquis and FDM and Marshalls price suffered as investors took a longer-term view on their recovery prospects. We took some profits in our holding in Tattou Asset Management and sold some Crest Nicholson and added to our positions in Wickes, Inchcape and Morgan Advanced Materials. We also bought more Midwich, a relatively recent addition to our portfolio, which is a specialist AV distributor to the trade market and which operates globally.

Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	3.51	-0.47	2.77	0.22	8.11	52.49
Rank in sector	53/70	68/70	67/70	65/68	63/67	39/56
Quartile	4th	4th	4th	4th	4th	3rd
IA UK Equity Income (%)	4.44	2.46	7.72	18.95	24.93	61.91

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.03.2024

Calendar Year Performance (%)

	YTD	2023	2022	2021	2020	2019
Fund	-0.47	2.38	-12.16	22.68	-14.45	24.59
IA Sector	2.46	7.08	-2.18	18.30	-10.91	20.12

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.03.2024

Dividend History

	Q1	Q2	Q3	Q4	Total
2020 B Income	0.24p	0.55p	0.97p	0.70p	4.46p
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	1.05p	5.81p
2024 B Income	0.89p (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. Keller Group	Construction & Engineering	3.36
2. Chesnara	Insurance	3.17
3. Redde Northgate	Ground Transportation	2.97
4. Telecom Plus	Multi-Utilities	2.69
5. Vesuvius	Machinery	2.60
6. XPS Pensions Group	Capital Markets	2.46
7. Bakkavor Group	Food Products	2.18
8. Mortgage Advice Bureau	Financial Services	2.17
9. Dunelm	Specialty Retail	1.98
10. TPICAP	Capital Markets	1.91
11. Moneysupermarket.com	Interactive Media & Services	1.86
12. Polar Capital Holdings	Capital Markets	1.83
13. Sabre Insurance Group	Insurance	1.79
14. PayPoint	Financial Services	1.79
15. STV Group	Media	1.75
16. Severfield	Construction & Engineering	1.74
17. Conduit Re	Insurance	1.73
18. Wickes	Specialty Retail	1.71
19. Bodycote	Machinery	1.70
20. Rathbones	Capital Markets	1.67

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

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	31.62	21
£500m - £1bn	20.88	13
£250m - £500m	26.30	22
£100m - £250m	13.84	18
Below £100m	4.19	10
Cash and Income	3.17	-
Total	100.00	84

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 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.