

## Monthly Fact Sheet

31 May 2024

Launch Date	4 December 2006
Fund Size	£322m
Historic Yield	5.31%

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 31.05.24)		
Shares	Income	Accumulation
B Shares	108.63p	270.33p

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 (%)	0.91

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

The positive momentum seen in April was maintained in May, with equity markets continuing to trend higher in anticipation of interest rate cuts. In Europe, the debate has moved on to what the trajectory of cuts will be, whereas in the UK and the US, there is still some debate on the timing of the first rate cut. After a sharp fall in UK inflation in April, all eyes are on the May figures ahead of the next Monetary Policy Committee meeting in June, with wage inflation likely to be a key input in the rates decision. The announcement of a General Election, to be held on the 4<sup>th</sup> July, is clouding the picture slightly, however the relatively short campaigning period should be a positive and keep any lull in corporate decision-making to a minimum. With UK large cap equities hitting new highs, there has been some renewed interest in our UK small and mid-cap universe given its relatively attractive valuation. If this more benign fund flow environment is sustained, it should relieve some of the pressure which our universe has been under and create a positive backdrop for small and mid-cap equities, as analysts begin to focus on 2025, where the economic environment looks more favourable.

With results season largely in the rear-view mirror, corporate news flow has shifted to trading updates covering the first few months of the year. Encouragingly, two of our larger holdings, Keller and Bakkavor, took the unusual step of upgrading full year expectations despite it being relatively early in the year. Unsurprisingly, this sign of confidence was taken well by the market. Takeover activity remains high, with XP Power receiving multiple offers from US peer Advanced Energy, however the XP Power Board has rejected these takeover proposals. ZIGUP (previously Redde Northgate) was also strong after a positive trading update. Detractors on the month included Midwich, which continues to see softness in its specialist AV markets, and Headlam, where the expected rebound in the floor coverings market is taking longer to materialise than expected. We added three new holdings in the period, British Land, retailer Card Factory and auto component supplier TI Fluid Systems, all of which have an attractive growth profile while also meeting our dividend yield criteria.

## Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	4.49	13.36	13.96	2.50	16.43	65.11
Rank in sector	16/72	9/72	48/72	66/70	64/69	34/58
Quartile	1st	1st	3rd	4th	4th	3rd
IA UK Equity Income (%)	3.15	10.66	15.29	19.31	33.09	67.35

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.05.2024

## Calendar Year Performance (%)

	YTD	2023	2022	2021	2020	2019
Fund	9.01	2.38	-12.16	22.68	-14.45	24.59
IA UK Equity Income	8.57	7.08	-2.18	18.30	-10.91	20.12

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.05.2024

## 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				

History of dividends declared per share. Source: Chelverton Asset Management Limited

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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	3.25
2. ZIGUP	Ground Transportation	3.15
3. Telecom Plus	Multi-Utilities	2.89
4. Chesnara	Insurance	2.80
5. Bakkavor Group	Food Products	2.65
6. Vesuvius	Machinery	2.26
7. Polar Capital Holdings	Capital Markets	2.05
8. Mortgage Advice Bureau	Financial Services	1.96
9. XPS Pensions Group	Capital Markets	1.80
10. Dunelm	Specialty Retail	1.79
11. Severfield	Construction & Engineering	1.78
12. PayPoint	Financial Services	1.75
13. MONY Group	Interactive Media & Services	1.73
14. TP ICAP	Capital Markets	1.68
15. Bodycote	Machinery	1.67
16. Sabre Insurance Group	Insurance	1.65
17. Rathbones	Capital Markets	1.61
18. Morgan Sindall	Construction & Engineering	1.55
19. Diversified Energy	Oil, Gas & Consumable Fuels	1.54
20. Inchcape	Distributors	1.49

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

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	29.93	21
£500m - £1bn	27.77	19
£250m - £500m	19.06	18
£100m - £250m	13.54	18
Below £100m	3.36	8
Cash and Income	6.34	-
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@apexgroup.co.uk](mailto:chelverton@apexgroup.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.