

Monthly Fact Sheet

31 August 2024

Launch Date	4 December 2006
Fund Size	£235m
Historic Yield	5.50%

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 31.08.24)		
Shares	Income	Accumulation
B Shares	109.03p	277.13p

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 (%)	0.93

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

August began with a sharp fall in global equity markets after weak US jobs data raised fears that the US had been too slow to lower interest rates, which might push the world's largest economy into recession territory. Further data points as the month progressed cooled these concerns, however the sharp market movement goes to show how skittish equity markets continue to be. Federal Reserve Chair Jerome Powell's comments at the Jackson Hole conference gave the clearest indication yet that we will see a US rate cut in September, although there continues to be much debate over the pace of further cuts in the months to come. In the UK attention has largely turned towards the October budget, with the new Government continuing the paint a gloomy picture of the current state of the economy, raising expectations of tax increases in the budget. The pessimistic rhetoric appears to be starting to shake business confidence, with July GDP data unexpectedly weak versus expectations. Within our small and midcap universe there is some speculation over the future of Business Property Relief on AIM listed shares. While the market rarely reacts well to uncertainty, any technical mispricing that is unrelated to the fundamental performance of the underlying companies may throw up some interesting opportunities for medium term investors.

At the portfolio level "results season" has begun, where companies with a December year-end report their Interim Results. This is always an interesting point in the year as it often serves as an opportune time for Board's to appraise their full year expectations. In the main, earnings and dividends have been in-line or slightly ahead of expectations, although we have seen a couple of examples where management teams were a little too optimistic earlier in the year on the pace of the recovery. On the positive side Keller maintained its recent run of positive results, with a particularly strong showing in North America driving further upgrades. TP ICAP and Morgan Sindall also delivered strong results while Wickes shares performed well in anticipation of good results in September and Ocean Wilsons rose in response to media speculation around the sale of its Brazilian subsidiary. Vesuvius and Watkin Jones both detracted from performance with Vesuvius stating that its Foundry markets were not recovering as quickly as expected and Watkin Jones citing less market activity for its Student Housing and Build to Rent projects over the summer than anticipated. We took advantage of the volatility in equity markets in the month to add to positions in Pets at Home, Johnson Matthey and British Land and reduced our position in XPS Pensions on yield grounds after a strong period of performance.

Cumulative Performance

	1m	3m	1yr	3yrs	5yrs	10yrs
Fund (%)	-0.58	2.51	17.73	-2.44	23.49	70.70
Rank in sector	55/71	39/71	39/71	66/70	62/68	33/57
Quartile	4th	3rd	3rd	4th	4th	3rd
IA UK Equity Income (%)	0.06	2.84	18.33	19.06	36.60	72.18

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.08.2024

Calendar Year Performance (%)

	YTD	2023	2022	2021	2020	2019
Fund	11.75	2.38	-12.16	22.68	-14.45	24.59
IA UK Equity Income	11.66	7.08	-2.18	18.30	-10.91	20.12

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.08.2024

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	2.29p			3.17p

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. ZIGUP	Ground Transportation	3.96
2. Chesnara	Insurance	3.43
3. Telecom Plus	Multi-Utilities	3.36
4. Bakkavor Group	Food Products	2.79
5. Severfield	Construction & Engineering	2.45
6. PayPoint	Financial Services	2.33
7. XPS Pension Group	Capital Markets	2.15
8. Polar Capital Holdings	Capital Markets	2.13
9. Phoenix Group	Insurance	2.05
10. Dunelm	Specialty Retail	2.02
11. Vesuvius	Machinery	2.01
12. TP ICAP	Capital Markets	1.97
13. Keller Group	Construction & Engineering	1.93
14. Inchcape	Distributors	1.82
15. MONY Group	Interactive Media & Services	1.76
16. Wickes	Specialty Retail	1.75
17. Sabre Insurance Group	Insurance	1.74
18. FDM	IT Services	1.71
19. Epwin Group	Building Products	1.65
20. IG Group	Capital Markets	1.57

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

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	31.00	21
£500m - £1bn	24.34	16
£250m - £500m	24.58	19
£100m - £250m	13.10	15
Below £100m	3.01	7
Cash and Income	3.97	-
Total	100.00	78

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 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.