

## Monthly Fact Sheet

### 31 October 2024

<b>Launch Date</b>	4 December 2006
<b>Fund Size</b>	£211m
<b>Historic Yield</b>	5.72% (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 31.10.24)		
<b>Shares</b>	<b>Income</b>	<b>Accumulation</b>
B Shares	103.37p	266.95p

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

<b>Income Paid</b>	Quarterly
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<b>XD Dates</b>	31 March, 30 June, 30 September, 31 December
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<b>Valuation</b>	12 Noon, Daily
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<b>Initial Charge (%)</b>	5.0*
<b>Annual Management Fee (%)</b>	0.75
<b>Minimum Investment</b>	£1,000
<b>Ongoing Charge (%)</b>	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

<b>Dealing Line</b>	0345 305 4217
<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

The main talking point of the last month was the first Labour budget for 14 years, one which unusually in this day and age had not been telegraphed beforehand, thereby creating significant investor uncertainty in the lead up to it. Coupled with the government's unrelenting gloom concerning the UK economy, this had served to undermine both consumer and corporate confidence in the preceding months and ultimately the budget provided very little to change this mood. 'Underwhelming' would be an appropriate summation of the OBR's 'growth' expectations after the Chancellor announced substantial increases in both taxation and government borrowing. All eyes are currently on the on-going reaction of bond markets which have so far been lukewarm at best as inflation expectations have risen and an additional burden has been put on the UK corporate sector through rising minimum wages and increased National Insurance payments. Domestic interest rates are now expected to stay higher for longer compared to pre-budget expectations. Interestingly, from an investment perspective, there are no real budget 'winners' or 'losers' on a sector basis, as there usually is, rather just a feeling of relief that the speculation is finally over and we can start to look forward on a more informed basis.

Whilst the AIM market escaped the worst of some commentators' fears, it is worth noting that with our requirement for dividend income, our exposure to this area tends to be supported by real and tangible cash flows. The reality from our fund perspective is that we still expect earnings upgrades as we move through next year to provide the catalyst for a period of more positive performance. Historically earnings upgrades help to drive improving investor sentiment which in itself leads to improved ratings for the shares that we invest in. Whilst this remains our central expectation, the extent of the anticipated upward re-rating remains subject to investor fund flows. In our portfolio our holding in N.Brown was bid for by the Alliance family and we sold out of our position. Ocean Wilson announced an agreement to sell a majority stake in Wilson Sons, which provides maritime services in Brazil, and return a meaningful proportion of the proceeds. We started a new holding in Robert Walters, a recruitment agency. Morgan Sindall performed well after an upbeat trading statement and Midwich fell after a disappointing statement.

## Cumulative Performance

	1m	3m	1yr	3yrs	5yrs	10yrs
Fund (%)	-1.99	-4.23	22.42	-2.32	13.31	69.65
Rank in sector	29/69	47/69	7/69	65/68	62/66	33/55
Quartile	2nd	3rd	1st	4th	4th	3rd
IA UK Equity Income (%)	-2.26	-3.50	17.77	15.81	27.36	69.84

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.10.2024

## Calendar Year Performance (%)

	YTD	2023	2022	2021	2020	2019
Fund	7.64	2.38	-12.16	22.68	-14.45	24.59
IA UK Equity Income	7.68	7.08	-2.18	18.30	-10.91	20.12

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.10.2024

## 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	1.67p (e)		4.86p (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. Telecom Plus	Multi-Utilities	3.00
2. Chesnara	Insurance	2.97
3. Bakkavor Group	Food Products	2.94
4. ZIGUP	Ground Transportation	2.87
5. PayPoint	Financial Services	2.86
6. Severfield	Construction & Engineering	2.21
7. XPS Pension Group	Capital Markets	2.10
8. Polar Capital Holdings	Capital Markets	2.07
9. Ashmore Group	Capital Markets	2.02
10. Phoenix Group	Insurance	2.01
11. TP ICAP	Capital Markets	1.91
12. Dunelm	Specialty Retail	1.86
13. Vesuvius	Machinery	1.83
14. Epwin Group	Building Products	1.81
15. Wickes	Specialty Retail	1.80
16. Keller Group	Construction & Engineering	1.77
17. MONY Group	Interactive Media & Services	1.71
18. Sabre Insurance Group	Insurance	1.69
19. FDM	IT Services	1.66
20. TI Fluid Systems	Automobile Components	1.66

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

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	29.15	21
£500m - £1bn	23.74	15
£250m - £500m	24.95	22
£100m - £250m	13.95	15
Below £100m	3.61	7
Cash and Income	4.60	-
<b>Total</b>	<b>100.00</b>	<b>80</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 existing fund investors, 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.