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## Monthly Fact Sheet 31 December 2024

<b>Launch Date</b>	4 December 2006
<b>Fund Size</b>	£203m
<b>Historic Yield</b>	5.79% (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 (as at 31.12.24)</b>		
<b>Shares</b>	<b>Income</b>	<b>Accumulation</b>
B Shares	103.65p	267.68p

<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>	<b>12 Noon, Daily</b>
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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 end of our year was marked by the continued fallout from the October budget as the economy slowed in the face of a rapid fall in business confidence as the implications of the tax rises were fully digested. In the financial press, column inches have been dominated by stories of companies deferring and cancelling investment decisions, freezing hiring and even planning to lay off employees as they try to maintain profitability in the face of the additional costs.

Widespread talk of the need to raise prices has led to fears of higher inflation and has contributed, alongside falling GDP growth projections and a weak currency to an adverse reaction in the bond markets to the budget. Obviously, none of this is good news in the short term for investors in 'risk' assets like ourselves. Of course, all this is happening at a time when there is speculation as to the potential inflationary effects on the US economy of rumoured trade tariffs that will be put into force after the new President is inaugurated on January 20th. The bulls are continuing to hope that Mr Trump's bark is far worse than his bite in this respect. We shall see. One thing that is certain however is that expectations of rate cuts have been moved firmly to the right with some commentators now only looking for one 25bp cut in the UK over the next year. If, however the economy continues to slow and unemployment increases, then there is the prospect of positive domestic rate cut surprises.

As the macro environment is proving to be a short-term headwind to UK small and mid-cap investors, one aspect of our portfolio that has pleasingly proved to be resilient is the dividend payments of our underlying companies. Cash flows remain strong, balance sheets are in good health generally and companies continue to reward shareholders with buybacks and dividend increases. Despite domestic investor apathy towards our universe we expect next year to continue to be one of heightened corporate activity as the fundamentals of our companies appeal to both corporate and private equity buyers, especially at current depressed levels of valuation. In the short time that has elapsed since the budget, it is reassuring to see that the Directors of the companies that we invest in are already adapting to, and planning for, the increased costs of doing business. This will be easier for some than others and we would expect some sectors such as retail and hospitality to be at a relative disadvantage with respect to their ability to improve productivity compared to say industrials. In the last month we added to our holding in Johnson Matthey and reduced some of our larger weightings such as Zigup, Bakkavor and Paypoint. Somero, Victrex and RWS performed well and there was no 'theme' to the underperformers which included Epwin and Ashmore.

### Cumulative Performance

	1m	3m	1yr	3yrs	5yrs	10yrs
Fund (%)	-0.19	-1.72	7.94	-2.94	1.88	66.54
Rank in sector	7/66	38/66	38/66	60/66	60/64	31/53
Quartile	1st	3rd	3rd	4th	4th	3rd
IA UK Equity Income (%)	-1.23	-1.37	8.66	13.81	19.95	67.11

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.12.2024

### Calendar Year Performance (%)

	2024	2023	2022	2021	2020	2019
Fund	7.94	2.38	-12.16	22.68	-14.45	24.59
IA UK Equity Income	8.66	7.08	-2.18	18.30	-10.91	20.12

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.12.2024

### 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	1.14p (e)	6.00p (e)

History of dividends declared per share. Source: Chelverton Asset Management Limited  
(e) is estimated

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## Monthly Fact Sheet

31 December 2024

### 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.

**Tel** +44 (0)20 3307 8086

**Email** [chelverton@springcapitalpartners.com](mailto:chelverton@springcapitalpartners.com)

**Visit** [springcapitalpartners.com](http://springcapitalpartners.com)



## MI Chelverton UK Equity Income Fund

### Top 20 Holdings

Holding	Industry	% of Portfolio
1. Telecom Plus	Multi-Utilities	2.95
2. Chesnara	Insurance	2.76
3. Bakkavor Group	Food Products	2.72
4. ZIGUP	Ground Transportation	2.53
5. Polar Capital Holdings	Capital Markets	2.24
6. Vesuvius	Machinery	2.18
7. PayPoint	Financial Services	2.11
8. Phoenix Group	Insurance	2.06
9. XPS Pension Group	Capital Markets	2.06
10. TPICAP	Capital Markets	2.03
11. TI Fluid Systems	Automobile Components	1.90
12. Dunelm	Specialty Retail	1.84
13. MONY Group	Interactive Media & Services	1.79
14. Sabre Insurance Group	Insurance	1.78
15. Wickes	Specialty Retail	1.75
16. IG Group	Capital Markets	1.71
17. Diversified Energy	Oil, Gas & Consumable Fuels	1.70
18. Morgan Sindall	Construction & Engineering	1.63
19. Inchcape	Distributors	1.61
20. Keller Group	Construction & Engineering	1.60

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

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	31.52	21
£500m - £1bn	26.21	17
£250m - £500m	18.21	17
£100m - £250m	17.83	19
Below £100m	2.81	6
Cash and Income	3.42	-
<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. This is a marketing communication and is 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.