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## Monthly Fact Sheet

### 31 January 2025

|                       |                 |
|-----------------------|-----------------|
| <b>Launch Date</b>    | 4 December 2006 |
| <b>Fund Size</b>      | £188m           |
| <b>Historic Yield</b> | 5.97% (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 31.01.25) |               |                     |
| <b>Shares</b>                       | <b>Income</b> | <b>Accumulation</b> |
| B Shares                            | 100.51p       | 262.47p             |

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

**Income Paid** Quarterly

**XD Dates** 31 March, 30 June, 30 September, 31 December

**Valuation** 12 Noon, Daily

|                                  |        |
|----------------------------------|--------|
| <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

Markets have been braced for news on trade tariffs from the US and the recent imposition and then retraction of tariffs between the US, Mexico and Canada has served to increase short term volatility. We await news with respect to Europe and the UK. At home, after the release of the monthly inflation data, the top-down narrative shifted to the slowdown in the domestic economy and the potential need for spending cuts, more tax rises or even an emergency budget to keep within the Chancellor's self-imposed fiscal rules. The slowdown in corporate investment and hiring, and the increase in redundancies noted last month has continued apace as companies react to maintain profitability in the aftermath of the October budget.

The heightened feeling of gloom felt by domestic investors manifested itself in continued outflows from UK focussed equity funds as they voted with their feet. Whilst the Government has rather belatedly tried to adopt a more positive tone with respect to 'growth', the majority of policy initiatives such as a new runway at Heathrow will take many years to come to fruition. The knock-on effect of all this however is that expectations for UK interest rate cuts have changed dramatically in the last few weeks, with some commentators now looking for six cuts this year and consensus appearing to settle at four. As expected, we have just seen a 25bp cut in February but interestingly a couple of members of the committee were voting for a 50bp cut.

Rates are coming down. This should hopefully make the current yield offered by our fund relatively more attractive, and whilst it may be difficult to remember, the UK economy is still actually forecast to grow this year. A pickup in both business and consumer confidence driven by falling interest rates may provide the catalyst for an improvement in sentiment towards our investment universe given current levels of relative undervaluation. In the last month we added two new companies to the portfolio. Foresight Group, the investment company, and Hollywood Bowl, the largest operator of 10 pin bowling alleys in the UK. We added to our holding in Bioventix and reduced our exposure to Drax. We also reduced our exposure to Telecom Plus and Chesnara on fund weighting grounds. Poor performers included FDM after a cautious trading statement, Inchcape after a broker downgrade and TT Electronics, as the fallout from Volex deciding not to bid for the company last month continued. On the plus side, Mortgage Advice, Hargreaves, Wickes and Halfords all performed well after updates.

## Cumulative Performance

|                         | 1m    | 3m    | 1yr   | 3yrs  | 5yrs  | 10yrs |
|-------------------------|-------|-------|-------|-------|-------|-------|
| Fund (%)                | -1.95 | -1.68 | 8.79  | -0.77 | 2.52  | 59.99 |
| Rank in sector          | 64/66 | 59/66 | 57/66 | 62/66 | 60/64 | 37/53 |
| Quartile                | 4th   | 4th   | 4th   | 4th   | 4th   | 3rd   |
| IA UK Equity Income (%) | 3.61  | 4.56  | 14.23 | 18.35 | 27.62 | 67.17 |

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.01.2025

## Calendar Year Performance (%)

|                     | YTD   | 2024 | 2023 | 2022   | 2021  | 2020   |
|---------------------|-------|------|------|--------|-------|--------|
| Fund                | -1.95 | 7.94 | 2.38 | -12.16 | 22.68 | -14.45 |
| IA UK Equity Income | 3.61  | 8.66 | 7.08 | -2.18  | 18.30 | -10.91 |

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 31.01.2025

## 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 January 2025

### Fund Managers



#### 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.

### Investment Analysts



#### Phoebe Baker

joined Chelverton in March 2023 as a Responsible Business Trainee in the ESG Team. She has been promoted to Investment Analyst joining the

Quoted team. She has a 1st class honours degree in Biomedical Sciences from The University of Edinburgh. Prior to working for Chelverton, Phoebe worked for socially and environmentally driven start-ups and scale-ups in an account management capacity.



### FURTHER INFORMATION

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# MI Chelverton UK Equity Income Fund

### Top 20 Holdings

| Holding                   | Industry                     | % of Portfolio |
|---------------------------|------------------------------|----------------|
| 1. Chesnara               | Insurance                    | 2.98           |
| 2. Telecom Plus           | Multi-Utilities              | 2.88           |
| 3. Bakkavor Group         | Food Products                | 2.55           |
| 4. ZIGUP                  | Ground Transportation        | 2.42           |
| 5. Polar Capital Holdings | Capital Markets              | 2.38           |
| 6. Phoenix Group          | Insurance                    | 2.30           |
| 7. Wickes                 | Specialty Retail             | 2.19           |
| 8. PayPoint               | Financial Services           | 2.09           |
| 9. TP ICAP                | Capital Markets              | 1.95           |
| 10. MONY Group            | Interactive Media & Services | 1.94           |
| 11. Vesuvius              | Machinery                    | 1.92           |
| 12. Diversified Energy    | Oil, Gas & Consumable Fuels  | 1.86           |
| 13. Sabre Insurance Group | Insurance                    | 1.84           |
| 14. Dunelm                | Specialty Retail             | 1.83           |
| 15. XPS Pension Group     | Capital Markets              | 1.83           |
| 16. Ashmore Group         | Capital Markets              | 1.80           |
| 17. Rathbones             | Capital Markets              | 1.69           |
| 18. Hargreaves Services   | Oil, Gas & Consumable Fuels  | 1.66           |
| 19. Conduit Re            | Insurance                    | 1.57           |
| 20. Epwin Group           | Building Products            | 1.56           |

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

### Market Cap Breakdown

|                 | % of Portfolio | No. of Stocks |
|-----------------|----------------|---------------|
| Above £1bn      | 30.25          | 21            |
| £500m - £1bn    | 25.03          | 16            |
| £250m - £500m   | 20.05          | 19            |
| £100m - £250m   | 16.74          | 18            |
| Below £100m     | 5.10           | 8             |
| Cash and Income | 2.83           | -             |
| <b>Total</b>    | <b>100.00</b>  | <b>82</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 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.