

## Monthly Fact Sheet 31 May 2016

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£445.8m
<b>Historic Yield (%)*</b>	4.73

### Share Price (as at 31.05.16)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	108.35p	186.03p



## Fund Managers



### David Horner

qualified as a chartered accountant in 1984 with Touche Ross & Co before joining 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.

\*The historic yield reflects distributions over the past 12 months as a percentage of the bid 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.

Source & Copyright: CITYWIRE. David Horner & David Taylor are AAA rated by Citywire for their 3 year risk adjusted performance for the period 31/05/2013 - 31/05/2016.

# 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

Whilst the bookmakers have been remarkably consistent throughout the past few months in predicting a 'remain' vote the polls are starting to tell a different story. In the past month or so there has been a trend amongst an increasing number of the multitude of daily polls showing that the gap between 'in' and 'out' is closing dramatically. This heightened uncertainty has affected investor confidence and is reminiscent of the period last year that preceded the general election, after which the domestically orientated sectors bounced strongly. We would expect a similar response to an 'in' vote later this month, but a 'no' vote does take us into uncharted territory. Whilst we believe that the immediate knee jerk reaction would be a negative one, accompanied by a short term flight to liquidity, we note that within our UK small and mid cap universe corporate balance sheets and cash flows are particularly strong. The domestic economy has slowed recently as nervousness with respect to the vote appears to have translated into day to day economic inactivity. At the margin, investors have been looking to benefit from a rising the oil price, growth in the Eurozone and sterling weakness, none of which are particularly helpful to our fund.

At the portfolio level there was a positive contribution from our housing related stocks including Galliford Try, Bovis, Foxtons and Crest Nicholson as the sector started to recover from a recent Brexit inspired sell off. One of last month's heaviest fallers, Restaurant Group, bounced strongly as it was buoyed by takeover rumours highlighting the attractions of its strong cash flow, and FDM rose sharply after a positive AGM statement at the end of April. Electrocomponents released a strong set of results which reflects well on the strategy of the new management team and Close Brothers had a good trading update. On the downside Interserve fell as it announced problems with a contract and Hostelworld issued a profit warning due to adverse short term trends in the travel industry. We raised funds from Informa, and added to Beazley, Chesnara and TT Electronics amongst others. It is inevitable that the performance of the domestic stockmarket for the next few weeks will be dominated by investor concerns with respect to the outcome of the forthcoming vote.

## Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs	7 yrs
Fund (%)	1.14	2.52	-1.67	0.05	38.55	92.42	240.96
Sector Rank	46/81	61/81	63/81	6/79	3/75	1/65	1/58
Quartile Ranking	3rd	3rd	4th	1st	1st	1st	1st
IA UK Equity Income (%)	1.28	3.16	-0.32	-4.52	18.49	43.91	109.47

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.05.2016

## Discrete Annual Performance

	31.05.15 31.05.16	31.05.14 31.05.15	31.05.13 31.05.14	31.05.12 31.05.13	31.05.11 31.05.12
Fund (%)	0.05	12.49	23.10	44.45	-3.86

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.05.2016

## Dividend History

		Q1	Q2	Q3	Q4	Total
2013	B Inc	0.69p	1.00p	1.00p	2.12p	4.81p
2014	B Inc	0.70p	1.05p	1.05p	2.09p	4.89p
2015	B Inc	0.72p	1.15p	1.15p	2.08p	5.10p
2016	B Inc	0.75p				

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

Monthly Fact Sheet  
**31 May 2016**

**ACD**  
Maitland Institutional Services Limited

**Investment Advisor**  
Chelverton Asset Management Ltd

**Administrator**  
Maitland Institutional Services Limited

**Income Paid** Quarterly

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

**Valuation** 12 Noon, Daily

**SEDOL Codes**

	Income	Accumulation
B Shares	B1FD646	B1Y9J57

**Initial Charge (%)**

B Shares 5.0\*

**Annual Management Fee (%)**

B Shares 0.75

**Minimum Investment**

B Shares £1,000

\* or any such lower amount agreed with the ACD

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**FURTHER INFORMATION**

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**springcapital**

## MI Chelverton UK Equity Income Fund

### Top 20 Holdings

Holding	Sector	% of Portfolio
1. Ashmore	Investment Companies	2.10
2. Galliford Try	Construction & Building Materials	1.94
3. Phoenix Group	Investment Companies	1.94
4. RWS Holdings	Support Services	1.58
5. Dairy Crest Group	Consumer Goods	1.56
6. FDM	Software & Computer Services	1.45
7. Connect Group	Industrials	1.42
8. Intermediate Capital Group	Financials	1.39
9. Marston's	Leisure, Entertainment & Hotels	1.38
10. Fidessa Group	Software & Computer Services	1.38
11. Halfords	Engineering & Machinery	1.37
12. Go-Ahead Group	Transport	1.36
13. Brown (N) Group	General Retailers	1.34
14. Hilton Food Group	Food Producers & Processors	1.33
15. Segro	Real Estate	1.33
16. National Express	Transport	1.30
17. Greene King	Beverages	1.30
18. Electrocomponents	Support Services	1.29
19. Hill & Smith Holdings	Construction & Building Materials	1.27
20. Restaurant Group	Restaurants, Pubs & Breweries	1.27

Source: Chelverton Asset Management Limited

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	32.83	27
£500m - £1bn	18.61	16
£250m - £500m	21.94	22
£100m - £250m	19.91	22
Below £100m	2.77	7
Cash and Income	3.94	-
Total	100.00	94

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. 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. We recommend private investors seek the services of a Financial Adviser. Maitland Institutional Services Limited are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email pfsenquiries@phoenixfundservices.com or call +44 (0) 1245 459 962.