

Monthly Fact Sheet 31 August 2016

Launch Date	4th December 2006
Fund Size	£456.1m
Historic Yield (%)*	4.75

Share Price (as at 31.08.16)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	109.05p	189.47p



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 A rated by Citywire for their 3 year risk adjusted performance for the period 31/08/2013 - 31/08/2016.

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

The last month saw a continuation of the recovery from the 'knee jerk' reaction in UK small and mid caps after the result of the referendum was announced. The domestic PMI manufacturing numbers showed an impressive improvement, retail sales were strong and economic and sentiment indicators were surprisingly positive. This all serves to underpin our conviction that the 'drawdown' in our fund at the end of June was a response to the overly dramatic scare stories purveyed by a wide range of commentators ahead of the vote. The reality since then has been that the vast majority of corporate results have been at least 'in line', although earnings upgrades for domestic earners have admittedly been few and far between compared to the overseas earners benefitting from the strong currency tailwind. In nearly a decade now of running this fund one thing we have always relied on to gauge the 'mood' of the stocks that we invest in is the aggregate level of dividend growth within the portfolio. To our mind the ability to pay a relatively high and growing dividend, particularly in times of uncertainty is tangible evidence of the financial 'health' of a company and we would argue tends not to be fully reflected in share prices. The good news is that in the last couple of months the rate of dividend growth, albeit predominantly interims, has exceeded our expectations suggesting that despite Brexit corporate UK remains in a pretty good 'mood'.

At the stock level we have added two new holdings to the fund in the last month. Lavendon is the European and Middle Eastern leader for powered access rental and Essentra which is a supplier of specialist plastic, fibre and foam products with a strong overseas manufacturing footprint. As always with new holdings both yield over four percent. Unsurprisingly a number of stocks continued to recover from the recent sell off such as Morgan Sindall and Polypipe in the building sector and N.Brown and DFS in the retail sector. Importantly we believe that the forecast risks for domestic earners is now more than priced into current valuations as we believe that a combination of a fiscal stimulus package and overly pessimistic consensus forecasts will lead to a gradual upgrading of domestic GDP prospects as we move through next year. Another holding Hostelworld also performed well after a reassuring set of results. We continued to gently add to a number our housebuilders and retailers and reduced RWS and sold Pennon after periods of strong relative performance.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs	7 yrs
Fund (%)	6.07	1.84	0.15	4.08	31.49	115.37	193.42
Sector Rank	3/80	70/80	74/80	68/78	13/74	1/64	1/59
Quartile Ranking	1st	4th	4th	4th	1st	1st	1st
IA UK Equity Income (%)	2.90	5.72	5.54	9.08	23.56	69.10	97.41

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.08.2016

Discrete Annual Performance

	31.08.15	31.08.14	31.08.13	31.08.12	31.08.11
	31.08.16	31.08.15	31.08.14	31.08.13	31.08.12
Fund (%)	4.08	11.18	13.62	41.72	15.57

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.08.2016

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	1.20p			1.95p

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



CHELVERTON
ASSET MANAGEMENT

Monthly Fact Sheet
31 August 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

Dealing Line 0345 305 4217

Dealing Fax 0845 280 0188

FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

Tel +44 (0)20 3195 0076

Email chelverton@springcapitalpartners.com

Visit springcapitalpartners.com



MI Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Ashmore	Financial Services	2.54
2. Phoenix Group	Life Insurance	2.09
3. Galliford Try	Household Goods & Home Construction	1.68
4. Dairy Crest Group	Food Producers	1.66
5. Hill & Smith Holdings	Industrial Engineering	1.55
6. Northgate	Support Services	1.47
7. DFS Furniture	General Retailers	1.45
8. Connect Group	Support Services	1.43
9. FDM	Software & Computer Services	1.43
10. Cobham	Aerospace & Defence	1.39
11. Marston's	Travel & Leisure	1.38
12. Close Brothers Group	Financial Services	1.36
13. McColl's Retail Group	Food & Drug Retailers	1.36
14. Crest Nicholson	Household Goods & Home Construction	1.35
15. Bovis Homes Group	Household Goods & Home Construction	1.34
16. Segro	Real Estate Investment Trusts	1.34
17. Fidessa Group	Software & Computer Services	1.32
18. National Express	Travel & Leisure	1.32
19. Atkins (WS)	Support Services	1.31
20. Beazley	Nonlife Insurance	1.30

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	29.09	23
£500m - £1bn	25.00	21
£250m - £500m	17.61	18
£100m - £250m	20.32	22
Below £100m	4.27	9
Cash and Income	3.71	-
Total	100.00	93

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.