

## Monthly Fact Sheet 31 October 2016

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£434.7m
<b>Historic Yield (%)*</b>	4.89

### Share Price (as at 31.10.16)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	106.86p	187.75p



## 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.

# 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

Although the Brexit vote now seems like old news the continual posturing by both sides of the voting establishment ensures that it remains in the headlines. The fact that no one can realistically understand the full ramifications of the vote at this point only serves to highlight the uncertainties involved and, to use a well worn cliché, stockmarkets do not like uncertainty. As a result whilst we in the UK small and mid cap market have recovered somewhat as the worst of the bearish domestic macro predictions have proved to be unfounded there has been a general flight to liquidity and global 'safe haven' stocks by UK equity investors. The unexpected result of the vote in the US appears in the very short term to have refocused minds on underlying 'value' as it has forced investors to reassess just how defensive these type of stocks are given their relative ratings, and whether they represent the best place for investment if fiscal stimulus is now to be the order of the day in both the US and at home. The asset allocators and strategists in the 'City' and on 'Wall Street' are having to try to come to terms with this new order and the recent sell off in bonds suggests that 'risk' assets may start to become more popular. With a wide range of companies in our portfolio with strong balance sheets, generating cash, paying growing dividends and on relatively undemanding ratings, we believe we are well placed if this is the case.

In the portfolio one of our worst performers in the month was Cobham after releasing a disappointing trading update, although the shares have bounced strongly since the vote in the US on expectation of a pick up in defence spending. A wide range of our housing related shares also underperformed including Epwin, Bovis, Crest Nicholson and Countrywide but this was the only performance 'theme' and we continue to expect our most 'UK centric' stocks to remain volatile. Other positives were Games Workshop after a dividend announcement and Dee Valley which was the subject of an agreed bid. Importantly for the fund, the assets that we own held up reasonably well after the surprise US election result which was partly a realisation that the dramatic sell off in the immediate aftermath of the Brexit result was an overreaction given the financial health of our portfolio. In the short term all eyes are now focussed on the Autumn statement and the prospect of some added tailwinds in a domestic economy that has proved to be relatively robust in the face of the wholly unexpected outcomes of two 'game changing' votes.

## Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs	7 yrs
Fund (%)	-1.01	5.12	-0.76	1.40	19.46	110.25	180.43
Sector Rank	60/81	10/81	74/80	70/79	23/74	2/67	1/59
Quartile Ranking	3rd	1st	4th	4th	2nd	1st	1st
IA UK Equity Income (%)	-0.25	2.92	5.64	6.26	17.10	62.70	91.45

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.10.2016

## Discrete Annual Performance

	31.10.15 31.10.16	31.10.14 31.10.15	31.10.13 31.10.14	31.10.12 31.10.13	31.10.11 31.10.12
Fund (%)	1.40	16.82	0.85	44.89	21.47

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.10.2016

## 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	1.20p		

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

Monthly Fact Sheet  
**31 October 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	Financial Services	2.16
2. Galliford Try	Household Goods & Home Construction	1.80
3. Dairy Crest Group	Food Producers	1.58
4. Phoenix Group	Life Insurance	1.49
5. McColl's Retail Group	Food & Drug Retailers	1.45
6. DFS Furniture	General Retailers	1.44
7. Hilton Food Group	Food Producers	1.42
8. Hill & Smith Holdings	Industrial Engineering	1.42
9. Victrex	Chemicals	1.41
10. Atkins (WS)	Support Services	1.40
11. FDM	Software & Computer Services	1.39
12. Marston's	Travel & Leisure	1.38
13. Low and Bonar	Construction & Building Materials	1.38
14. Go-Ahead Group	Travel & Leisure	1.38
15. Electrocomponents	Support Services	1.38
16. RWS Holdings	Support Services	1.35
17. Games Workshop Group	Leisure Goods	1.32
18. Kier Group	Construction & Building Materials	1.32
19. Greene King	Travel & Leisure	1.30
20. DS Smith	General Industrials	1.28

Source: Chelverton Asset Management Limited

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	29.20	23
£500m - £1bn	20.82	17
£250m - £500m	21.56	22
£100m - £250m	19.85	21
Below £100m	4.44	9
Cash and Income	4.13	-
Total	100.00	92

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.