

Monthly Fact Sheet 31 January 2017

Launch Date	4th December 2006
Fund Size	£449.8m
Historic Yield (%)*	4.52

Share Price (as at 31.01.17)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	112.43p	200.84p



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.

*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

There was no real sector leadership in the last month, albeit miners continued their recent run, and in the short term the direction of the UK equity market seems to be a reflection of the sterling/dollar rate, not unsurprising perhaps given its volatility and the weighting of dollar earners amongst the mega caps. Interestingly there appears to be a growing school of thought amongst commentators that sterling is currently pricing in a 'hard Brexit' and that as the underlying domestic economy is set to remain resilient, there is scope for sterling to bounce from current levels. This is potentially a 'theme' for the second half of the year but it should benefit us as it would be good for sentiment with respect to our domestic earners and would probably help to reverse some of the recent 'currency' trades. In the meantime, GDP growth forecasts for the domestic economy have moved up to two percent, at the upper end of the range for the current year. Whether or not this top down economic strength translates into bottom up earnings upgrades remains to be seen as we expect the general tone of year end corporate statements to remain 'cautiously optimistic'.

At the stock level, our two top contributors to performance over the month, Fenner and Games Workshop both announced that trading was ahead of expectations and Watkin Jones and Cape announced solid updates. On the downside, Braemar Shipping, St Ives and Cobham all disappointed but the reasons were all company specific rather than any reaction to changes in the macro environment, and we have subsequently topped up our holding in Braemar. We also added to positions in GVC, Epwin, Jupiter Fund Management and Shoezone, which stands to be a beneficiary of the recently announced changes in rates for retailers and who once again announced a special dividend. We also added a position in Pennon, a utility company, to the portfolio. We realised funds from, amongst others, Cobham which announced a dividend cut with its downgrade and from Electrocomponents and Hill & Smith after strong performance. Importantly for our fund we expect to see a confirmation of the strong growth in dividends that we saw at the interim stage in the upcoming final results season at the end of February.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs	7 yrs
Fund (%)	1.54	6.97	1.54	11.57	24.85	117.05	194.06
Sector Rank	7/82	5/81	7/82	47/80	18/74	1/68	1/59
Quartile Ranking	1st	1st	1st	3rd	1st	1st	1st
IA UK Equity Income (%)	-0.10	2.39	-0.10	13.00	21.02	65.72	93.02

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.01.2017

Discrete Annual Performance

	31.01.16 31.01.17	31.01.15 31.01.16	31.01.14 31.01.15	31.01.13 31.01.14	31.01.12 31.01.13
Fund (%)	11.57	9.18	2.50	35.36	28.43

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.01.2017

Dividend History

	Q1	Q2	Q3	Q4	Total
2013 B Income	0.69p	1.00p	1.00p	2.12p	4.81p
2014 B Income	0.70p	1.05p	1.05p	2.09p	4.89p
2015 B Income	0.72p	1.15p	1.15p	2.08p	5.10p
2016 B Income	0.75p	1.20p	1.20p	1.93p	5.08p

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

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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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MI Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Lavendon Group	Support Services	2.14
2. Galliford Try	Household Goods & Home Construction	1.92
3. Games Workshop Group	Leisure, Entertainment & Hotels	1.86
4. Phoenix Group	Life Insurance	1.69
5. Fenner	Industrial Engineering	1.59
6. Ashmore	Financial Services	1.59
7. RWS Holdings	Support Services	1.56
8. Brewin Dolphin Holdings	Financial Services	1.53
9. IMI plc	Industrial Engineering	1.51
10. Dairy Crest Group	Food Producers	1.51
11. Victrex	Chemicals	1.49
12. Northgate	Support Services	1.48
13. Hilton Food Group	Food Producers	1.47
14. Atkins (WS)	Support Services	1.47
15. McColl's Retail Group	Food & Drug Retailers	1.47
16. Crest Nicholson	Household Goods & Home Construction	1.46
17. Go-Ahead Group	Travel & Leisure	1.42
18. FDM	Software & Computer Services	1.41
19. Electrocomponents	Support Services	1.40
20. DS Smith	General Industrials	1.39

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	30.13	24
£500m - £1bn	23.68	19
£250m - £500m	21.83	20
£100m - £250m	17.74	19
Below £100m	4.65	8
Cash and Income	1.97	-
Total	100.00	90

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.