

Monthly Fact Sheet 28 February 2017

Launch Date	4th December 2006
Fund Size	£460.7m
Historic Yield (%)*	4.43

Share Price (as at 28.02.17)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	114.72p	204.94p



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.

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

In a month in which the domestic equity market reached new highs, sterling continued to weaken helping to underpin company profit estimates and to heighten inflation expectations at the same time. Undoubtedly the UK manufacturing sector is undergoing a pickup in activity as evidenced by PMI figures as exports benefit from the currency moves and it is interesting to note that, whilst 'Brexit' has added a note of underlying caution to company trading statements, we have yet to see any adverse 'Brexit' specific trading news in our portfolio. Where there have been recent problems for Cobham, Interserve and St Ives, they have all been contract and client specific. As the domestic outlook remains broadly positive we expect to see the rotation between 'quality growth' and 'cyclical value', that has been prevalent since the US elections to continue to be a feature of the UK equity market. We also expect to see a substantial increase in IPOs and more corporate activity over the next few months, all of which should throw up some interesting opportunities for the fund.

In a busy month for company reporting it was reassuring that amongst our top performers were Ashmore and Galliford Try, who released interim figures, and Essentra and Morgan Sindall who released their finals. News flow is particularly important for 'under researched' small and mid caps as it serves to temporarily put companies in the spotlight and leads to a short term reappraisal of prospects and relative valuation. On balance, results have been positive over the period as evidenced by the continued growth in dividends by a significant cross section of our holdings. The price of RM responded well to the acquisition of the education business from Connect Group, another of our holdings. On the downside, there were stock specific issues at Interserve, where provisions had to be increased against a waste to energy contract, and St Ives, which announced the loss of a print contract. On the trading front we reinvested the cash received from the bid for Brammer into, amongst others, Acal, Lancashire, Computacenter and Braemar Shipping, the latter after its recent earnings downgrade.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs	7 yrs
Fund (%)	2.04	8.18	3.61	12.95	22.87	114.84	193.53
Sector Rank	68/82	6/81	13/82	56/80	15/74	1/68	1/59
Quartile Ranking	4th	1st	1st	3rd	1st	1st	1st
IA UK Equity Income (%)	2.75	6.30	2.65	14.94	17.96	63.64	95.14

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 28.02.2017

Discrete Annual Performance

	29.02.16 28.02.17	28.02.15 29.02.16	28.02.14 28.02.15	28.02.13 28.02.14	29.02.12 28.02.13
Fund (%)	12.95	4.80	3.80	33.73	30.76

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 28.02.2017

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

*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.

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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

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

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MI Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Galliford Try	Household Goods & Home Construction	2.12
2. Games Workshop Group	Leisure Goods	1.94
3. Phoenix Group	Life Insurance	1.84
4. Ashmore	Financial Services	1.81
5. Northgate	Support Services	1.59
6. IMI plc	Industrial Engineering	1.56
7. Crest Nicholson	Household Goods & Home Construction	1.54
8. FDM	Software & Computer Services	1.50
9. Brewin Dolphin Holdings	Financial Services	1.47
10. McColl's Retail Group	Food & Drug Retailers	1.45
11. Jupiter Fund Management	Financial Services	1.45
12. Victrex	Chemicals	1.44
13. Watkin Jones Group	Household Goods & Home Construction	1.44
14. Bovis Homes Group	Household Goods & Home Construction	1.44
15. Beazley	Nonlife Insurance	1.43
16. Essentra	Support Services	1.42
17. Atkins (WS)	Support Services	1.40
18. Dairy Crest Group	Food Producers	1.39
19. Fenner	Industrial Engineering	1.38
20. Polypipe Group	Construction & Building Materials	1.37

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	31.59	24
£500m - £1bn	23.89	19
£250m - £500m	19.15	19
£100m - £250m	16.26	17
Below £100m	4.90	9
Cash and Income	4.21	-
Total	100.00	88

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.