

Monthly Fact Sheet 31 March 2017

Launch Date	4th December 2006
Fund Size	£476.9m
Historic Yield (%)*	4.37

Share Price (as at 31.03.17)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	116.94p	208.89p



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

In the month in which Article 50 was finally triggered we remain positively surprised by the continued confidence of 'corporate UK', tangible evidence of which can regularly be seen in better than expected dividend increases. It will be some time yet before the posturing ends and we get any substantive indication as to the 'costs' or otherwise of leaving and this uncertainty will remain a headwind, although hopefully a diminishing one, to capital investment. Given the relatively high domestic focus of our small and mid-cap investment universe it is interesting to note an increasing number of commentators now expecting Sterling to start appreciating against major currencies by the end of the year, a view we have had for some time. In itself this may translate into a small tailwind for UK earnings but importantly it could precipitate a sentiment shift amongst investors back towards UK earnings, and those sectors such as housebuilding and retail that have been under pressure recently. Our domestic economy remains broadly supportive of small and mid-cap performance and valuations with fears over falling real wages on one hand being countered by supportive monetary policy, good export performance and the resilience of the services sector on the other. One note of caution is that the recent uptick in IPOs and equity placings amongst small and mid-caps will inevitably lead to a brief period of 'equity indigestion' in the short term, although we are not there yet.

In the last month we sold one of our long standing holdings, Beazley, after a period of strong performance, and we received the cash from the takeover of Lavendon. We recycled these funds into four new holdings with dividend yields in excess of four percent, in line with our investment process. Saga which offers products and services such as insurance and holidays exclusively to customers aged over fifty. Eurocell which is a manufacturer and retailer of UPVC building products which also has its own raw material recycling capabilities. Flowtech Fluidpower which distributes technical products and where we expect the company to make acquisitions as it seeks to consolidate a fragmented industry. Finally, we added Tyman which manufactures and supplies engineered components to the door and window industries with over eighty percent of earnings coming from overseas. At the same time we added to our positions in a number of holdings including Acal, Hostelworld, XP Power, Computacenter and Restaurant Group. Bovis performed well after starting merger talks with a couple of other housebuilders and although these have not come to fruition the appointment of a well respected CEO has underpinned the share price. Cape bounced strongly after ring-fencing potential legal compensation and McColl's, Polypipe, TT Electronics and FDM responded well to results.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs	7 yrs
Fund (%)	1.93	5.61	5.61	11.71	27.73	113.11	183.13
Sector Rank	21/85	9/85	9/85	63/83	13/76	1/70	1/61
Quartile Ranking	1st	1st	1st	3rd	1st	1st	1st
IA UK Equity Income (%)	1.45	4.13	4.13	14.47	22.25	66.18	86.62

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.03.2017

Discrete Annual Performance

	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Fund (%)	11.71	9.71	4.23	27.95	30.40

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.03.2017

Dividend History

		Q1	Q2	Q3	Q4	Total
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
2017	B Income	0.78p				

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. Games Workshop Group	Leisure Goods	2.07
2. Phoenix Group	Life Insurance	1.88
3. Galliford Try	Household Goods & Home Construction	1.81
4. Ashmore	Financial Services	1.69
5. TT Electronics	Electronic & Electrical Equipment	1.63
6. FDM	Software & Computer Services	1.62
7. McColl's Retail Group	Food & Drug Retailers	1.56
8. Northgate	Support Services	1.51
9. Jupiter Fund Management	Financial Services	1.50
10. Bovis Homes Group	Household Goods & Home Construction	1.49
11. Essentra	Support Services	1.46
12. Crest Nicholson	Household Goods & Home Construction	1.45
13. IMI plc	Industrial Engineering	1.44
14. Polypipe Group	Construction & Materials	1.43
15. Brewin Dolphin Holdings	Financial Services	1.42
16. Atkins (WS)	Support Services	1.42
17. Fenner	Industrial Engineering	1.42
18. Watkin Jones Group	Household Goods & Home Construction	1.41
19. Victrex	Chemicals	1.39
20. Hilton Food Group	Food Producers	1.38

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	30.99	24
£500m - £1bn	24.86	20
£250m - £500m	19.62	19
£100m - £250m	15.55	16
Below £100m	5.40	10
Cash and Income	3.58	-
Total	100.00	89

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 Chelverton@maitlandgroup.com or call +44 (0) 1245 459 962.