

Monthly Fact Sheet 31 October 2017

Launch Date	4th December 2006
Fund Size	£563.0m
Historic Yield (%)*	3.95

Share Price (as at 31.10.17)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	131.96p	242.08p



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

The recent interest rate increase was widely anticipated and benefited our portfolio in the latter part of the month as sterling strengthened whilst the rise in the oil price was a mild headwind. We have often referred to the short term effects of 'investor sentiment' on both share prices and the relative performance of small and mid caps compared to their larger counterparts. In a nutshell, when sentiment is positive investors tend to be happier to own stocks within our universe. One significant macro input into investors' appetite for our companies is the domestic and global political backdrop and arguably, at the moment, the ability to 'price' political risk here at home, in the US, and now in Germany is as difficult as it has ever been. It appears that investors have little option but to look through the 'top down' political 'noise' and concentrate more on the actual companies themselves. With strong balance sheets and cash flows, gently improving trading and growing dividends, this should be good news for the type of company we invest in.

In the last month we have added two new holdings to the fund. Manx Telecom is the leading communication solutions provider on the Isle of Man and Severfield is the UK's leading structural steel company. We supported a placing in Hilton Food as they raised money to buy Seachill, broadening their offering into fish and seafood, and we added to a number of existing holdings including Saga, National Express, DFS, Wilmington and Morgan Advanced Materials. It is noticeable that a broad range of 'in line' statements by investee companies have been met recently with an almost overwhelming indifference and share prices have started to drift downwards. Part of the reason for this is that liquidity is being absorbed by the sheer number of IPOs and fund raisings that advisors are rushing to complete before the year end. This ultimately suits us as it will present us with some attractive new opportunities and will increase the number of stocks yielding four percent, our investible universe, amongst the wider market of domestic small and mid caps.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs	7 yrs
Fund (%)	2.90	5.59	22.39	28.94	52.73	123.18	177.07
Sector Rank	4/86	1/86	2/84	1/83	1/78	1/74	1/62
Quartile Ranking	1st	1st	1st	1st	1st	1st	1st
IA UK Equity Income (%)	1.43	2.18	9.29	12.10	28.26	65.26	86.98

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.10.2017

Discrete Annual Performance

	31.10.16 31.10.17	31.10.15 31.10.16	31.10.14 31.10.15	31.10.13 31.10.14	31.10.12 31.10.13
Fund (%)	28.94	1.40	16.82	0.85	44.89

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.10.2017

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	2.07p	5.09p
2016	B Income	0.75p	1.20p	1.20p	1.93p	5.08p
2017	B Income	0.78p	1.25p	1.25p		

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.

Monthly Fact Sheet
31 October 2017

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

springcapital

MI Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Games Workshop Group	Leisure Goods	2.60
2. McColl's Retail Group	Food & Drug Retailers	2.03
3. XP Power	Electronic & Electrical Equipment	1.92
4. Ashmore	Financial Services	1.71
5. Phoenix Group	Life Insurance	1.61
6. FDM	Software & Computer Services	1.60
7. TT Electronics	Electronic & Electrical Equipment	1.59
8. Hilton Food Group	Food Producers	1.58
9. Acal	Support Services	1.53
10. Intermediate Capital Group	Financial Services	1.45
11. Computacenter	Software & Computer Services	1.42
12. Galliford Try	Household Goods & Home Construction	1.40
13. Morgan Advanced Materials	Electronic & Electrical Equipment	1.39
14. IMI plc	Industrial Engineering	1.36
15. Brown (N) Group	General Retailers	1.36
16. Mortgage Advice Bureau	Financial Services	1.35
17. Pennon Group	Utilities	1.34
18. Northgate	Support Services	1.34
19. Jupiter Fund Management	Financial Services	1.33
20. GVC Holdings	Travel & Leisure	1.32

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	30.90	25
£500m - £1bn	28.99	23
£250m - £500m	17.09	16
£100m - £250m	14.12	17
Below £100m	5.74	10
Cash and Income	3.16	-
Total	100.00	91

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.co.uk or call +44 (0) 1245 459 962.