

Monthly Fact Sheet 31 March 2018

Launch Date	4th December 2006
Fund Size	£592m
Historic Yield (%)*	4.68

Share Price (as at 31.03.18)

<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	123.38p	230.61p

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

Although the policy tightening plans of the Fed have been well documented, the US led equity markets lower as worries over trade tariffs caused investors to assess the effect on corporate earnings expectations of a widespread trade war. Despite the US economy growing strongly, business confidence has been knocked as a result of these trade fears. As share prices fell at home, the apparent compromise with respect to the Brexit transition period served to calm investors worst short term concerns and manufacturing and employment levels continued to provide some cause for optimism. Dividend payments remain robust. Interestingly whilst corporate activity levels are picking up, the IPO market has proved to be quieter than we would have expected largely due, we believe, to increased market volatility.

The one standout feature of the results season was the relative weakness of the retail sector as the effects of soft underlying trading were compounded by adverse weather conditions. Relatively poor performers in the month included N.Brown, Halfords, McColls and Debenhams. In addition Moss Bros fell heavily after a 'self inflicted' downgrade caused by supply problems. De La Rue also fell after the loss of the high profile British passport contract and we have topped up our holding during the sell off. On the positive side Fenner was the subject of a cash offer and we have just sold our holding to reinvest. We have, however, retained our position in another bid target, Fidessa, as they recently announced that they are in talks with a number of new potential suitors. FDM performed well after they released a very good set of results accompanied by an excellent dividend increase, and Go Ahead recovered from an 'over-sold' position. We supported placings by Tyman and Flowtech Fluidpower as they made acquisitions and we expect there to be an increased appetite for equity funding as we move through the year.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs	7 yrs
Fund (%)	-2.74	-6.18	-6.18	10.40	35.29	80.42	147.62
Sector Rank	61/86	44/86	44/86	2/84	1/78	1/76	1/66
Quartile Ranking	3rd	3rd	3rd	1st	1st	1st	1st
IA UK Equity Income (%)	-2.33	-6.19	-6.19	-0.14	12.76	39.45	69.16

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.03.2018

Discrete Annual Performance

	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
	31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
Fund (%)	10.40	11.71	9.71	4.23	27.95
IA UK Equity Income (%)	-0.14	14.50	-1.35	8.35	14.21

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 31.03.2018

Dividend History

	Q1	Q2	Q3	Q4	Total
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	2.48p	5.76p
2018 B Income	0.79p				

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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31 March 2018

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

Ongoing Charge (%)

B Shares 0.86**

* or any such lower amount agreed with the ACD

** per audited financial statements for year-ended 31 December 2017

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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	2.03
2. Phoenix Group	Life Insurance	1.69
3. Fidessa Group	Software & Computer Services	1.65
4. XP Power	Electronic & Electrical Equipment	1.62
5. Ashmore	Financial Services	1.59
6. DiscoverIE Group	Electronic & Electrical Equipment	1.58
7. Mortgage Advice Bureau	Financial Services	1.56
8. Ultra Electronics	Aerospace & Defence	1.53
9. IMI plc	Industrial Engineering	1.50
10. McColl's Retail Group	Food & Drug Retailers	1.49
11. Babcock International	Support Services	1.41
12. Intermediate Capital Group	Financial Services	1.40
13. FDM	Software & Computer Services	1.36
14. Morgan Advanced Materials	Electronic & Electrical Equipment	1.35
15. Go-Ahead Group	Travel & Leisure	1.34
16. Hilton Food Group	Food Producers	1.33
17. Crest Nicholson	Household Goods & Home Construction	1.33
18. National Express	Travel & Leisure	1.31
19. Dairy Crest Group	Food Producers	1.31
20. Tate & Lyle	Food Producers	1.29

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	31.73	28
£500m - £1bn	24.44	21
£250m - £500m	20.95	21
£100m - £250m	14.00	18
Below £100m	4.74	10
Cash and Income	4.14	-
Total	100.00	98

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.