

Monthly Fact Sheet 30 April 2018

Launch Date	4th December 2006
Fund Size	£640m
Historic Yield (%)*	4.42

Share Price (as at 30.04.18)

Shares	Income	Accumulation
B Shares	130.53p	245.55p

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 UK equity market recovered lost ground in the last month as investor risk appetite returned. At home this was driven in the first instance by weaker sterling as the US dollar recovered and by continued corporate activity. As a relatively UK-centric income fund, we were at a small disadvantage compared to the income sector as a whole but we welcome the shift in sentiment. We are also structurally underweight the oil sector which was a headwind in a month when the oil price recovered strongly. After the recent bounce we are back to where we were at the end of the third quarter last year when the majority of potential investments that fulfil our initial yield criteria are from a small number of domestic sectors. We are currently adopting a “one in, one out” policy in the retail sector, for example, as we want to retain a balanced portfolio. We fully expect our investable universe to increase significantly over the next few months, however, as the inevitable pre summer pick up in fund raisings leads to a short term ‘price drift’ across some UK small and mid cap stocks.

Interestingly, there appears to be an increasing number of commentators debating whether or not UK centric domestic stocks are ‘cheap’ given that it looks as though real wages may finally be starting to increase. We believe that we need to see this translate into improving consumer confidence before it can be reflected in share price rises. In the last month, we have added to a broad range of our existing holdings. We increased our exposure to the oil and gas sector with purchases of SOCO and Wood Group, whose shares have started to recover strongly from recent lows. We topped up a number of stocks with strong overseas earnings including Low and Bonar, RPS, SThree and Strix and at the same time added to UK earnings through Headlam, DFS and Costain. As we have an inherent bias towards domestic earners we have been careful to try to retain an appropriate balance between domestic and overseas earnings within the parameters of our investment process. We also took up our rights in Galliford Try.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs	7 yrs
Fund (%)	6.48	1.17	-0.10	10.04	39.75	91.31	152.36
Sector Rank	40/86	28/86	39/86	8/84	1/79	1/77	1/66
Quartile Ranking	2nd	2nd	2nd	1st	1st	1st	1st
IA UK Equity Income (%)	6.20	0.74	-0.35	4.75	18.25	46.78	74.56

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 30.04.2018

Discrete Annual Performance

	30.04.17	30.04.16	30.04.15	30.04.14	30.04.13
	30.04.18	30.04.17	30.04.16	30.04.15	30.04.14
Fund (%)	10.04	21.31	4.68	6.50	28.54
IA UK Equity Income (%)	4.75	15.82	-2.74	8.66	14.25

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 30.04.2018

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.

Monthly Fact Sheet
30 April 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

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	2.00
2. Fidessa Group	Software & Computer Services	1.64
3. XP Power	Electronic & Electrical Equipment	1.61
4. Phoenix Group	Life Insurance	1.61
5. Ashmore	Financial Services	1.60
6. McColl's Retail Group	Food & Drug Retailers	1.55
7. DiscoverIE Group	Electronic & Electrical Equipment	1.53
8. Mortgage Advice Bureau	Financial Services	1.48
9. IMI plc	Industrial Engineering	1.45
10. DFS Furniture	General Retailers	1.45
11. TT Electronics	Electronic & Electrical Equipment	1.45
12. Babcock International	Support Services	1.45
13. Galliford Try	Household Goods & Home Construction	1.44
14. Intermediate Capital Group	Financial Services	1.43
15. Ultra Electronics	Aerospace & Defence	1.42
16. Restaurant Group	Travel & Leisure	1.39
17. Go-Ahead Group	Travel & Leisure	1.38
18. Hostelworld Group	Travel & Leisure	1.38
19. Tate & Lyle	Food Producers	1.37
20. Northgate	Support Services	1.35

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	34.98	31
£500m - £1bn	23.29	20
£250m - £500m	21.84	21
£100m - £250m	12.77	17
Below £100m	3.76	9
Cash and Income	3.36	-
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.