

Monthly Fact Sheet 28 February 2018

| | |
|----------------------------|-------------------|
| Launch Date | 4th December 2006 |
| Fund Size | £596m |
| Historic Yield (%)* | 4.54 |

Share Price (as at 28.02.18)

| | | |
|---------------|---------------|---------------------|
| <i>Shares</i> | <i>Income</i> | <i>Accumulation</i> |
| B Shares | 126.85p | 237.11p |



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

Markets responded adversely to uncertainty over the scale of the anticipated Fed tightening and then, latterly, over fears of the US becoming more protectionist as the rhetoric over trade wars was stepped up. At home, the results season gathered pace and generally underlined the resilience of corporate earnings, although it was noticeable that there was a bias in downgrades towards domestic consumer and retail stocks. The key to any potential upgrades here remains the prospect of growth in real wages as we move through the year. Ahead of the Italian election we ended the month with just over five percent cash which was slightly higher than usual but was only temporary and we are now back to normal levels i.e. sub three percent. The election itself had little impact largely as the result was within the predicted range of outcomes according to the polls. The recent increased level of market volatility continues to present us with new opportunities within the remit of our investment process.

At the stock level, our best performer was Fidessa who after releasing a good set of figures also revealed that they had agreed a cash offer for the company by Temenos, a Swiss software provider. RM was strong after an excellent set of numbers, Ultra Electronics responded well to reassuring results and STV recovered from an oversold position. On the downside, Galliford Try fell after announcing a capital raising which was needed as a result of a JV with Carillion. This was particularly unfortunate as their underlying housebuilding business performed very well. Northgate fell after an internal review recommended increasing their average fleet holding period which will have the effect of reducing short term profits but improving medium term returns. As we invest for long term income we are supportive and topped up our holding at the lower levels. We added to a number of our holdings including Essentra, Babcock, Marston's, RM and National Express. Money was raised as we sold Computacenter into their tender offer and RWS, both on yield grounds, and Hogg Robinson after an agreed bid for the Company. We added one new stock to the portfolio during a placing, Diversified Gas and Oil, which owns low risk oil and gas producing assets in the US.

Cumulative Performance

| | 1 m | 3 m | YTD | 1 yr | 3 yrs | 5 yrs | 7 yrs |
|-------------------------|-------|-------|-------|-------|-------|-------|--------|
| Fund (%) | -2.30 | -0.78 | -3.54 | 15.70 | 36.95 | 90.10 | 156.64 |
| Sector Rank | 20/87 | 27/87 | 32/87 | 2/84 | 1/79 | 1/74 | 1/64 |
| Quartile Ranking | 1st | 2nd | 2nd | 1st | 1st | 1st | 1st |
| IA UK Equity Income (%) | -2.89 | -1.63 | -3.92 | 3.75 | 14.92 | 46.20 | 73.25 |

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 28.02.2018

Discrete Annual Performance

| | 28.02.17 28.02.18 | 29.02.16 28.02.17 | 28.02.15 29.02.16 | 28.02.14 28.02.15 | 28.02.13 28.02.14 |
|----------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Fund (%) | 15.70 | 12.95 | 4.80 | 3.80 | 33.73 |

Source: Lipper, NAV to NAV, B Shares Acc, Total Return to 28.02.2018

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 | 2.48p | 5.76p |

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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springcapital

MI Chelverton UK Equity Income Fund

Top 20 Holdings

| Holding | Sector | % of Portfolio |
|-------------------------------|-------------------------------------|----------------|
| 1. Games Workshop Group | Leisure Goods | 2.12 |
| 2. Ashmore | Financial Services | 1.76 |
| 3. DiscoverIE Group | Electronic & Electrical Equipment | 1.75 |
| 4. Phoenix Group | Life Insurance | 1.72 |
| 5. McColl's Retail Group | Food & Drug Retailers | 1.67 |
| 6. Fidessa Group | Software & Computer Services | 1.66 |
| 7. Ultra Electronics | Aerospace & Defence | 1.57 |
| 8. XP Power | Electronic & Electrical Equipment | 1.56 |
| 9. Intermediate Capital Group | Financial Services | 1.50 |
| 10. Mortgage Advice Bureau | Financial Services | 1.49 |
| 11. Morgan Advanced Materials | Electronic & Electrical Equipment | 1.43 |
| 12. Crest Nicholson | Household Goods & Home Construction | 1.37 |
| 13. TT Electronics | Electronic & Electrical Equipment | 1.36 |
| 14. Hilton Food Group | Food Producers | 1.34 |
| 15. Close Brothers Group | Financial Services | 1.33 |
| 16. Jupiter Fund Management | Financial Services | 1.33 |
| 17. Dairy Crest Group | Food Producers | 1.31 |
| 18. IMI plc | Industrial Engineering | 1.30 |
| 19. Victrex | Chemicals | 1.29 |
| 20. Babcock International | Support Services | 1.25 |

Source: Chelverton Asset Management Limited

Market Cap Breakdown

| | % of Portfolio | No. of Stocks |
|-----------------|----------------|---------------|
| Above £1bn | 30.19 | 26 |
| £500m - £1bn | 25.19 | 22 |
| £250m - £500m | 20.95 | 21 |
| £100m - £250m | 12.92 | 16 |
| Below £100m | 5.32 | 11 |
| Cash and Income | 5.43 | - |
| Total | 100.00 | 96 |

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.