

## Monthly Fact Sheet

### 28 February 2023

**Launch Date** 4 December 2006

**Fund Size** £387m

**Historic Yield** 5.21% (e)

The historic yield reflects distributions over the past 12 months as a percentage of the 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.

#### Share Price (as at 28.02.23)

Shares	Income	Accumulation
B Shares	109.48p	254.52p

#### SEDOL Codes

	Income	Accumulation
Sedol	B1FD646	B1Y9J57
ISIN	GB00B1FD6467	GB00B1Y9J570

**Income Paid** Quarterly

**XD Dates** 31 March, 30 June,  
30 September, 31 December

**Valuation** 12 Noon, Daily

**Initial Charge (%)** 5.0\*

**Annual Management Fee (%)** 0.75

**Minimum Investment** £1,000

**Ongoing Charge (%)** 0.90

Charges are for B share class.

\*or any such lower amount agreed with the ACD

#### ACD

Maitland Institutional Services Limited

#### Investment Advisor

Chelverton Asset Management Limited

#### Administrator

Maitland Administration Services Ltd

## Dealing Details

**Dealing Line** 0345 305 4217

**Dealing Fax** 0845 280 0188

# 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 global macro outlook continues to be dominated by the determination of the US Fed to reduce inflation, although there does now seem to be an end in sight for rate rises and the debate in markets is gradually moving to when we can expect the first cuts. In the UK the public finance data looks better than expected as borrowings are set to be below OBR forecasts due to a lower need for the energy support scheme and a higher tax take. Whether or not this will translate into fiscal support in the forthcoming budget remains to be seen but the 'mood music' is not promising in this respect. In the corporate world the results season has started reassuringly with the majority of numbers coming in at least in line with market estimates. Analysts, who tend to err on the side of caution in risk-off markets are generally tweaking numbers a bit lower for this year and next, increased interest charges being one common reason. Interestingly though share prices have held up reasonably well suggesting that the sell off seen last year has led to a wide range of valuations that are supportive of current news flow. The better news for us is that so far dividends have come in slightly ahead of our expectations.

We added two new holdings to the portfolio last month, the property company LondonMetric and Mattioli Woods the wealth manager. We are still actively considering a relatively large number of potential new holdings as we can access our minimum four percent dividend yield requirement across numerous stocks and sectors at the moment. Whilst there was little in common between the underlying activities of our best performing shares over the past month Kitwave, Morgan Sindall and Dunelm all released good results with the latter even announcing a special dividend payment. In difficult markets it is often the case that decent results can provide the catalyst to some positive short term performance as they provide a real time tangible basis for valuation to investors. Another good performer was Wood Group which announced that it had turned down an approach from private equity. On the downside Telecom Plus and Redde both relatively underperformed as did Diversified Energy after an equity issue. We added to our position in Somero and reduced our exposure to a number of holdings including Atalaya Mining, Jupiter Fund Managers and Bloomsbury and we sold out of Tate and Lyle in its entirety on yield grounds.

## Cumulative Performance

	1 m	3 m	1 yr	3 yrs	5 yrs	10 yrs
Fund (%)	0.85	6.10	1.46	12.63	7.34	107.27
Rank in sector	68/78	27/78	66/76	62/74	64/71	13/59
Quartile	4th	2nd	4th	4th	4th	1st
IA UK Equity Income (%)	1.93	5.59	6.55	24.55	22.38	83.63

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 28.02.2023

## Calendar Year Performance (%)

	YTD	2022	2021	2020	2019	2018
Fund	5.07	-12.16	22.68	-14.45	24.59	-14.20
IA Sector (%)	6.19	-2.18	18.30	-10.91	20.12	-10.53

Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 28.02.2023

## Dividend History

		Q1	Q2	Q3	Q4	Total
2018	B Income	0.79p	1.40p	1.40p	2.29p	5.88p
2019	B Income	0.80p	1.50p	1.50p	1.99p	5.79p
2020	B Income	0.24p	0.55p	0.97p	0.70p	2.46p
2021	B Income	0.65p	1.64p	1.56p	0.95p	4.80p
2022	B Income	0.79p	2.30p	1.55p	1.06p (e)	5.70p (e)

History of dividends declared per share. Source: Chelverton Asset Management Limited  
(e) is estimated

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#### 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.



**Oliver Knott** joined Chelverton Asset Management in January 2020 as an Assistant Fund Manager. He has extensive experience in UK small and mid cap equities having joined Brewin Dolphin as a generalist salesman after

graduating from the University of Essex with a 1st class honours degree in Politics, Philosophy and Economics. Prior to joining Chelverton, he worked as an equity analyst for N+1 Singer, in their highly respected technology research franchise. Oliver is a CFA Charterholder.

#### FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

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## MI Chelverton UK Equity Income Fund

#### Top 20 Holdings

Holding	Sector	% of Portfolio
1. Redde Northgate	Industrial Transportation	3.16
2. Chesnara	Life Insurance	2.58
3. Diversified Energy	Oil, Gas & Coal	2.30
4. Telecom Plus	Telecommunications Service Providers	2.13
5. XPS Pensions Group	Investment Banking & Brokerage Services	1.88
6. Keller Group	Construction & Materials	1.87
7. Moneysupermarket.com	Software & Computer Services	1.79
8. Bakkavor Group	Food Producers	1.78
9. STV Group	Media	1.77
10. Rathbones	Investment Banking & Brokerage Services	1.74
11. Dunelm	Retailers	1.69
12. Kitwave	Personal Care, Drug and Grocery Stores	1.65
13. Vesuvius	Industrial Engineering	1.64
14. FDM	Industrial Support Services	1.64
15. Polar Capital Holdings	Investment Banking & Brokerage Services	1.64
16. Morgan Sindall	Construction & Materials	1.60
17. Ashmore Group	Investment Banking & Brokerage Services	1.59
18. Phoenix Group	Life Insurance	1.48
19. Close Brothers	Banks	1.47
20. Severfield	Construction & Materials	1.42

Source: Chelverton Asset Management Limited

#### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	33.78	28
£500m - £1bn	23.65	21
£250m - £500m	24.84	25
£100m - £250m	11.97	15
Below £100m	1.90	6
Cash and Income	3.86	-
Total	100.00	95

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. Fund performance figures are net of the ongoing charges and portfolio transaction costs unless otherwise stated. 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. The contents of this document are intended for Professional Investors and Eligible Counterparties only. 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](mailto:Chelverton@maitlandgroup.co.uk) or call +44 (0)345 305 4217. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.