

# Maitland

**MI Chelverton Equity Fund**

**Annual Report 31 December 2022**

# MI Chelverton Equity Fund

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\* These collectively comprise the Authorised Corporate Director's Report.

## Directory

### Authorised Corporate Director ('ACD') & Registrar

Maitland Institutional Services Limited  
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Telephone: 01245 398950  
Fax: 01245 398951  
Website: [www.maitlandgroup.com](http://www.maitlandgroup.com)  
(Authorised and regulated by the Financial Conduct Authority)

### Customer Service Centre

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY  
Telephone: 0345 305 4217  
Fax: 0845 280 0188  
E-mail: [chelverton@maitlandgroup.com](mailto:chelverton@maitlandgroup.com)

### Directors of the Authorised Corporate Director

A.C. Deptford  
P.J. Foley-Brickley  
C. O'Keeffe  
D. Phillips (Non-Executive Director)  
J. Thompson (Non-Executive Director)

### Investment Manager

Chelverton Asset Management Limited  
11 Laura Place, Bath BA2 4BL  
(Authorised and regulated by the Financial Conduct Authority)

### Fund Managers

James Baker  
Edward Booth  
David Horner  
Oliver Knott  
Dale Robertson  
Gareth Rudd  
David Taylor

### Depositary

Northern Trust Investor Services Limited  
50 Bank Street, London E14 5NT  
(Authorised and regulated by the Financial Conduct Authority)

### Independent Auditor

Grant Thornton UK LLP  
Statutory Auditors  
Chartered Accountants  
30 Finsbury Square, London EC2A 1AG

## Statement of the Authorised Corporate Director's Responsibilities

The Collective Investment Schemes Sourcebook published by the FCA, ('the COLL Rules') requires the Authorised Corporate Director ('ACD') to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net revenue and net gains or losses on the property of the Company for the year.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association ('IA') in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or terminate a Sub-fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at the time the financial position of the Company and to enable it to ensure that the financial statements comply with the Sourcebook. The ACD is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the ACD has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditor is aware of that information.

## Certification of the Annual Report by the Authorised Corporate Director

The report has been prepared in accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('the COLL Sourcebook') and the Statement of Recommended Practice issued by the Investment Association.



**C. O'Keeffe**

**P.J. Foley-Brickley**

Directors

Maitland Institutional Services Limited

29 March 2023

## Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the MI Chelverton Equity Fund ('the Company').

for the year ended 31 December 2022

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ('the AFM'), are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

### **Northern Trust Investor Services Limited**

UK Trustee and Depositary Services

29 March 2023

## Independent Auditor's Report to the Shareholders of MI Chelverton Equity Fund ('the Company')

### Opinion

We have audited the financial statements of MI Chelverton Equity Fund (the 'Company') for the year ended 31 December 2022. These financial statements comprise together the statement of accounting policies and risk management policies, and the individual financial statements of each of the following Sub-funds (the 'Sub-funds') of the Company:

- MI Chelverton UK Equity Income Fund
- MI Chelverton UK Equity Growth Fund
- MI Chelverton European Select Fund

The individual financial statements for each of the Company's Sub-funds comprise the statement of total return, the statement of change in net assets attributable to Shareholders, the balance sheet, notes to the financial statements and the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017, the rules of the Collective Investment Schemes Sourcebook and the Company's Instrument of Incorporation.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company and each of the Sub-funds as at 31 December 2022 and of the net revenue and net capital gains/(losses) on the scheme property of the Company and each of the Sub-funds for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017, the rules of the Collective Investment Schemes Sourcebook, and the Company's Instrument of Incorporation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Authorised Corporate Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and each of the Sub-funds ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company and each of the Sub-funds to cease to continue as a going concern.

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks associated with the Company's and each of the Sub-fund's business model including effects arising from macro-economic uncertainties such as Ukrainian War and Cost of Living Crisis, we assessed and challenged the reasonableness of estimates made by the Authorised Corporate Director and the related disclosures and analysed how those risks might affect the Company's and each of the Sub-fund's financial resources or ability to continue operations over the going concern year.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's and each of the Sub-fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

## Independent Auditor's Report to the Shareholders of MI Chelverton Equity Fund ('the Company')

continued

The responsibilities of the Authorised Corporate Director with respect to going concern are described in the 'Responsibilities of the Authorised Corporate Director' section of this report.

### Other information

The Authorised Corporate Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit, and
- the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the company or a Sub-fund have not been kept, or
- the financial statements are not in agreement with those accounting records.

### Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the Sub-funds ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to terminate a Sub-fund, wind up the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

## Independent Auditor's Report to the Shareholders of MI Chelverton Equity Fund ('the Company')

continued

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management. We determined that the most significant laws and regulations were the Collective Investment Schemes Sourcebook, the Investment Association Statement of Recommended Practice ('SORP') 'Financial Statements of UK Authorised Funds' and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.
- We enquired of the Authorised Corporate Director and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the breaches register.
- In assessing the potential risks of material misstatement, we obtained an understanding of: the Company's operations, including the nature of its revenue sources, and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement and the Company's control environment, including the policies and procedures implemented to mitigate risks of fraud or non-compliance with the relevant laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - testing journal entries, including manual journal entries processed at the year end for financial statements preparation; and
  - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Company operates; and
  - understanding of the legal and regulatory frameworks applicable to the Company.

### Use of our report

This report is made solely to the Company's Shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Grant Thornton UK LLP**  
Statutory Auditor, Chartered Accountants  
London, United Kingdom  
29 March 2023

*Grant Thornton UK LLP*



## Accounting Policies and Risk Management Policies

for the year ended 31 December 2022

The financial statements for MI Chelverton Equity Fund comprises the individual financial statements for each Sub-fund and the accounting policies and risk management policies below:

### 1. Accounting Policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 and the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014 and amended in 2017.

The financial statements have been prepared on the going concern basis.

The Authorised Status and head office of the Sub-funds can be found within the general information starting on page 67.

The Certification of the Annual Report by the Authorised Corporate Director can be found on page 2.

#### (b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following basis:

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Interest on bank and short-term deposits is recognised on an earned basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

#### (c) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

#### (d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments and stamp duty reserve tax, are charged against revenue for the year on an accruals basis.

#### (e) Allocation of revenue and expenses to multiple share classes

Any revenue or expense not directly attributable to a particular Sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and Sub-funds on the day that the revenue or expense is recognised.

With the exception of the Investment Manager's fee which is directly attributable to individual share classes, all revenue and expenses are apportioned to the Sub-fund's share classes pro-rata to the value of the net assets of the relevant share class on the day that the revenue or expense is recognised.

#### (f) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

#### (g) Distribution policy

The net revenue after taxation as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to Shareholders as dividend distributions. Any revenue deficit is funded from capital.

Interim distributions may be made at the ACD's discretion and the balance of revenue is distributed in accordance with the regulations.

For the purpose of enhancing revenue entitlement, all expenses in respect of the MI Chelverton Equity Income Fund are allocated to capital for the year on an accruals basis. This will reduce the capital growth of the Sub-fund.

Distributions not claimed within a six year period will be forfeited and added back to the capital of the Sub-fund.

## Accounting Policies and Risk Management Policies

continued

### 1. Accounting Policies (continued)

#### (h) Basis of valuation of investments

Listed investments are valued at close of business bid prices on the last business day of the accounting year excluding any accrued interest in the case of fixed and floating rate interest securities.

Unlisted or suspended investments are valued by the Investment Manager taking into account where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Market value is defined by the SORP as fair value, which generally is the bid value of each security.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – Unadjusted quoted price in an active market for an identical instrument.
- Level 2 – Valuation techniques using observable inputs other than quoted prices within level 1.
- Level 3 – Valuation techniques using unobservable inputs.

#### (i) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

#### (j) Dilution levy

The Authorised Corporate Director may require a dilution levy on the purchase and redemption of shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on a Sub-fund experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of shares to a size exceeding 5% of the Net Asset Value of the Company; in any case where the Authorised Corporate Director is of the opinion that the interests of remaining Shareholders require the imposition of a dilution levy.

### 2. Risk Management Policies

In pursuing its investment objectives, the Sub-funds may hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Sub-funds's operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

In doing so, the ACD accepts market price risk and currency risk in relation to the investment portfolio and foreign cash positions.

The risks arising from financial instruments and the ACD's policies for the monitoring and managing of these risks are stated below in accordance with the Risk Management Policy of the ACD.

These policies have been consistent for both years through which these financial statements relate.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Sub-fund might suffer through holding market positions in the face of price movements. This means the value of an investor's holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the Sub-fund in the context of all their investments.

The Sub-fund's investment portfolio is exposed to market price fluctuations, which are monitored by the Company as per the policies as set out in the Prospectus. The investment guidelines and investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook describe the nature of the market risk to which the Sub-fund will be exposed.

## Accounting Policies and Risk Management Policies

continued

### 2. Risk Management Policies (continued)

#### Currency risk

Although the Sub-fund's capital and income are denominated in sterling, a proportion of the Sub-fund's investments may have currency exposure and, as a result, the income and capital value of the Sub-funds are affected by currency movements.

Currency risk is the risk that the value of the Sub-fund's investments will fluctuate as a result of changes in currency exchange rates. For Sub-funds where a proportion of the net assets of the Sub-fund is denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The Company monitors the currency exposure of the Sub-fund and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

#### Interest rate risk

Interest rate risk, being the risk that the value of investments will fluctuate as a result of interest rate changes. The majority of the Sub-fund's assets comprise equity shares which neither pay interest nor have a maturity date.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

#### Credit risk

Credit risk arises from the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

There are no net borrowings.

Stress testing and scenario analysis is carried out on a regular basis.

#### Liquidity risk

Liquidity risk is the risk that a Sub-fund cannot raise sufficient cash to meet its liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, a Sub-fund will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the Sub-fund, the Sub-fund may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy or following a large issue of shares.

The ACD manages the Sub-fund's cash to ensure they can meet their liabilities. In addition, the ACD monitors market liquidity of all securities, seeking to ensure the Sub-funds maintain sufficient liquidity to meet known and potential redemption activity. The Sub-fund's cash balances are monitored daily by the ACD and the Investment Manager. All of the Sub-fund's financial liabilities are payable on demand or in less than one year.

Maitland Institutional Services Limited ('MISL') conducts regular monitoring to ensure the liquidity profile of a Sub-funds investments comply with its underlying obligations particularly its ability to meet redemption requests.

Stress tests are undertaken, under normal and exceptional liquidity conditions, in order to assess the liquidity risk of each Sub-fund.

#### Counterparty risk

The risk that the counterparty will not deliver the investments for a purchase or the cash for a sale after the Sub-fund has fulfilled its responsibilities which could result in the Sub-fund suffering a loss. The Investment Manager minimises the risk by conducting trades through only the most reputable counterparties.

#### Fair value of financial assets and liabilities

Investments disclosed as at the balance sheet date are at fair value. Current assets and liabilities disclosed in the balance sheet are at amortised cost which is approximate to fair value.

## Investment Objective and Policy

The objective of the Sub-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 Sub-fund will invest primarily in UK companies which aim to provide a high initial dividend; progressive dividend payments, and long-term capital appreciation. The asset classes in which the Sub-fund is permitted to invest includes transferable securities, money market instruments, cash and near cash and deposits as permitted for UCITS schemes under COLL and in accordance with the Sub-fund's investment powers as summarised in Appendix 2 of the Prospectus.

## Investment Manager's Report

for the year ended 31 December 2022

In the 12 months to 31/12/2022 the Sub-fund returned -12.16% compared to -2.16% for the IA Equity Income Sector as a whole. (source: Morningstar, NAV to NAV B Accumulation, Total Return).

As an income fund focussed on small and mid-caps our relative performance for the year was adversely affected by the fact that our investible universe is substantially underweight in the large cap dominated and best performing income sectors over the year of Oil and Gas, Mining, Tobacco, Pharma and Banks. Further significant headwinds resulted from substantial outflows from UK centric funds generally which contributed to one of the worst relative years for UK mid-caps for a very long time.

From a macro perspective the war in Ukraine that started at the end of February led to a risk off domestic equity market where rising interest rates, high inflation and a slowing economy provided significant headwinds for UK small and mid cap investors. US rates led the way up and the rhetoric from the Fed was consistent in its hawkish sentiment which supported a relatively strong \$US, again a hindrance to UK small and mid cap relative performance. In the UK and Europe the cost of living crisis came to dominate the headlines as consumers and businesses were particularly vulnerable to increased energy costs. Ultimately governments across the region had to roll out energy support schemes. At the back end of the year financial markets were sent into a tailspin at home as the Truss government delivered a mini budget in September that was reversed almost immediately as the UK welcomed Sunak as its third prime minister in as many months.

Corporate activity was a feature of our investible universe throughout the year as share prices fell and third parties, corporates or private equity, recognised underlying value. Our holdings in Contourglobal, Homeserve, Go Ahead, Brewin Dolphin, Micro Focus, RPS and Devro were all the subject of successful bids. Interestingly as interest rates rose and funding costs became uncertain the buyers shifted from private equity to other corporates and we expect this to continue to be the case for the first part of the current year. As ever we recycled monies to improve the underlying yield in the Sub-fund and added a number of new names to the portfolio. We bought new positions in Somero, Virgin Money, Smiths News, Johnson Matthey, XP Power, Hilton Food and Marshalls, Conduit Holdings and ITV all on dividend yields of at least four percent, in line with our long standing investment process. As ever we look to use periods of small and mid-cap weakness and increased volatility to improve the underlying quality of earnings and future dividend growth in the Sub-fund.

Despite a year of almost unrelenting gloom there were some positive signs for equity investors towards the end of the year. Expectations were starting to shift towards interest rates peaking earlier and at lower levels than previously estimated, inflation, particularly energy costs were starting to fall and consensus was shifting towards a shallow recession. If this is the case we would expect that analysts would be looking to upgrade corporate earnings estimates as we move through the second half of this year as forecasts start to look through this year into next. A shift in momentum in upgrades versus downgrades should be a precursor to a gradual shift in equity investor sentiment from 'risk off' to 'risk on' which would benefit our small and mid-cap universe.

Interestingly despite the macro case for small and mid caps deteriorating through the year dividend payments from our investee companies remained robust as company cash flows held up rather better than share prices. Companies continued to return excess capital to shareholders through share buyback schemes as well. Overall we expect a volatile Q1 results season and then a gradually improving macro outlook for the stocks that we invest in for the coming year which we need to see ahead of a bounce back in capital values. Once again we expect that dividends should hold up reasonably well within our investible universe.

# MI Chelverton UK Equity Income Fund

## Portfolio Statement

as at 31 December 2022

Holding	Security	Market value £	% of total net assets 2022
	<b>TECHNOLOGY 2.89% (3.14%)</b>		
	<b>Software and Computer Services 1.58% (1.74%)</b>		
3,050,000	Moneysupermarket.com	5,849,900	1.58
	<b>Technology Hardware and Equipment 1.31% (1.40%)</b>		
2,797,581	TT Electronics	4,862,196	1.31
	<b>TELECOMMUNICATIONS 2.75% (2.04%)</b>		
	<b>Telecommunications Service Providers 2.75% (2.04%)</b>		
465,000	Telecom Plus	10,206,750	2.75
	<b>FINANCIALS 27.43% (28.07%)</b>		
	<b>Banks 3.38% (2.80%)</b>		
565,000	Close Brothers	5,915,550	1.59
383,597	Secure Trust Bank	2,800,258	0.76
2,108,759	Virgin Money	3,840,050	1.03
		12,555,858	3.38
	<b>Finance and Credit Services 2.92% (4.22%)</b>		
725,000	Mortgage Advice Bureau*	3,842,500	1.03
600,000	Paragon Banking	3,378,000	0.91
1,900,000	Provident Financial	3,632,800	0.98
		10,853,300	2.92
	<b>Investment Banking and Brokerage Services 12.08% (13.76%)</b>		
2,300,000	Ashmore	5,506,200	1.48
425,000	IG	3,323,500	0.90
3,059,494	Jupiter Fund Management	4,063,008	1.10
1,500,000	Numis*	2,865,000	0.77
1,200,000	Polar Capital*	5,694,000	1.53
2,735,000	Premier Miton*	2,789,700	0.75
325,644	Rathbone Brothers	6,626,855	1.78
4,800,000	Sancus Lending*	57,600	0.02
750,000	Tatton Asset Management*	3,375,000	0.91
2,100,000	TP ICAP	3,654,000	0.98
4,962,950	XPS Pensions	6,898,501	1.86
		44,853,364	12.08
	<b>Life Insurance 4.37% (3.26%)</b>		
3,550,459	Chesnara	10,065,551	2.71
1,800,000	Hansard Global	691,200	0.19
900,000	Phoenix	5,477,400	1.47
		16,234,151	4.37

# MI Chelverton UK Equity Income Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
<b>Nonlife Insurance 4.68% (4.03%)</b>			
850,000	Conduit	3,612,500	0.97
3,003,340	Direct Line Insurance	6,643,388	1.79
1,370,000	Personal*	2,630,400	0.71
4,225,000	Sabre Insurance	4,495,400	1.21
		<b>17,381,688</b>	<b>4.68</b>
<b>REAL ESTATE 2.20% (2.92%)</b>			
<b>Real Estate Investment and Services Development 0.18% (0.18%)</b>			
2,350,000	Foxtons	681,500	0.18
<b>Real Estate Investment Trusts 2.02% (2.74%)</b>			
5,000,000	Regional REIT	2,950,000	0.80
4,500,000	Supermarket Income REIT	4,545,000	1.22
		<b>7,495,000</b>	<b>2.02</b>
<b>CONSUMER DISCRETIONARY 14.52% (16.83%)</b>			
<b>Consumer Services 0.24% (0.59%)</b>			
1,591,000	RM	890,960	0.24
<b>Household Goods and Home Construction 4.06% (5.21%)</b>			
200,000	Bellway	3,815,000	1.03
700,000	Crest Nicholson	1,654,800	0.45
1,238,676	Headlam	3,641,707	0.98
500,000	Vistry	3,122,500	0.84
2,828,719	Watkin Jones*	2,828,719	0.76
		<b>15,062,726</b>	<b>4.06</b>
<b>Media 4.34% (4.93%)</b>			
768,400	Bloomsbury Publishing	3,419,380	0.92
2,650,000	ITV	1,991,740	0.54
2,205,821	STV	5,955,717	1.60
1,575,000	Wilmington	4,756,500	1.28
		<b>16,123,337</b>	<b>4.34</b>
<b>Retailers 4.75% (4.14%)</b>			
7,000,000	Brown (N)*	1,680,000	0.45
2,400,000	DFS Furniture	3,700,800	1.00
522,165	Dunelm	5,111,995	1.38
1,500,000	Halfords	3,114,000	0.84
2,750,000	Wickes	4,023,250	1.08
		<b>17,630,045</b>	<b>4.75</b>
<b>Travel and Leisure 1.13% (1.96%)</b>			
3,500,000	Marston's	1,383,900	0.37
1,728,917	Rank	1,415,983	0.38
1,702,027	Restaurant	531,373	0.14
700,000	Saga	880,600	0.24
		<b>4,211,856</b>	<b>1.13</b>

# MI Chelverton UK Equity Income Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
	<b>CONSUMER STAPLES 5.03% (5.78%)</b>		
	<b>Food Producers 3.65% (4.89%)</b>		
6,229,594	Bakkavor	5,986,640	1.61
1,093,750	Devro	3,368,750	0.91
500,000	Hilton Food	2,785,000	0.75
200,000	Tate & Lyle	1,422,400	0.38
		<b>13,562,790</b>	<b>3.65</b>
	<b>Personal Care, Drug and Grocery Stores 1.38% (0.89%)</b>		
2,706,666	Kitwave*	5,129,132	1.38
	<b>INDUSTRIALS 26.78% (26.64%)</b>		
	<b>Construction and Materials 7.85% (7.39%)</b>		
600,000	Alumasc*	900,000	0.24
5,301,969	Epwin*	3,711,378	1.00
750,000	Eurocell	1,087,500	0.29
888,574	Keller	7,108,592	1.91
732,774	Marshalls	2,001,939	0.54
345,000	Morgan Sindall	5,278,500	1.42
9,006,149	Severfield	5,403,689	1.46
1,637,673	Tyman	3,692,953	0.99
		<b>29,184,551</b>	<b>7.85</b>
	<b>Aerospace and Defense 0.00% (1.01%)</b>		
	<b>Electronic and Electrical Equipment 2.29% (2.32%)</b>		
1,300,000	Morgan Advanced Materials	4,088,500	1.10
2,337,500	Strix*	1,884,025	0.51
125,000	XP Power	2,537,500	0.68
		<b>8,510,025</b>	<b>2.29</b>
	<b>Industrial Engineering 3.25% (2.26%)</b>		
540,274	Somero Enterprises*	1,999,014	0.54
1,550,000	Vesuvius	6,258,900	1.68
355,000	Videndum	3,812,700	1.03
		<b>12,070,614</b>	<b>3.25</b>
	<b>Industrial Support Services 8.65% (9.49%)</b>		
3,379,269	DWF	2,703,415	0.73
550,000	Essentra	1,300,750	0.35
775,000	FDM	5,797,000	1.56
1,569,520	Gattaca*	1,051,578	0.28
1,425,000	iEnergizer*	5,728,500	1.54
400,000	Inchcape	3,280,000	0.88
879,134	Paypoint	4,474,792	1.21
450,000	Smart Metering Systems*	3,519,000	0.95
4,783,482	Smiths News	2,209,969	0.60
510,876	Sthree	2,053,722	0.55
		<b>32,118,726</b>	<b>8.65</b>

# MI Chelverton UK Equity Income Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
<b>Industrial Transportation 4.74% (4.17%)</b>			
300,000	Ocean Wilsons	2,670,000	0.72
3,015,000	Redde Northgate	12,406,725	3.34
381,617	VP	2,518,672	0.68
		<b>17,595,397</b>	<b>4.74</b>
<b>BASIC MATERIALS 5.07% (4.58%)</b>			
<b>Industrial Metals and Mining 2.43% (2.03%)</b>			
675,000	Bodycote	3,834,000	1.03
3,579,652	Ecora Resources	5,190,495	1.40
		<b>9,024,495</b>	<b>2.43</b>
<b>Precious Metals and Mining 0.46% (0.76%)</b>			
520,000	Atalaya Mining*	1,690,000	0.46
<b>Chemicals 2.18% (1.79%)</b>			
1,250,000	Elementis	1,503,750	0.41
175,000	Johnson Matthey	3,722,250	1.00
1,995,833	Synthomer	2,875,995	0.77
		<b>8,101,995</b>	<b>2.18</b>
<b>ENERGY 3.93% (3.20%)</b>			
<b>Oil, Gas and Coal 3.93% (3.20%)</b>			
8,500,000	Diversified Energy	9,877,000	2.66
1,362,648	John Wood	1,840,938	0.50
12,725,000	Pharos Energy	2,875,850	0.77
		<b>14,593,788</b>	<b>3.93</b>
<b>UTILITIES 1.13% (2.97%)</b>			
<b>Electricity 1.13% (2.97%)</b>			
600,000	Drax	4,206,000	1.13
<b>Investment assets</b>		<b>340,680,144</b>	<b>91.73</b>
<b>Net other assets</b>		<b>30,728,769</b>	<b>8.27</b>
<b>Net assets</b>		<b>371,408,913</b>	<b>100.00</b>

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.12.21.

\*Quoted on the AIM.



## Comparative Tables

### Change in net assets per share

	A Income		
	31.12.22 p	31.12.21 p	31.12.20 p
<b>Opening net asset value per share</b>	111.82	95.36	115.48
Return before operating charges <sup>^</sup>	-12.94	22.55	-16.46
Operating charges	-1.57	-1.77	-1.42
Return after operating charges <sup>^</sup>	-14.51	20.78	-17.88
Distributions	-5.11	-4.32	-2.24
<b>Closing net asset value per share</b>	<b>92.20</b>	<b>111.82</b>	<b>95.36</b>
<sup>^</sup> After direct transaction costs of	-0.08	-0.13	-0.16
<b>Performance</b>			
Return after charges	-12.98%	21.79%	-15.48%
<b>Other information</b>			
Closing net asset value	£40,789	£52,826	£20,905
Closing number of shares	44,240	47,240	21,921
Operating charges	1.64%	1.62%	1.63%
Ongoing operating charges	1.64%	1.62%	1.64%
Direct transaction costs	0.08%	0.12%	0.18%
<b>Prices</b>			
Highest share price	113.73	119.33	116.57
Lowest share price	80.89	94.94	61.59

	A Accumulation		
	31.12.22 p	31.12.21 p	31.12.20 p
<b>Opening net asset value per share</b>	230.28	188.90	222.69
Return before operating charges <sup>^</sup>	-26.24	44.94	-31.03
Operating charges	-3.31	-3.56	-2.76
Return after operating charges <sup>^</sup>	-29.55	41.38	-33.79
Distributions	-10.72	-8.69	-4.32
Retained distributions on accumulation shares	10.72	8.69	4.32
<b>Closing net asset value per share</b>	<b>200.73</b>	<b>230.28</b>	<b>188.90</b>
<sup>^</sup> After direct transaction costs of	-0.16	-0.26	-0.31
<b>Performance</b>			
Return after charges	-12.83%	21.91%	-15.17%
<b>Other information</b>			
Closing net asset value	£35,145	£67,770	£3,538
Closing number of shares	17,509	29,429	1,873
Operating charges	1.64%	1.62%	1.63%
Ongoing operating charges	1.64%	1.62%	1.64%
Direct transaction costs	0.08%	0.12%	0.18%
<b>Prices</b>			
Highest share price	234.21	240.88	224.78
Lowest share price	174.31	188.05	118.77

## MI Chelverton UK Equity Income Fund

### Comparative Tables

continued

#### Change in net assets per share

	B Income		
	31.12.22 p	31.12.21 p	31.12.20 p
<b>Opening net asset value per share</b>	124.67	105.51	126.77
Return before operating charges <sup>^</sup>	-14.45	25.03	-17.95
Operating charges	-0.95	-1.07	-0.85
Return after operating charges <sup>^</sup>	-15.40	23.96	-18.80
Distributions on income shares	-5.71	-4.80	-2.46
<b>Closing net asset value per share</b>	<b>103.56</b>	<b>124.67</b>	<b>105.51</b>
<sup>^</sup> After direct transaction costs of	-0.09	-0.15	-0.17
<b>Performance</b>			
Return after charges	-12.35%	22.71%	-14.83%
<b>Other information</b>			
Closing net asset value	£258,689,996	£366,636,754	£346,856,156
Closing number of shares	249,787,057	294,087,933	328,739,632
Operating charges	0.89%	0.87%	0.88%
Ongoing operating charges	0.89%	0.87%	0.89%
Direct transaction costs	0.08%	0.12%	0.18%
<b>Prices</b>			
Highest share price	126.80	132.70	127.97
Lowest share price	90.71	105.10	67.73

	B Accumulation		
	31.12.22 p	31.12.21 p	31.12.20 p
<b>Opening net asset value per share</b>	274.23	223.28	261.15
Return before operating charges <sup>^</sup>	-31.25	53.22	-36.11
Operating charges	-2.15	-2.27	-1.76
Return after operating charges <sup>^</sup>	-33.40	50.95	-37.87
Distributions on income shares	-12.81	-10.31	-5.12
Retained distributions on accumulation shares	12.81	10.31	5.12
<b>Closing net asset value per share</b>	<b>240.83</b>	<b>274.23</b>	<b>223.28</b>
<sup>^</sup> After direct transaction costs of	-0.19	-0.31	-0.36
<b>Performance</b>			
Return after charges	-12.18%	22.82%	-14.50%
<b>Other information</b>			
Closing net asset value	£112,642,983	£143,701,805	£108,820,957
Closing number of shares	46,772,394	52,401,913	48,738,206
Operating charges	0.89%	0.87%	0.88%
Ongoing operating charges	0.89%	0.87%	0.89%
Direct transaction costs	0.08%	0.12%	0.18%
<b>Prices</b>			
Highest share price	278.91	222.39	263.60
Lowest share price	208.78	286.14	139.50

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

The return after charges is calculated as the closing Net Asset Value per share minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements (1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

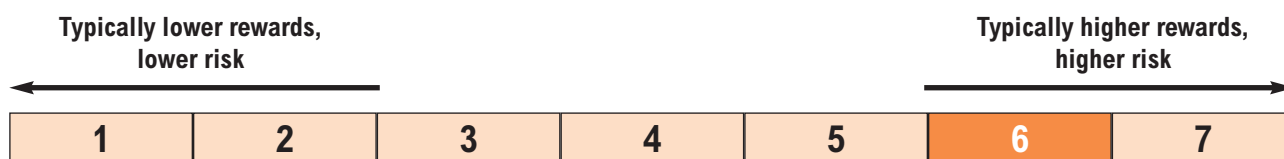
## Comparative Tables

continued

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

## Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- This Sub-funds strategy may cause its volatility to be higher than its peers.
- Smaller company shares can be more difficult to buy and sell as they may trade infrequently, in small volumes and their share price may fluctuate more than that of a larger company.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- The level of targeted income is not guaranteed and may not be achieved.
- For further risk information please see the Prospectus.

## Risk warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

## MI Chelverton UK Equity Income Fund

### Statement of Total Return

for the year ended 31 December 2022

	Note	£	31.12.22 £	£	31.12.21 £
Income					
Net capital (losses)/gains	2		(79,950,002)		85,059,957
Revenue	3	21,861,651		20,546,579	
Expenses	4	(3,636,079)		(4,526,592)	
Net revenue before taxation		18,225,572		16,019,987	
Taxation	5	(178,201)		(173,121)	
Net revenue after taxation			18,047,371		15,846,866
<b>Total return before distributions</b>			<b>(61,902,631)</b>		<b>100,906,823</b>
Distributions	6		(21,543,493)		(20,237,081)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(83,446,124)</b>		<b>80,669,742</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	£	31.12.22 £	£	31.12.21 £
<b>Opening net assets attributable to Shareholders</b>		<b>510,459,155</b>		<b>455,701,556</b>
Amounts receivable on issue of shares	61,372,596		113,661,249	
Less: Amounts payable on cancellation of shares	(123,198,332)		(144,908,390)	
		(61,825,736)		(31,247,141)
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(83,446,124)		80,669,742
Retained distributions on accumulation shares		6,221,611		5,334,991
Unclaimed distributions			7	7
<b>Closing net assets attributable to Shareholders</b>		<b>371,408,913</b>		<b>510,459,155</b>

The notes on pages 20 to 26 form an integral part of these Financial Statements.

# MI Chelverton UK Equity Income Fund

## Balance Sheet

as at 31 December 2022

	Note	£	31.12.22 £	£	31.12.21 £
<b>ASSETS</b>					
<b>Fixed Assets</b>					
Investments			340,680,144		490,931,917
<b>Current Assets</b>					
Debtors	7	11,249,149		1,770,615	
Cash and bank balances	9	23,046,501		21,320,407	
<b>Total current assets</b>			<b>34,295,650</b>		<b>23,091,022</b>
<b>Total assets</b>			<b>374,975,794</b>		<b>514,022,939</b>
<b>LIABILITIES</b>					
<b>Creditors</b>					
Distribution payable		(2,679,889)		(2,828,061)	
Other creditors	8	(886,992)		(735,723)	
<b>Total creditors</b>			<b>(3,566,881)</b>		<b>(3,563,784)</b>
<b>Total liabilities</b>			<b>(3,566,881)</b>		<b>(3,563,784)</b>
<b>Net assets attributable to Shareholders</b>			<b>371,408,913</b>		<b>510,459,155</b>

The notes on pages 20 to 26 form an integral part of these Financial Statements.

# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

for the year ended 31 December 2022

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 and 8.

<b>2. Net Capital (Losses)/Gains</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
Non-derivative securities	(79,940,799)	85,068,887
Currency losses	(1,753)	–
Transaction charges	(7,450)	(8,930)
<b>Net capital (losses)/gains</b>	<b>(79,950,002)</b>	<b>85,059,957</b>

<b>3. Revenue</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
UK dividends	19,724,615	18,404,707
Overseas dividends	1,437,186	1,460,490
Property Income Distributions	575,105	681,362
Bank interest	124,745	20
<b>Total revenue</b>	<b>21,861,651</b>	<b>20,546,579</b>

<b>4. Expenses</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	208,372	226,345
Registration fees	265,890	298,638
	<u>474,262</u>	<u>524,983</u>
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	3,044,718	3,866,632
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	70,999	81,807
Safe custody and other bank charges	19,203	25,636
	<u>90,202</u>	<u>107,443</u>

# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

continued

<b>4. Expenses (continued)</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
Auditor's remuneration*:		
Audit fee	10,065	9,362
Tax compliance services	2,163	1,978
	<hr/> 12,228	<hr/> 11,340
Other expenses:		
Legal fees	3,102	4,173
Printing costs	11,567	12,021
	<hr/> 14,669	<hr/> 16,194
<b>Total expenses</b>	<hr/> <b>3,636,079</b>	<hr/> <b>4,526,592</b>

\*Included within the auditors remuneration is irrecoverable VAT.

<b>5. Taxation</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
(a) Analysis of charge in the year:		
Overseas tax	178,201	173,121
<b>Total tax charge (note 5b)</b>	<hr/> <b>178,201</b>	<hr/> <b>173,121</b>
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	18,225,572	16,019,987
Corporation tax at 20%	<hr/> 3,645,114	<hr/> 3,203,998
Effects of:		
UK dividends	(3,944,923)	(3,680,941)
Movement in surplus management expenses	587,246	769,041
Overseas tax expensed	178,201	173,121
Non-taxable overseas earnings	<hr/> (287,437)	<hr/> (292,098)
<b>Total tax charge (note 5a)</b>	<hr/> <b>178,201</b>	<hr/> <b>173,121</b>

### (c) Deferred tax

At the year end there is a potential deferred tax asset of £7,421,252 (2021: £6,834,006) in relation to surplus management expenses of £37,106,261 (2021: £34,170,032). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

continued

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		<b>31.12.22</b>	<b>31.12.21</b>
		£	£
First interim distribution	31.03.22	3,114,521	2,742,507
Second interim distribution	30.06.22	8,535,600	6,925,792
Third interim distribution	30.09.22	5,538,273	6,521,722
Final distribution	31.12.22	3,835,247	3,928,233
		<b>21,023,641</b>	<b>20,118,254</b>
Revenue deducted on cancellation of shares		956,314	791,363
Revenue received on issue of shares		(436,462)	(672,536)
<b>Distributions</b>		<b>21,543,493</b>	<b>20,237,081</b>

### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return		18,047,371	15,846,866
Expenses allocated to capital		3,636,079	4,526,592
Relief on expenses allocated to capital		(139,970)	(136,277)
Undistributed revenue brought forward		254	154
Undistributed revenue carried forward		(241)	(254)
<b>Distributions</b>		<b>21,543,493</b>	<b>20,237,081</b>

### 7. Debtors

		<b>31.12.22</b>	<b>31.12.21</b>
		£	£
Amounts receivable on issues		10,162,353	619,073
Accrued income:			
Dividends receivable		1,043,484	1,150,698
Bank interest receivable		42,481	–
Prepaid expenses:			
Legal fees		831	844
<b>Total debtors</b>		<b>11,249,149</b>	<b>1,770,615</b>



# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

continued

<b>8. Other Creditors</b>	<b>31.12.22</b>	<b>31.12.21</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	628,185	348,189
Accrued expenses:		
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	230,130	354,573
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	10,481	13,811
Safe custody and other bank charges	2,822	4,390
	13,303	18,201
Auditor's remuneration*:		
Audit fee	10,065	9,362
Tax compliance services	2,163	1,978
	12,228	11,340
Other expenses:		
Printing costs	3,146	3,420
<b>Total other creditors</b>	<b>886,992</b>	<b>735,723</b>

\*Included within the auditors remuneration is irrecoverable VAT.

<b>9. Cash and Bank Balances</b>	<b>31.12.22</b>	<b>31.12.21</b>
	<b>£</b>	<b>£</b>
Cash and bank balances	23,046,501	21,320,407
<b>Cash and bank balances</b>	<b>23,046,501</b>	<b>21,320,407</b>

## 10. Related Party Transactions

Maitland Institutional Services Limited ('MISL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to MISL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Chelverton Asset Management Limited ('the Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Issue and payable on cancellation of shares and dilution levy (if applicable) are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Chelverton Equity Fund.

## Notes to the Financial Statements

continued

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 8 and 9.

These policies have been consistent for both years through which these financial statements relate.

Numerical disclosures relating to the Sub-fund are as follows:

#### **Market price risk**

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £34,068,014 (2021: £49,093,192).

#### **Currency risk**

There is no material foreign currency exposure in the Sub-fund (2021: none).

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

31.12.22

Analysis of purchases	Total purchase cost	Commissions paid			Taxes	Purchases before transaction costs
	£	£	%	£	%	£
Equities	41,561,877	51,444	0.12	156,533	0.38	41,353,900
Corporate actions	(802,500)	–	0.00	–	0.00	(802,500)
<b>Total purchases after commissions and tax</b>	<b>40,759,377</b>					
Analysis of sales	Net sale proceeds	Commissions paid			Taxes	Sales before transaction costs
	£	£	%	£	%	£
Equities	111,070,351	113,542	0.10	165	0.00	111,184,058
<b>Total sales after commissions and tax</b>	<b>111,070,351</b>					
Commission as a % of average net assets	0.04%					
Taxes as a % of average net assets	0.04%					

31.12.21

Analysis of purchases	Total purchase cost	Commissions paid			Taxes	Purchases before transaction costs
	£	£	%	£	%	£
Equities	96,637,095	97,359	0.10	356,170	0.37	96,183,566
Corporate actions	893,027	–	0.00	–	0.00	893,027
<b>Total purchases after commissions and tax</b>	<b>97,530,122</b>					
Analysis of sales	Net sale proceeds	Commissions paid			Taxes	Sales before transaction costs
	£	£	%	£	%	£
Equities	125,975,730	133,762	0.11	233	0.00	126,109,725
<b>Total sales after commissions and tax</b>	<b>125,975,730</b>					
Commission as a % of average net assets	0.05%					
Taxes as a % of average net assets	0.07%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 15 to 17. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2022 is 1.19% (2021: 1.18%).

# MI Chelverton UK Equity Income Fund

## Notes to the Financial Statements

continued

### 15. Events after the Balance Sheet date

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	31.12.22		31.12.21	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	340,680,144	–	490,931,917	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	–	–	–	–
	<b>340,680,144</b>	<b>–</b>	<b>490,931,917</b>	<b>–</b>

<sup>^</sup>Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup>Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

<sup>^^^</sup>Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

	A Income	A Accumulation	B Income	B Accumulation
Opening number of shares	47,240	29,429	294,087,933	52,401,913
Shares issued	85	80	36,906,130	9,006,251
Shares cancelled	(3,085)	(12,000)	(81,641,384)	(14,445,163)
Shares converted	–	–	434,378	(190,607)
<b>Closing number of shares</b>	<b>44,240</b>	<b>17,509</b>	<b>249,787,057</b>	<b>46,772,394</b>

## MI Chelverton UK Equity Income Fund

### Distribution Tables

for the year ended 31 December 2022

#### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2022 p	Distribution paid 2021 p	
A	First interim <sup>^</sup>	Group 1	0.7050	–	0.7050	0.5878	
		Group 2	0.7050	–	0.7050	0.5878	
	Second interim	Group 1	2.0610	–	–	2.0610	1.4755
		Group 2	0.3021	1.7589	–	2.0610	1.4755
	Third interim	Group 1	1.3848	–	–	1.3848	1.4003
		Group 2	0.3949	0.9899	–	1.3848	1.4003
	Final	Group 1	0.9564	–	–	0.9564	0.8586
		Group 2	0.1715	0.7849	–	0.9564	0.8586
B	First interim	Group 1	0.7868	–	–	0.7868	0.6513
		Group 2	0.4539	0.3329	–	0.7868	0.6513
	Second interim	Group 1	2.3036	–	–	2.3036	1.6350
		Group 2	0.9884	1.3152	–	2.3036	1.6350
	Third interim	Group 1	1.5514	–	–	1.5514	1.5567
		Group 2	1.0835	0.4679	–	1.5514	1.5567
	Final	Group 1	1.0727	–	–	1.0727	0.9615
		Group 2	0.1505	0.9222	–	1.0727	0.9615

<sup>^</sup>No group 2 shares held in this distribution period.

#### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2022 p	Amount reinvested 2021 p	
A	First interim	Group 1	1.4516	–	1.4516	1.1654	
		Group 2	0.8304	0.6212	1.4516	1.1654	
	Second interim	Group 1	4.2728	–	–	4.2728	2.9352
		Group 2	2.1211	2.1517	–	4.2728	2.9352
	Third interim	Group 1	2.9347	–	–	2.9347	2.8285
		Group 2	2.3778	0.5569	–	2.9347	2.8285
	Final	Group 1	2.0597	–	–	2.0597	1.7609
		Group 2	1.4420	0.6177	–	2.0597	1.7609
B	First interim	Group 1	1.7300	–	–	1.7300	1.3781
		Group 2	0.9192	0.8108	–	1.7300	1.3781
	Second interim	Group 1	5.1010	–	–	5.1010	3.4791
		Group 2	1.8029	3.2981	–	5.1010	3.4791
	Third interim	Group 1	3.5117	–	–	3.5117	3.3568
		Group 2	1.9857	1.5260	–	3.5117	3.3568
	Final	Group 1	2.4694	–	–	2.4694	2.0985
		Group 2	0.9274	1.5420	–	2.4694	2.0985

## Distribution Tables

continued

### Further information

First interim period: 01.01.22 - 31.03.22

Second interim period: 01.04.22 - 30.06.22

Third interim period: 01.07.22 - 30.09.22

Final period: 01.10.22 - 31.12.22

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

## Investment Objective and Policy

The objective of the Sub-fund is to achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK small and medium sized market capitalised companies equities.

The asset classes in which the Sub-fund is permitted to invest includes transferable securities, money market instruments, warrants, convertibles, cash and near cash and deposits as permitted for UCITS schemes under COLL and in accordance with the Sub-fund's investment powers as summarised in Appendix 2 of the Prospectus.

## Investment Manager's Report

for the year ended 31 December 2022

In the year to 31 December 2022, the Sub-fund returned -22.16% compared to -9.19% for the IA UK All Companies sector (source: Morningstar, NAV to NAV B Accumulation, Total Return to 31.12.22).

2022 was a very difficult year for UK Small and Mid-cap shares, where the Sub-fund invests, with inflation rising to levels not seen at any time this century, impacting performance. The initial rise in inflation, caused by supply chain issues arising from the pandemic, drove down valuations on highly rated growth stocks. Any hopes that this pick-up in inflation would unwind as we went through the year were thwarted by Russia's invasion of Ukraine, which exacerbated the situation, causing energy and fuel prices to spike, eating into consumer spending power and undermining business confidence and economic growth, which in turn drove a sell-off in the more cyclical mid-cap stocks. A mid-year rally, from seemingly oversold levels, was undermined in the UK by Prime Minister Truss's fiscally lax mini budget, which coincided with a seemingly hawkish monetary tightening by the Fed in the USA, prompting another sharp sell-off in the autumn. Small and Mid-caps relative performance was particularly poor, with banks and natural resources, seen as inflation beneficiaries, performing well at the start of the year, then with safe havens like utilities, food retail and big pharma holding up well as investors tried to preserve capital as we went through the year, all of these sectors being well represented in large cap, but with minimal small and mid cap exposure. As we neared the year end, there seemed to be some relief with signs of inflation topping out and with Western European economies looking as though they would get through the winter without the severe levels of disruption we'd expected from withheld Russian gas supplies.

At the individual stock level, Future, the technology enabled online consumer publisher, was the most significant detractor to the Sub-fund's performance, as investors worried about the outlook for consumer digital advertising spend and ecommerce revenues. Randall & Quilter Investment also fell back on the discovery of legacy loss issues, which brought on the need for a re-financing. In the Technology sector, GB Group and Alphawave were amongst the Sub-fund's worst performers, whilst SigmaRoc, Tyman and Synthomer were notable detractors amongst its more economically cyclical holdings. Finally, many of the wave of 2021 IPOs performed very poorly in 2022. Devolver Digital, the online video games publisher, saw its share price collapse when three of its H1 title launches all flopped. Revolution Beauty's shares were suspended when it failed to release its results and it launched an independent forensic investigation of its accounts. Other IPOs, particularly CMO (online building materials distributor) and Seraphine (online maternity wear), where the Sub-fund only had small holdings, saw their share prices collapse as they succumbed to the worsening economic outlook. Positive contributions in the most part came from takeovers with several holdings succumbing to bids from Private Equity and overseas trade buyers taking advantage of depressed valuations and sterling's weakness. The Sub-fund's top three contributors RPS, Homeserve and Ideagen were all bid situations, with Euromoney Institutional Investor another bid featuring in the top five. Other significant contributors were Ashtead Technologies, an offshore plant hire business for the oil and gas and renewables sectors, one of the Sub-fund's more successful 2021 IPOs, and Wandisco, whose high-volume data migration software finally started to gain material traction with the big telco operators. Finally, less economically correlated holdings like Balfour Beatty (infrastructure services) and Qinetiq (defence), which rallied strongly from the outset of the hostilities in Ukraine, saw their shares perform strongly.

From a dealing perspective, liquidity was provided by the Sub-fund's takeover stocks listed above. The Investment Manager also sold down some of the Sub-fund's less economically correlated stocks, which performed relatively well, taking profits in defence stocks namely Avon Protection and Qinetiq, as they rallied on the outbreak of hostilities in Ukraine, and healthcare stocks namely Alliance Pharma, Convatec and Advanced Medical Solutions. The Investment Manager also took profits in Energy companies such as Diversified Energy and Jadestone Energy, as they benefitted from the higher underlying commodity prices. Finally, the Investment Manager exited a number of holdings, such as IWG and Saga, where its conviction in the investment case had waned. On the buy side the Investment Manager took advantage of the derating in growth stocks,

## Investment Manager's Report

continued

particularly in the technology sector, to buy back into a number of its old favourites, starting holdings in Gamma Communications, Auction Technology, Team 17, Mortgage Advice Bureau, Ascential and Learning Technologies, at seemingly reasonable valuations in the Investment Manager's view. Finally, the Investment Manager topped up a number of existing holdings, which in its view looked oversold, most notably Future.



# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

as at 31 December 2022

Holding	Security	Market value £	% of total net assets 2022
<b>TECHNOLOGY 19.04% (16.05%)</b>			
<b>Software and Computer Services 16.01% (13.61%)</b>			
9,250,000	Access Intelligence*	6,382,500	0.64
2,450,000	Accesso Technology*	20,286,000	2.02
4,000,000	Altitude*	1,200,000	0.12
2,994,180	Ascential	6,024,290	0.60
1,325,000	Auction Technology	9,937,500	0.99
7,750,000	Big Technologies*	20,537,500	2.05
16,071,429	Blackbird*	2,250,000	0.22
3,175,000	Blanco Technology*	5,556,250	0.55
14,175,000	CentralNic*	22,113,000	2.20
5,750,000	Checkit*	1,035,000	0.10
2,500,000	D4t4 Solutions*	5,950,000	0.59
2,500,000	dotDigital*	2,070,000	0.21
1,309,650	Eagle Eye Solutions*	7,530,488	0.75
18,250,000	Eckoh*	7,300,000	0.73
3,463,116	GB*	10,901,889	1.09
1,750,000	Intercede*	962,500	0.10
1,875,000	Kape Technologies*	5,156,250	0.51
4,150,000	Learning Technologies*	4,789,100	0.48
3,500,000	Made Tech*	770,000	0.08
12,800,000	Mirriad Advertising*	576,000	0.06
8,250,000	Redcentric*	10,312,500	1.03
777,176	Silver Bullet Data*	544,023	0.05
750,000	Sopheon*	4,125,000	0.41
475,000	Wandisco*	4,346,250	0.43
		<b>160,656,040</b>	<b>16.01</b>
<b>Technology Hardware and Equipment 3.03% (2.44%)</b>			
9,000,000	Alphawave	9,162,000	0.92
3,085,000	Quixant*	4,936,000	0.49
75,000,000	Seeing Machines*	4,537,500	0.45
6,750,000	TT Electronics	11,731,500	1.17
		<b>30,367,000</b>	<b>3.03</b>
<b>TELECOMMUNICATIONS 3.90% (1.90%)</b>			
<b>Telecommunications Equipment 2.27% (1.66%)</b>			
2,000,000	Aferian*	2,000,000	0.20
8,000,000	Spirent Communications	20,800,000	2.07
		<b>22,800,000</b>	<b>2.27</b>
<b>Telecommunications Service Providers 1.63% (0.24%)</b>			
1,500,000	Gamma Communications*	16,230,000	1.62
184,091	Zegona Communications	145,432	0.01
		<b>16,375,432</b>	<b>1.63</b>

# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
<b>HEALTH CARE 6.78% (10.06%)</b>			
<b>Health Care Providers 0.81% (1.39%)</b>			
339,000	Craneware*	6,102,000	0.61
4,510,000	Induction Healthcare*	1,037,300	0.10
1,050,232	Renalytix AI*	735,162	0.07
2,819,230	Trellus Health*	267,827	0.03
		<hr/>	
		8,142,289	0.81
<b>Medical Equipment and Services 2.08% (2.96%)</b>			
2,500,000	Advanced Medical Solutions*	6,475,000	0.64
2,500,000	Convatec	5,815,000	0.58
3,911,000	Creo Medical*	977,750	0.10
5,681,818	GENinCode*	411,932	0.04
8,500,000	Polarean Imaging*	4,675,000	0.47
7,030,442	Venture Life*	2,530,959	0.25
		<hr/>	
		20,885,641	2.08
<b>Pharmaceuticals and Biotechnology 3.89% (5.71%)</b>			
8,500,000	Alliance Pharma*	4,505,000	0.45
1,362,700	Amryt Pharma*	8,271,148	0.82
1,200,000	Amryt Pharma Revenue CVR**	–	0.00
7,500,000	Angle*	3,750,000	0.37
1,425,000	Arecor Therapeutics*	3,277,500	0.33
5,000,000	Eco Animal Health*	4,900,000	0.49
12,500,000	Evgen Pharma*	550,000	0.05
8,875,000	Futura Medical*	4,437,500	0.44
15,000,000	Immupharma*	276,000	0.03
825,000	MaxCyte*	3,547,500	0.35
100,000,000	MGC Pharmaceuticals	600,000	0.06
4,000,000	Oncimmune*	2,280,000	0.23
7,957,311	Ondine Biomedical*	1,591,462	0.16
5,000,000	Oxford Biodynamics*	815,000	0.08
28,182,459	Youngene Health*	84,547	0.01
51,817,541	Youngene Health Placing*	155,453	0.02
		<hr/>	
		39,041,110	3.89
<b>FINANCIALS 15.40% (12.72%)</b>			
<b>Finance and Credit Services 0.88% (0.31%)</b>			
2,600,000	Lendinvest*	2,080,000	0.21
1,280,000	Mortgage Advice Bureau*	6,784,000	0.67
		<hr/>	
		8,864,000	0.88

# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
<b>Investment Banking and Brokerage Services 11.85% (9.50%)</b>			
750,000	Alpha FX*	13,875,000	1.38
609,000	Aquis Exchange*	2,253,300	0.22
740,000	Argentex*	917,600	0.09
775,000	Brooks Macdonald*	16,275,000	1.62
3,575,000	Curtis Banks*	11,297,000	1.14
11,250,000	Duke Royalty*	3,825,000	0.38
4,750,000	Foresight	20,187,500	2.01
725,000	Liontrust Asset Management	8,076,500	0.80
4,600,000	Man	9,830,200	0.98
1,800,000	Mattioli Woods*	10,980,000	1.09
20,000,000	Mercia Asset Management*	6,200,000	0.62
2,135,090	Tatton Asset Management*	9,607,905	0.96
3,220,000	TP ICAP	5,602,800	0.56
		118,927,805	11.85
<b>Open End and Miscellaneous Investment Vehicles 0.45% (0.35%)</b>			
6,000,000	AdvancedAdvT	4,500,000	0.45
<b>Nonlife Insurance 2.22% (2.56%)</b>			
3,400,000	Conduit	14,450,000	1.44
13,534,910	Randall & Quilter Investment*	7,877,318	0.78
		22,327,318	2.22
<b>REAL ESTATE 1.21% (1.35%)</b>			
<b>Real Estate Investment and Services Development 1.21% (1.35%)</b>			
11,199,000	Inland Homes*	2,575,770	0.26
3,511,000	LSL Property Services	8,777,500	0.87
9,000,000	PurpleBricks*	828,000	0.08
		12,181,270	1.21
<b>CONSUMER DISCRETIONARY 13.10% (15.07%)</b>			
<b>Automobiles and Parts 0.39% (0.21%)</b>			
10,000,000	Surface Transforms*	3,900,000	0.39
<b>Leisure Goods 1.84% (1.96%)</b>			
15,817,113	Devolver Digital*	9,806,610	0.97
1,273,750	Team17*	5,604,500	0.56
2,869,626	tinyBuild*	3,099,196	0.31
		18,510,306	1.84
<b>Personal Goods 0.12% (1.85%)</b>			
2,253,513	Inspecs*	946,475	0.09
12,500,000	Revolution Beauty**	–	0.00
3,665,000	Seraphine	278,540	0.03
		1,225,015	0.12

# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
<b>Media 7.04% (6.31%)</b>			
1,750,000	Dianomi*	1,575,000	0.16
5,000,000	Ebiquity*	2,350,000	0.23
1,263,500	Future	16,008,545	1.59
1,289,500	Globaldata*	14,829,250	1.48
7,909,577	LBG Media*	9,491,492	0.95
933,970	Next Fifteen Communications*	9,246,303	0.92
6,025,000	Pebble*	5,302,000	0.53
2,183,968	Tremor International*	5,800,619	0.58
2,000,000	Wilmington	6,040,000	0.60
		<b>70,643,209</b>	<b>7.04</b>
<b>Retailers 2.84% (3.45%)</b>			
5,000,000	CMO*	1,350,000	0.14
6,250,000	DFS Furniture	9,637,500	0.96
2,712,500	In The Style*	325,500	0.03
8,883,966	Topps Tiles	3,997,785	0.40
9,000,000	Wickes	13,167,000	1.31
		<b>28,477,785</b>	<b>2.84</b>
<b>Travel and Leisure 0.87% (1.29%)</b>			
442,739	Best Of The Best*	1,770,956	0.18
4,361,764	Safestay*	567,029	0.06
2,650,000	Ten Entertainment	6,360,000	0.63
		<b>8,697,985</b>	<b>0.87</b>
<b>CONSUMER STAPLES 2.87% (3.06%)</b>			
<b>Food Producers 2.87% (2.64%)</b>			
1,150,000	MP Evans*	9,292,000	0.92
18,000,000	Premier Foods	19,548,000	1.95
		<b>28,840,000</b>	<b>2.87</b>
<b>Personal Care, Drug and Grocery Stores 0.00% (0.42%)</b>			
<b>INDUSTRIALS 26.10% (28.33%)</b>			
<b>Construction and Materials 9.65% (8.27%)</b>			
3,000,000	Balfour Beatty	10,128,000	1.01
10,500,000	Breedon*	6,405,000	0.64
4,250,000	Eurocell	6,162,500	0.62
1,952,279	Genuit	5,485,904	0.55
7,500,000	Kier	4,440,000	0.44
235,214	Marshalls	642,605	0.06
979,000	Renew*	7,166,280	0.71
14,257,156	Severfield	8,554,294	0.85
43,500,000	SigmaRoc*	24,012,000	2.39
6,900,000	Stelrad	8,625,000	0.86
6,750,000	Tyman	15,221,250	1.52
		<b>96,842,833</b>	<b>9.65</b>

# MI Chelverton UK Equity Growth Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
<b>Aerospace and Defense 0.92% (2.74%)</b>			
585,800	Avon Protection	6,291,492	0.63
998,268	Chemring	2,964,856	0.29
		<b>9,256,348</b>	<b>0.92</b>
<b>Electronic and Electrical Equipment 0.91% (0.79%)</b>			
2,464,673	Luceco	2,417,844	0.24
1,500,000	Morgan Advanced Materials	4,717,500	0.47
100,000	XP power	2,030,000	0.20
		<b>9,165,344</b>	<b>0.91</b>
<b>Industrial Engineering 3.29% (3.21%)</b>			
2,000,000	Somero Enterprises*	7,400,000	0.74
3,500,000	Vesuvius	14,133,000	1.41
1,072,181	Videndum	11,515,224	1.14
		<b>33,048,224</b>	<b>3.29</b>
<b>Industrial Support Services 9.98% (12.05%)</b>			
3,000,000	Alpha Financial Markets*	14,250,000	1.42
1,000,000	Boku*	1,370,000	0.14
922,000	Elixirr International*	4,610,000	0.46
9,900,000	Equals*	8,712,000	0.87
2,999,100	Essentra	7,092,872	0.71
700,000	FRP Advisory*	1,106,000	0.11
1,400,000	Inchcape	11,480,000	1.14
4,500,000	Public Policy*	6,435,000	0.64
2,544,000	Restore*	8,268,000	0.82
4,724,636	RWS*	17,717,385	1.76
1,836,000	Sthree	7,380,720	0.73
8,150,000	Sureserve*	7,090,500	0.71
6,450,000	Trifast	4,682,700	0.47
		<b>100,195,177</b>	<b>9.98</b>
<b>Industrial Transportation 1.35% (1.27%)</b>			
175,000	Clarkson	5,643,750	0.56
1,200,000	VP	7,920,000	0.79
		<b>13,563,750</b>	<b>1.35</b>
<b>BASIC MATERIALS 2.83% (3.45%)</b>			
<b>Industrial Metals and Mining 0.69% (1.10%)</b>			
2,000,000	Adriatic Metals	3,440,000	0.34
300,000	Bodycote	1,704,000	0.17
82,500,000	Savannah Resources*	1,815,000	0.18
		<b>6,959,000</b>	<b>0.69</b>

## MI Chelverton UK Equity Growth Fund

### Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
<b>Precious Metals and Mining 0.69% (1.04%)</b>			
8,400,000	Amaroq Minerals*	3,360,000	0.34
1,090,000	Atalaya Mining*	3,542,500	0.35
		6,902,500	0.69
<b>Chemicals 1.45% (1.31%)</b>			
7,000,000	Elementis	8,421,000	0.84
4,250,000	Synthomer	6,124,250	0.61
		14,545,250	1.45
<b>ENERGY 3.89% (3.88%)</b>			
<b>Oil, Gas and Coal 3.25% (2.83%)</b>			
3,077,156	Ashtead Technologies*	9,539,184	0.95
5,900,000	Diversified Energy	6,855,800	0.68
25,325,000	IOG*	4,178,625	0.42
2,500,000	Kistos*	10,750,000	1.07
2,000,000	Longboat Energy*	370,000	0.04
461,576,116	Reabold Resources*	876,995	0.09
		32,570,604	3.25
<b>Alternative Energy 0.64% (1.05%)</b>			
10,075,000	AFC Energy*	1,844,732	0.19
237,500,000	Eqtec*	617,500	0.06
58,300,000	Inspired*	3,906,100	0.39
		6,368,332	0.64
<b>Investment assets</b>		<b>954,779,567</b>	<b>95.12</b>
<b>Net other assets</b>		<b>49,000,179</b>	<b>4.88</b>
<b>Net assets</b>		<b>1,003,779,746</b>	<b>100.00</b>

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.12.21.

\*Quoted on the AIM.

\*\*These are unlisted and suspended securities and have been valued at the Managers best assessment of their fair value.

# MI Chelverton UK Equity Growth Fund

## Comparative Tables

### Change in net assets per share

	A Accumulation		
	31.12.22 p	31.12.21 p	31.12.20 p
<b>Opening net asset value per share</b>	290.33	226.88	197.33
Return before operating charges <sup>^</sup>	-61.42	67.82	32.53
Operating charges	-3.80	-4.37	-2.98
Return after operating charges <sup>^</sup>	-65.22	63.45	29.55
Distributions	-0.89	0.00	0.00
Retained distributions on accumulation shares	0.89	0.00	0.00
<b>Closing net asset value per share</b>	<b>225.11</b>	<b>290.33</b>	<b>226.88</b>
<sup>^</sup> After direct transaction costs of	-0.26	-0.50	-0.54
<b>Performance</b>			
Return after charges	-22.46%	27.97%	14.97%
<b>Other information</b>			
Closing net asset value	£2,067,114	£5,545,898	£3,767,554
Closing number of shares	918,258	1,910,207	1,660,608
Operating charges	1.59%	1.58%	1.61%
Ongoing operating charges*	1.61%	1.58%	1.62%
Direct transaction costs	0.11%	0.18%	0.29%
<b>Prices</b>			
Highest share price	295.72	306.62	230.15
Lowest share price	207.70	230.79	125.53

	B Income		
	31.12.22 p	31.12.21 p	31.12.20 p
<b>Opening net asset value per share</b>	373.77	291.55	252.18
Return before operating charges <sup>^</sup>	-79.13	87.14	41.64
Operating charges	-2.59	-2.96	-2.04
Return after operating charges <sup>^</sup>	-81.72	84.18	39.60
Distributions	-3.54	-1.96	-0.23
<b>Closing net asset value per share</b>	<b>288.51</b>	<b>373.77</b>	<b>291.55</b>
<sup>^</sup> After direct transaction costs of	-0.34	-0.64	-0.69
<b>Performance</b>			
Return after charges	-21.86%	28.87%	15.70%
<b>Other information</b>			
Closing net asset value	£151,478,156	£227,186,076	£131,835,756
Closing number of shares	52,503,158	60,781,712	45,219,600
Operating charges	0.84%	0.83%	0.86%
Ongoing operating charges*	0.86%	0.83%	0.87%
Direct transaction costs	0.11%	0.18%	0.29%
<b>Prices</b>			
Highest share price	380.72	395.79	295.95
Lowest share price	269.00	296.57	160.81

## Comparative Tables

continued

### Change in net assets per share

	B Accumulation		
	31.12.22 p	31.12.21 p	31.12.20 p
<b>Opening net asset value per share</b>	397.26	308.25	266.46
Return before operating charges <sup>^</sup>	-84.14	92.14	43.95
Operating charges	-2.75	-3.13	-2.16
Return after operating charges <sup>^</sup>	-86.89	89.01	41.79
Distributions	-3.75	-2.07	-0.25
Retained distributions on accumulation shares	3.75	2.07	0.25
<b>Closing net asset value per share</b>	<b>310.37</b>	<b>397.26</b>	<b>308.25</b>
<sup>^</sup> After direct transaction costs of	-0.36	-0.68	-0.73
<b>Performance</b>			
Return after charges	-21.87%	28.88%	15.68%
<b>Other information</b>			
Closing net asset value	£850,234,476	£1,513,199,496	£852,284,474
Closing number of shares	273,938,669	380,905,313	276,492,187
Operating charges	0.84%	0.83%	0.86%
Ongoing operating charges*	0.86%	0.83%	0.87%
Direct transaction costs	0.11%	0.18%	0.29%
<b>Prices</b>			
Highest share price	404.62	418.47	312.67
Lowest share price	285.88	313.57	169.89

\*The Net Asset Value of the Sub-fund has decreased by more than 10% if compared to the average Net Asset Values for the year. Taking an average of the daily Net Asset Values for the last month of the period has the effect of increasing the operating charges by 0.02%. The ACD believes this to be more representative of the charges going forward.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting year.

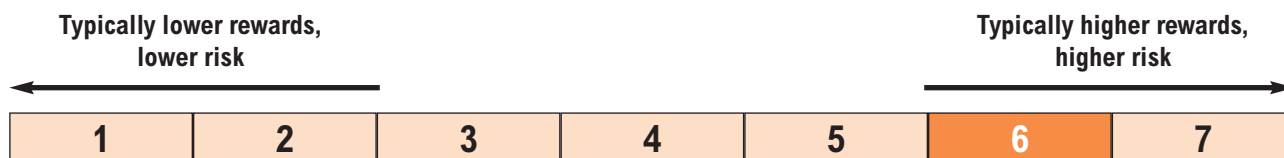
The return after charges is calculated as the closing Net Asset Value per share minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements (1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.



## Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



The Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. During the period under review the A Class Accumulation changed from 5 to 6, this is due to the price volatility of the Sub-fund, all other Share classes did not change during the period under review. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases.

The indicator does not take into account the following risks of investing in this Sub-fund:

- Smaller company shares can be more difficult to buy and sell as they may trade infrequently, in small volumes and their share price may fluctuate more than that of a larger company.
- In difficult market conditions, the value of some investments may be less predictable than normal and the Sub-fund may not be able to buy and sell these investments at the best time or at a fair price. This could affect the Sub-fund's performance, potentially reducing your returns.
- The level of targeted income is not guaranteed and may not be achieved.
- For further risk information please see the Prospectus.

## Risk warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

## MI Chelverton UK Equity Growth Fund

### Statement of Total Return

for the year ended 31 December 2022

	Note	£	31.12.22 £	£	31.12.21 £
Income					
Net capital (losses)/gains	2		(380,448,219)		314,755,473
Revenue	3	25,616,970		21,316,450	
Expenses	4	(10,843,505)		(12,631,749)	
Net revenue before taxation		14,773,466		8,684,701	
Taxation	5	(369,800)		(273,600)	
Net revenue after taxation			14,403,666		8,411,101
<b>Total return before distributions</b>			<b>(366,044,553)</b>		<b>323,166,574</b>
Distributions	6		(14,403,595)		(8,421,225)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(380,448,148)</b>		<b>314,745,349</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	£	31.12.22 £	£	31.12.21 £
<b>Opening net assets attributable to Shareholders</b>		<b>1,745,931,470</b>		<b>987,887,784</b>
Amounts receivable on issue of shares	378,635,709		990,735,623	
Less: Amounts payable on cancellation of shares	(750,608,883)		(555,328,120)	
		(371,973,174)		435,407,503
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(380,448,148)		314,745,349
Retained distributions on accumulation shares		10,269,598		7,890,834
<b>Closing net assets attributable to Shareholders</b>		<b>1,003,779,746</b>		<b>1,745,931,470</b>

The notes on pages 42 to 48 form an integral part of these Financial Statements.

# MI Chelverton UK Equity Growth Fund

## Balance Sheet

as at 31 December 2022

	Note	£	31.12.22 £	£	31.12.21 £
<b>ASSETS</b>					
<b>Fixed Assets</b>					
Investments			954,779,567		1,673,770,071
<b>Current Assets</b>					
Debtors	7	3,336,425		8,370,385	
Cash and bank balances	9	52,478,456		67,933,769	
<b>Total current assets</b>			<b>55,814,881</b>		<b>76,304,154</b>
<b>Total assets</b>			<b>1,010,594,448</b>		<b>1,750,074,225</b>
<b>LIABILITIES</b>					
<b>Creditors</b>					
Distribution payable		(1,857,247)		(1,191,261)	
Other creditors	8	(4,957,455)		(2,951,494)	
<b>Total creditors</b>			<b>(6,814,702)</b>		<b>(4,142,755)</b>
<b>Total liabilities</b>			<b>(6,814,702)</b>		<b>(4,142,755)</b>
<b>Net assets attributable to Shareholders</b>			<b>1,003,779,746</b>		<b>1,745,931,470</b>

The notes on pages 42 to 48 form an integral part of these Financial Statements.

# MI Chelverton UK Equity Growth Fund

## Notes to the Financial Statements

for the year ended 31 December 2022

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 and 8.

<b>2. Net Capital (Losses)/Gains</b>	<b>31.12.22</b>	<b>31.12.21</b>
	<b>£</b>	<b>£</b>
Non-derivative securities	(380,431,453)	314,775,347
Currency gains/(losses)	20,581	(5,028)
Transaction charges	(37,347)	(14,846)
<b>Net capital (losses)/gains</b>	<b>(380,448,219)</b>	<b>314,755,473</b>

<b>3. Revenue</b>	<b>31.12.22</b>	<b>31.12.21</b>
	<b>£</b>	<b>£</b>
UK dividends	22,993,147	18,174,772
Overseas dividends	2,754,208	3,141,678
Bank interest	358,918	–
<b>Total revenue</b>	<b>25,616,970</b>	<b>21,316,450</b>

<b>4. Expenses</b>	<b>31.12.22</b>	<b>31.12.21</b>
	<b>£</b>	<b>£</b>
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	387,287	419,891
Registration fees	553,208	540,685
	<u>940,495</u>	<u>960,576</u>
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	9,641,144	11,374,854
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	178,372	197,935
Safe custody and other bank charges	60,349	75,185
	<u>238,721</u>	<u>273,120</u>

**Notes to the Financial Statements**

continued

<b>4. Expenses (continued)</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
Auditor's remuneration*:		
Audit fee	10,065	9,363
Tax compliance services	2,163	1,978
	<hr/> 12,228	<hr/> 11,341
Other expenses:		
Legal fees	2,459	3,461
Printing costs	8,457	8,397
	<hr/> 10,916	<hr/> 11,858
<b>Total expenses</b>	<hr/> <b>10,843,504</b>	<hr/> <b>12,631,749</b>

\*Included within the auditors remuneration is irrecoverable VAT.

<b>5. Taxation</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
(a) Analysis of charge in the year:		
Overseas tax	369,800	273,600
<b>Total tax charge (note 5b)</b>	<hr/> <b>369,800</b>	<hr/> <b>273,600</b>
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	14,773,466	8,684,701
Corporation tax at 20%	2,954,693	1,736,940
Effects of:		
UK dividends	(4,598,629)	(3,634,954)
Movement in surplus management expenses	2,096,917	2,526,350
Overseas tax expensed	369,800	273,600
Non-taxable overseas earnings	(452,981)	(628,336)
<b>Total tax charge (note 5a)</b>	<hr/> <b>369,800</b>	<hr/> <b>273,600</b>

(c) Deferred Tax

At the year end there is a potential deferred tax asset of £7,062,756 (2021: £4,965,839) in relation to surplus management expenses of £35,313,782 (2021: £24,829,195). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

# MI Chelverton UK Equity Growth Fund

## Notes to the Financial Statements

continued

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		<b>31.12.22</b>	<b>31.12.21</b>
		£	£
Final distribution	31.12.22	12,126,845	9,082,095
Revenue deducted on cancellation of shares		3,576,166	1,452,092
Revenue received on issue of shares		(1,299,416)	(2,112,962)
<b>Distributions</b>		<b>14,403,595</b>	<b>8,421,225</b>

### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return		14,403,666	8,411,101
Revenue deficit to be transferred from capital		–	10,199
Undistributed revenue brought forward		173	98
Undistributed revenue carried forward		(244)	(173)
<b>Distributions</b>		<b>14,403,595</b>	<b>8,421,225</b>

### 7. Debtors

		<b>31.12.22</b>	<b>31.12.21</b>
		£	£
Amounts receivable on issues		1,158,501	5,177,763
Sales awaiting settlement		1,205,263	1,448,958
Accrued income:			
Dividends receivable		859,553	1,743,031
Deposit interest receivable		112,485	–
Prepaid expenses:			
Legal fees		623	633
<b>Total debtors</b>		<b>3,336,425</b>	<b>8,370,385</b>

# MI Chelverton UK Equity Growth Fund

## Notes to the Financial Statements

continued

<b>8. Other Creditors</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
Amounts payable on cancellations	4,110,831	1,786,773
Purchases awaiting settlement	155,453	–
Accrued expenses:		
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	643,856	1,098,338
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	23,514	37,871
Safe custody and other bank charges	8,538	14,246
	32,052	52,117
Auditor's remuneration*:		
Audit fee	10,065	9,363
Tax compliance services	2,163	1,978
	12,228	11,341
Other expenses:		
Printing costs	3,035	2,925
<b>Total other creditors</b>	<b>4,957,455</b>	<b>2,951,494</b>

\*Included within the auditors remuneration is irrecoverable VAT.

<b>9. Cash and Bank Balances</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
Cash and bank balances	52,478,456	67,933,769
<b>Cash and bank balances</b>	<b>52,478,456</b>	<b>67,933,769</b>

## Notes to the Financial Statements

continued

### 10. Related Party Transactions

Maitland Institutional Services Limited ('MISL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to MISL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Chelverton Asset Management Limited ('the Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Issue and payable on cancellation of shares and dilution levy (if applicable) are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Chelverton Equity Fund.

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 8 and 9.

These policies have been consistent for both years through which these financial statements relate.

Numerical disclosures relating to the Sub-fund are as follows:

#### Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £95,477,957 (2021: £167,377,007).

#### Currency risk

There is no material direct foreign currency exposure in the Sub-fund (2021: none).



## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

31.12.22

Analysis of purchases	Total purchase cost	Commissions paid			Taxes	Purchases before transaction costs
	£	£	%	£	%	£
Equities	243,323,171	299,408	0.12	407,048	0.17	242,616,715
Corporate actions	(650,100)	–	0.00	–	0.00	(650,100)
<b>Total purchases after commissions and tax</b>	<b>242,673,071</b>					
Analysis of sales	Net sale proceeds	Commissions paid			Taxes	Sales before transaction costs
	£	£	%	£	%	£
Equities	581,285,693	680,199	0.12	929	0.00	581,966,821
<b>Total sales after commissions and tax</b>	<b>581,285,693</b>					
Commission as a % of average net assets	0.08%					
Taxes as a % of average net assets	0.03%					

31.12.21

Analysis of purchases	Total purchase cost	Commissions paid			Taxes	Purchases before transaction costs
	£	£	%	£	%	£
Equities	892,485,880	757,843	0.09	1,561,457	0.17	890,166,580
Corporate actions	340,182	–	0.00	–	0.00	340,182
<b>Total purchases after commissions and tax</b>	<b>892,826,062</b>					
Analysis of sales	Net sale proceeds	Commissions paid			Taxes	Sales before transaction costs
	£	£	%	£	%	£
Equities	456,229,548	494,474	0.11	675	0.00	456,724,697
<b>Total sales after commissions and tax</b>	<b>456,229,548</b>					
Commission as a % of average net assets	0.08%					
Taxes as a % of average net assets	0.10%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 36 and 37. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2022 is 2.25% (2021: 2.36%).

# MI Chelverton UK Equity Growth Fund

## Notes to the Financial Statements

continued

### 15. Events after the Balance Sheet date

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	31.12.22		31.12.21	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	954,779,567	–	1,673,770,071	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	–	–	–	–
	<b>954,779,567</b>	<b>–</b>	<b>1,673,770,071</b>	<b>–</b>

<sup>^</sup>Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup>Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

<sup>^^^</sup>Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

	<b>A</b> <b>Accumulation</b>	<b>B</b> <b>Income</b>	<b>B</b> <b>Accumulation</b>
Opening number of shares	1,910,207	60,781,712	380,905,313
Shares issued	400,764	7,361,389	103,718,746
Shares cancelled	(1,392,714)	(15,692,422)	(210,636,010)
Shares converted	–	52,479	(49,380)
<b>Closing number of shares</b>	<b>918,258</b>	<b>52,503,158</b>	<b>273,938,669</b>

# MI Chelverton UK Equity Growth Fund

## Distribution Tables

for the year ended 31 December 2022

### Income Share Distribution

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2022 p	Distribution paid 2021 p
B	Final	Group 1	3.5374	–	3.5374	1.9599
		Group 2	1.8965	1.6409	3.5374	1.9599

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2022 p	Amount reinvested 2021 p
A	Final	Group 1	0.8853	–	0.8853	–
		Group 2	0.6111	0.2742	0.8853	–
B	Final	Group 1	3.7459	–	3.7459	2.0716
		Group 2	2.5310	1.2149	3.7459	2.0716

### Further information

Final period: 01.01.22 - 31.12.22

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

## Investment Objective and Policy

The objective of the Sub-fund is to achieve long-term capital growth.

The Sub-fund will invest primarily in a portfolio of fully listed companies that trade on Continental European stock exchanges.

The policy will be to select a focused portfolio across all ranges of capitalisation, business sectors and countries of Europe.

The asset classes in which the Sub-fund may invest includes transferable securities, money market instruments, warrants, convertibles, cash and near cash and deposits as permitted for UCITS schemes under COLL and in accordance with the Sub-fund's investment powers as summarised in Appendix 2 of the Prospectus.

## Investment Manager's Report

for the year ended 31 December 2022

Inflation and war were the dominant themes of 2022. The ensuing uncertainty caused elevated volatility, and for many equity markets, flirtations with bear market territory. Despite the issues highlighted below, we endeavoured to turn the volatility into opportunity and increased the portfolio's exposure to powerful structural growth drivers. Over two thirds of the portfolio have as a primary driver, exposure to digitalisation and the energy transition. These are major growth themes of our era. Small entrepreneurial European companies are well placed to benefit and due to the region's out of favour status, the value/growth equation on offer is, in our opinion, very attractive.

The portfolio NAV in base currency was down 7.1% (B Accumulation) in 2022, based on published NAV information provided by Maitland Institutional Services Limited. The general European index, MSCI Europe ex-UK Index fell 6.9% and our peer group median fell 7.3%. The MSCI Europe ex-UK Small Cap Index fell 15.5%. Whilst never satisfied with a down year, in context of previous years strong gains, we believe this can be described as a 'soft landing.' Having suffered during the first three quarters of the year due to our small-cap bias it was encouraging to see many of these stocks rally strongly in Q4.

Although the Sub-fund was down over the year there were some notable positive contributors. Four of our top ten performers were from bid activity – two from the corporate sector - Swedish Match in tobacco and Boskalis in dredging and two from private equity – Caverion in building services and Be Shaping The Future in technology consulting. It is a feature of our process that the cash flows we find attractive should look the same way to bidders. We expect this to be an ongoing feature. A fifth company from the top ten, Sword, sold a division for a significant premium and used the proceeds for a large special dividend (c.20%).

Our three biggest detractors from performance, Huddly (meeting room cameras), Serviceware (performance software) and Alkemy (digital marketing consultant) are all caught in a short-term downgrade cycle, and as companies at lower end of the market cap spectrum, fell way out of favour. We are backing all three to deliver strong medium-term growth and consequently have been consistent accumulators of shares into weakness.

The other theme worth noting from performance and activity is that we took a zero-tolerance approach to emerging balance sheet risk. Even though we only invest in companies with safe or very moderate financial gearing, economic turbulence can swiftly cause moderate financial risk to turn into borderline acceptable (to us) financial risk. PostNL and Knaus Tabbert both stubbornly kept on investing heavily when, in our view, a more cautious approach was merited. This put their balance sheets at risk. We sold both shares despite taking significant losses. We also sold Media and Games invest and AMS as capital allocation activity endangered their balance sheets.

We are conscious that there can be times when owning financially leveraged companies can be beneficial for the equity holder. With inflation, interest rates and the economic outlook such as it is, we do not think this is one of those times. If we have mistimed a few of these sales then we will seek comfort in a better night's sleep. Owning companies with balance sheet flexibility is a comfort in periods when there might be a temporary softening in demand, a margin squeeze or other short-term issues.

These actions when combined with other activity has led our portfolio for the first time to be ungeared at the aggregate level. This is a demonstrably safer balance sheet than the market aggregate. Like we did during the COVID period we would expect our holdings to put their relative balance sheet strength to effective use during more challenging economic times.

### Investment Manager's Report

continued

The Energy Transition is one of the, if not the, great challenges and opportunities of our time. The weaponization of fossil fuel energy sources by Russia provides a stark reminder of the imperative of this monumental shift. Europe has a lead in many of the renewable energy technologies and energy transition ecosystems required, making these areas very investable long-term themes. During 2022 we more than doubled our portfolio exposure to companies which will be major beneficiaries of the energy transition. For communication purposes we have aggregated all companies who will benefit from the transition into a single cluster, 'Commodities and the Energy Transition'. As at 31/12/22 this accounts for 34.3% of the portfolio.

As investors, we respect the challenging economic conditions, however we are not wallowing in concerns about recessions, war, levels of interest rates or other potential geopolitical curveballs. European companies have real opportunities to capitalise on natural strengths and early mover advantages in many product and service areas around the energy transition. As a region there is also an imperative to invest in digitalisation to ensure that competitiveness is not lost. Investing in the 'pick and shovels' of these two great megatrends leaves us feeling optimistic about the portfolio's long-term future.

We have worked hard in 2022 to improve the quality and durability of the growth profile of our portfolio. We have done this on cheap cash-flow based valuations and with the backing of a sound balance sheet. We think if investors were offered a well-diversified stock, growing its top line at a 10% compounding rate, on a 7% Free Cash Flow Yield (FCFY) and with zero debt (the combined current metrics of the portfolio) they would be attracted to the proposition.

# MI Chelverton European Select Fund

## Portfolio Statement

as at 31 December 2022

Holding	Security	Market value £	% of total net assets 2022
<b>TECHNOLOGY 32.50% (35.02%)</b>			
<b>Software and Computer Services 29.62% (32.75%)</b>			
705,891	4C	2,122,593	1.37
45,583	All For One	1,820,407	1.18
1,576,000	Avensia	1,560,159	1.01
549,500	Bouvet	2,783,641	1.80
189,000	CAG	1,315,738	0.85
585,642	CTAC	1,709,942	1.11
685,561	Cyberoo	2,555,339	1.65
25,000	Digital Value	1,479,855	0.96
324,900	Digital360	1,239,856	0.80
80,000	EQS	1,725,240	1.12
88,000	Fabasoft	1,600,994	1.04
81,000	Infotel	3,953,674	2.56
1,180,790	Innofactor	1,100,310	0.71
900,000	Neosperience	1,397,764	0.90
387,693	Novabase	1,390,025	0.90
480,000	Ordina	1,648,562	1.07
369,977	Serviceware	2,107,963	1.36
170,000	SignUp Software	1,146,824	0.74
273,057	Silli Solutions	3,865,157	2.50
98,926	Sword	3,445,905	2.23
219,687	TXT e-solutions	2,460,463	1.59
140,000	Visiativ	3,354,633	2.17
		<b>45,785,044</b>	<b>29.62</b>
<b>Technology Hardware and Equipment 2.88% (2.27%)</b>			
10,300	ASM International	2,154,060	1.39
45,800	BE Semiconductor Industries	2,298,129	1.49
		<b>4,452,189</b>	<b>2.88</b>
<b>TELECOMMUNICATIONS 2.81% (2.91%)</b>			
<b>Telecommunications Equipment 2.81% (2.91%)</b>			
6,355,028	Huddly	1,945,001	1.26
105,933	Traffic Systems	2,392,612	1.55
		<b>4,337,613</b>	<b>2.81</b>
<b>HEALTH CARE 4.31% (7.54%)</b>			
<b>Pharmaceuticals and Biotechnology 4.31% (7.54%)</b>			
10,176	Limes Schlosskliniken	2,799,574	1.81
31,000	Novartis	2,329,249	1.51
5,850	Roche	1,527,310	0.99
		<b>6,656,133</b>	<b>4.31</b>

# MI Chelverton European Select Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
	<b>FINANCIALS 5.77% (6.25%)</b>		
	<b>Banks 4.80% (5.30%)</b>		
69,000	BAWAG	3,038,498	1.97
182,000	ING	1,839,382	1.19
1,370,000	Intesa Sanpaolo	2,526,500	1.64
		<hr/>	
		7,404,380	4.80
	<b>Investment Banking and Brokerage Services 0.97% (0.95%)</b>		
101,010	JDC	1,492,560	0.97
	<b>CONSUMER DISCRETIONARY 9.84% (14.92%)</b>		
	<b>Automobiles and Parts 1.20% (1.85%)</b>		
11,700	D'ieteren	1,860,703	1.20
	<b>Consumer Services 1.24% (0.00%)</b>		
200,000	ALD	1,909,833	1.24
	<b>Household Goods and Home Construction 1.79% (1.99%)</b>		
114,000	Kaufman & Broad	2,772,098	1.79
	<b>Leisure Goods 1.83% (3.88%)</b>		
1,265,643	Enad Global 7	2,821,095	1.83
	<b>Personal Goods 0.96% (0.00%)</b>		
3,500	Kering	1,476,349	0.96
	<b>Media 2.82% (6.13%)</b>		
257,366	Alkemy	2,503,312	1.62
54,000	Kinopolis	1,858,466	1.20
		<hr/>	
		4,361,778	2.82
	<b>Travel and Leisure 0.00% (1.07%)</b>		
	<b>CONSUMER STAPLES 0.96% (10.99%)</b>		
	<b>Food Producers 0.00% (2.13%)</b>		
	<b>Tobacco 0.00% (2.26%)</b>		
	<b>Personal Care, Drug and Grocery Stores 0.96% (6.60%)</b>		
40,000	Unilever	1,484,558	0.96
	<b>INDUSTRIALS 29.37% (20.31%)</b>		
	<b>Construction and Materials 7.82% (3.43%)</b>		
82,000	Arcadis	2,669,294	1.73
65,000	Assystem	2,342,031	1.51
24,000	Deme	2,641,108	1.71
160,000	Fugro	1,590,344	1.03
102,000	Signify	2,840,575	1.84
		<hr/>	
		12,083,352	7.82
	<b>Aerospace and Defense 1.79% (0.00%)</b>		
16,700	Rheinmetall	2,757,397	1.79

# MI Chelverton European Select Fund

## Portfolio Statement

continued

Holding	Security	Market value £	% of total net assets 2022
	<b>General Industrials 3.95% (4.65%)</b>		
320,000	Recticel	4,407,526	2.85
14,800	Siemens	1,699,084	1.10
		<b>6,106,610</b>	<b>3.95</b>
	<b>Industrial Engineering 7.98% (2.23%)</b>		
110,000	AMG Advanced Metallurgical	3,356,230	2.17
164,000	ErreDue	1,656,592	1.07
59,000	Kone	2,529,020	1.64
145,000	Sandvik	2,180,921	1.41
117,000	Valmet	2,612,460	1.69
		<b>12,335,223</b>	<b>7.98</b>
	<b>Industrial Support Services 6.54% (4.76%)</b>		
31,500	Amadeus Fire	3,231,629	2.09
500,000	Brunel International	4,237,664	2.74
242,000	Rejlers	2,642,972	1.71
		<b>10,112,265</b>	<b>6.54</b>
	<b>Industrial Transportation 1.29% (5.24%)</b>		
80,000	Frequentis	1,995,030	1.29
	<b>BASIC MATERIALS 3.94% (0.00%)</b>		
	<b>Industrial Metals and Mining 2.18% (0.00%)</b>		
310,000	Vallourec	3,374,290	2.18
	<b>Precious Metals and Mining 1.76% (0.00%)</b>		
87,000	Boliden	2,717,469	1.76
	<b>Chemicals 0.00% (0.00%)</b>		
552	Industrie Chimiche Call Warrants 15.05.2023	48	0.00
	<b>ENERGY 8.99% (0.00%)</b>		
	<b>Oil, Gas and Coal 7.18% (0.00%)</b>		
450,000	NorAm Drilling	2,154,219	1.40
46,000	Schoeller-Bleckmann Oilfield Equipment	2,375,932	1.54
343,000	TGS-NOPEC Geophysical	3,822,631	2.47
965,000	Var Energi	2,737,542	1.77
		<b>11,090,324</b>	<b>7.18</b>
	<b>Alternative Energy 1.81% (0.00%)</b>		
390,000	OX2	2,738,366	1.81
	<b>Investment assets</b>	<b>152,124,707</b>	<b>98.49</b>
	<b>Net other assets</b>	<b>2,333,078</b>	<b>1.51</b>
	<b>Net assets</b>	<b>154,457,785</b>	<b>100.00</b>

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31.12.21.



## Comparative Tables

### Change in net assets per share

	A Income		
	31.12.22 p	31.12.21 p	31.12.20 p
<b>Opening net asset value per share</b>	165.18	131.57	100.00†
Return before operating charges <sup>^</sup>	-11.99	36.86	33.80
Operating charges	-0.74	-0.69	-0.55
Return after operating charges <sup>^</sup>	-12.73	36.17	33.25
Distributions	-3.07	-2.56	-1.68
<b>Closing net asset value per share</b>	<b>149.38</b>	<b>165.18</b>	<b>131.57</b>
<sup>^</sup> After direct transaction costs of	-0.09	-0.37	-0.20
<b>Performance</b>			
Return after charges	-7.71%	27.49%	33.25%
<b>Other information</b>			
Closing net asset value	£7,190,245	£6,958,495	£86,839
Closing number of shares	4,813,527	4,212,750	66,000
Operating charges	0.51%	0.45%	0.50%
Ongoing operating charges*	0.51%	0.33%	0.50%
Direct transaction costs	0.06%	0.24%	0.18%
<b>Prices</b>			
Highest share price	166.69	169.61	134.44
Lowest share price	127.85	133.65	81.21

†A Income shares reinvested 9 March 2020. Launch price 100.00p.

	A Accumulation	
	31.12.22 p	31.12.21 p
<b>Opening net asset value per share</b>	120.00	100.00††
Return before operating charges <sup>^</sup>	-7.98	20.51
Operating charges	-0.55	-0.51
Return after operating charges <sup>^</sup>	-8.53	20.00
Distributions	-2.48	-1.74
Retained distributions on accumulation shares	2.48	1.74
<b>Closing net asset value per share</b>	<b>111.47</b>	<b>120.00</b>
<sup>^</sup> After direct transaction costs of	-0.06	-0.27
<b>Performance</b>		
Return after charges	-7.11%	20.00%
<b>Other information</b>		
Closing net asset value	£70,025,569	£53,401,383
Closing number of shares	62,818,726	44,501,532
Operating charges	0.51%	0.45%
Ongoing operating charges*	0.51%	0.33%
Direct transaction costs	0.06%	0.24%
<b>Prices</b>		
Highest share price	121.08	123.04
Lowest share price	95.27	99.66

††A Accumulation shares launched 12 March 2021. Launch price 100.00p.

## MI Chelverton European Select Fund

### Comparative Tables

continued

	<b>B Income</b>		
	<b>31.12.22</b> p	<b>31.12.21</b> p	<b>31.12.20</b> p
<b>Opening net asset value per share</b>	142.85	114.04	103.59
Return before operating charges <sup>^</sup>	-9.73	31.73	12.60
Operating charges	-1.21	-1.23	-0.97
Return after operating charges <sup>^</sup>	-10.94	30.50	11.63
Distributions	-2.45	-1.69	-1.18
<b>Closing net asset value per share</b>	<b>129.46</b>	<b>142.85</b>	<b>114.04</b>
<sup>^</sup> After direct transaction costs of	-0.08	-0.32	-0.18
<b>Performance</b>			
Return after charges	-7.66%	26.75%	11.23%
<b>Other information</b>			
Closing net asset value	£16,734,020	£13,579,650	£939,306
Closing number of shares	12,926,302	9,506,529	823,688
Operating charges	0.96%	0.92%	1.00%
Ongoing operating charges*	0.96%	0.78%	1.00%
Direct transaction costs	0.06%	0.24%	0.18%
<b>Prices</b>			
Highest share price	144.22	146.55	116.31
Lowest share price	110.82	115.79	70.43

	<b>B Accumulation</b>		
	<b>31.12.22</b> p	<b>31.12.21</b> p	<b>31.12.20</b> p
<b>Opening net asset value per share</b>	154.59	121.70	109.26
Return before operating charges <sup>^</sup>	-10.27	34.21	13.47
Operating charges	-1.32	-1.32	-1.03
Return after operating charges <sup>^</sup>	-11.59	32.89	12.44
Distributions	-2.55	-1.81	-1.22
Retained distributions on accumulation shares	2.55	1.81	1.22
<b>Closing net asset value per share</b>	<b>143.00</b>	<b>154.59</b>	<b>121.70</b>
<sup>^</sup> After direct transaction costs of	-0.08	-0.34	-0.19
<b>Performance</b>			
Return after charges	-7.49%	27.03%	11.39%
<b>Other information</b>			
Closing net asset value	£60,507,951	£111,440,627	£2,040,571
Closing number of shares	42,312,201	73,382,114	1,676,676
Operating charges	0.96%	0.92%	1.00%
Ongoing operating charges*	0.96%	0.78%	1.00%
Direct transaction costs	0.06%	0.24%	0.18%
<b>Prices</b>			
Highest share price	155.98	158.60	123.80
Lowest share price	122.32	123.57	74.28

\*Chelverton Asset Management Ltd (the 'Investment Manager') has agreed to rebate the expenses of the Sub-fund (i.e. those expressly set out in the applicable Prospectus that have been reasonably incurred, including transaction charges), and the annual management charge, in excess of 0.50% (for the A Income Share Class and A Accumulation Share Class) and 1.00% (for the B Income and B Accumulation Share Class) of the average Net Asset Value over each accounting year. From the 1 July 2021 the share classes were no longer in a rebate position.

Operating charges include indirect costs incurred in the maintenance and running of the Sub-fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated by annualising the expenses incurred against the average Net Asset Value for the accounting year.

## Comparative Tables

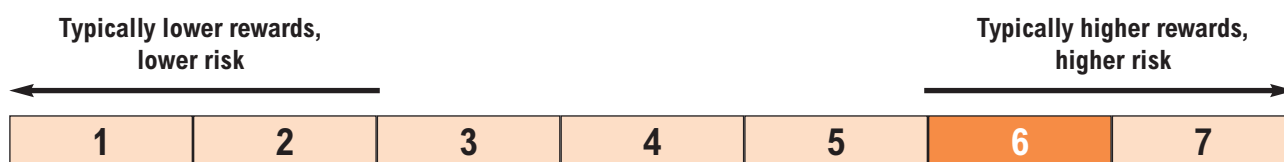
continued

The return after charges is calculated as the closing Net Asset Value per share plus the distributions on income shares minus the opening Net Asset Value per share as a % of the opening Net Asset Value per share. The basis of valuation of investments used to calculate Net Asset Value per share is described in notes to the Financial Statements 1h) and complies with requirements of the current Statement of Recommended Practice for UK Authorised Funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting year. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

## Risk and Reward Profile

The risk and reward indicator table demonstrates where the Sub-fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking on the risk and reward indicator.



This Sub-fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Sub-fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency exchange rates may cause the value of the investment to decrease or increase.
- For further risk information please see the Prospectus.

## Risk warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

## MI Chelverton European Select Fund

### Statement of Total Return

for the year ended 31 December 2022

	Note	31.12.22		31.12.21	
		£	£	£	£
Income					
Net capital (losses)/gains	2		(17,761,811)		9,478,914
Revenue	3	4,928,416		1,143,289	
Expenses	4	(1,298,682)		(630,006)	
Net revenue before taxation		3,629,734		513,283	
Taxation	5	(388,018)		(116,212)	
Net revenue after taxation			3,241,716		397,071
<b>Total return before distributions</b>			<b>(14,520,095)</b>		<b>9,875,985</b>
Distributions	6		(3,241,689)		(397,048)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(17,761,784)</b>		<b>9,478,937</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2022

	31.12.22		31.12.21	
	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>		<b>187,380,156</b>		<b>3,066,716</b>
Amounts receivable on issue of shares	49,169,254		178,659,136	
Less: Amounts payable on cancellation of shares	(67,536,940)		(4,394,149)	
		(18,367,686)		174,264,987
Dilution levy		191,621		–
Change in net assets attributable to Shareholders from investment activities (see Statement of Total Return above)		(17,761,784)		9,478,937
Retained distributions on accumulation shares		3,015,478		569,516
<b>Closing net assets attributable to Shareholders</b>		<b>154,457,785</b>		<b>187,380,156</b>

The notes on pages 60 to 66 form an integral part of these Financial Statements.

# MI Chelverton European Select Fund

## Balance Sheet

as at 31 December 2022

	Note	£	31.12.22 £	£	31.12.21 £
<b>ASSETS</b>					
<b>Fixed Assets</b>					
Investments			152,124,707		183,516,357
<b>Current Assets</b>					
Debtors	7	13,352,785		283,555	
Cash and bank balances	9	3,201,488		4,052,901	
<b>Total current assets</b>			<b>16,554,273</b>		<b>4,336,456</b>
<b>Total assets</b>			<b>168,678,980</b>		<b>187,852,813</b>
<b>LIABILITIES</b>					
<b>Creditors</b>					
Bank overdrafts	9	(247,177)		–	
Distribution payable		(12,461)		(10,321)	
Other creditors	8	13,961,557		(462,336)	
<b>Total creditors</b>			<b>14,221,195</b>		<b>(472,657)</b>
<b>Total liabilities</b>			<b>14,221,195</b>		<b>(472,657)</b>
<b>Net assets attributable to Shareholders</b>			<b>154,457,785</b>		<b>187,380,156</b>

The notes on pages 60 to 66 form an integral part of these Financial Statements.

# MI Chelverton European Select Fund

## Notes to the Financial Statements

for the year ended 31 December 2022

### 1. Accounting Policies

The Sub-fund's Financial Statements have been prepared on the same basis as the Accounting Policies stated on pages 7 and 8.

<b>2. Net Capital (Losses)/Gains</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
Non-derivative securities	(17,593,468)	9,593,143
Currency losses	(137,049)	(85,950)
Transaction charges	(31,294)	(28,279)
<b>Net capital (losses)/gains</b>	<b>(17,761,811)</b>	<b>9,478,914</b>

<b>3. Revenue</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
Overseas dividends	4,917,292	1,143,517
Bank interest	11,124	(228)
<b>Total revenue</b>	<b>4,928,416</b>	<b>1,143,289</b>

<b>4. Expenses</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
Payable to the Authorised Corporate Director ('ACD'), associates of the ACD and agents of either of them:		
ACD's fee	146,160	84,492
Registration fees	86,968	34,259
	<u>233,128</u>	<u>118,751</u>
Payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	982,595	493,685
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	36,348	21,174
Safe custody and other bank charges	28,541	14,183
	<u>64,889</u>	<u>35,357</u>

## Notes to the Financial Statements

continued

4. Expenses (continued)	31.12.22 £	31.12.21 £
Auditor's remuneration*:		
Audit fee	10,065	9,363
Tax compliance services	2,163	1,978
	12,228	11,341
Other expenses:		
Legal fees	2,935	4,173
Printing costs	2,907	2,001
	5,842	6,174
 Total Ongoing charge (OCG) rebates accrued against expenses	 –	 (35,302)
 <b>Total expenses</b>	 <b>1,298,682</b>	 <b>630,006</b>

\*Included within the auditors remuneration is irrecoverable VAT.

5. Taxation	31.12.22 £	31.12.21 £
(a) Analysis of charge in the year:		
Overseas tax	388,018	116,212
<b>Total tax charge (note 5b)</b>	<b>388,018</b>	<b>116,212</b>
 (b) Factors affecting taxation charge for the year:		
Net revenue before taxation	3,629,734	513,283
Corporation tax at 20%	725,947	102,657
Effects of:		
Movement in surplus management expenses	257,511	126,046
Overseas tax expensed	388,018	116,212
Non-taxable overseas earnings	(983,458)	(228,703)
<b>Total tax charge (note 5a)</b>	<b>388,018</b>	<b>116,212</b>

(c) Deferred tax

At the year end there is a potential deferred tax asset of £388,356 (2021: £130,845) in relation to surplus management expenses of £1,941,782 (2021: £654,224). It is unlikely that the Sub-fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

# MI Chelverton European Select Fund

## Notes to the Financial Statements

continued

### 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

		<b>31.12.22</b>	<b>31.12.21</b>
		£	£
Interim distribution	30.06.22	3,277,101	668,928
Final distribution	31.12.22	110,728	(11,030)
		<hr/> 3,387,829	<hr/> 657,898
Revenue deducted on cancellation of shares		78,954	15,396
Revenue received on issue of shares		(225,094)	(276,246)
<b>Distributions</b>		<hr/> <b>3,241,689</b>	<hr/> <b>397,048</b>

#### Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per Statement of Total Return		3,241,716	397,071
Undistributed revenue brought forward		24	1
Undistributed revenue carried forward		(51)	(24)
<b>Distributions</b>		<hr/> <b>3,241,689</b>	<hr/> <b>397,048</b>

### 7. Debtors

		<b>31.12.22</b>	<b>31.12.21</b>
		£	£
Amounts receivable on issues		164,462	92,599
Currency deals outstanding		–	89,734
Sales awaiting settlement		12,767,004	–
Accrued income:			
Overseas tax recoverable		420,488	80,275
Prepaid expenses:			
ACD fee		–	20,103
Legal fees		831	844
<b>Total debtors</b>		<hr/> <b>13,352,785</b>	<hr/> <b>283,555</b>



# MI Chelverton European Select Fund

## Notes to the Financial Statements

continued

<b>8. Other Creditors</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
Amounts payable on cancellations	13,812,607	24,495
Currency deals outstanding	49,563	90,039
Purchases awaiting settlement	–	230,775
Accrued expenses:		
Amounts payable to the Investment Manager, associates of the Investment Manager and agents of either of them:		
Investment Manager's fee	76,098	94,581
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee (including VAT)	5,749	6,229
Safe custody and other bank charges	4,259	3,963
	10,008	10,192
Auditor's remuneration*:		
Audit fee	10,065	9,363
Tax compliance services	2,163	1,978
	12,228	11,341
Other expenses:		
Printing costs	1,053	913
<b>Total other creditors</b>	<b>13,961,557</b>	<b>462,336</b>

\* Included within the auditors remuneration is irrecoverable VAT.

<b>9. Cash and Bank Balances</b>	<b>31.12.22</b>	<b>31.12.21</b>
	£	£
Cash and bank balances	3,201,488	4,052,901
Overdraft positions	(247,177)	–
<b>Cash and bank balances</b>	<b>2,954,311</b>	<b>4,052,901</b>

## Notes to the Financial Statements

continued

### 10. Related Party Transactions

Maitland Institutional Services Limited ('MISL') is regarded as a related party by virtue of having the ability to act in respect of the operations of the Sub-fund in its capacity as the Authorised Corporate Director ('ACD').

ACD and other fees payable to MISL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Chelverton Asset Management Limited ('the Investment Manager') are disclosed in note 4 and amounts due at the year end are shown in note 8.

Issue and payable on cancellation of shares and dilution levy (if applicable) are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and in note 6, amounts due at the year end are shown in notes 7 and 8.

Amounts receivable from the Investment Manager for total ongoing charge rebates accrued against expenses are disclosed in note 4, and amounts due at the year end are shown in note 7.

At the year end the Sub-fund did not hold shares in any of the other Sub-funds within the MI Chelverton Equity Fund.

### 11. Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2021: none).

### 12. Risk Management Policies and Disclosures

The main risks arising from financial instruments and the ACD's policies for managing these risks are disclosed on pages 8 and 9.

These policies have been consistent for both years through which these financial statements relate.

Numerical disclosures relating to the Sub-fund are as follows:

#### Market price risk

At the balance sheet date, if the price of the investments held by the Sub-fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to Shareholders would increase or decrease by approximately £15,212,471 (2021: £18,351,636).

#### Currency risk

Although the Sub-fund's capital and income are denominated in sterling, a proportion of the Sub-fund's investments may have currency exposure and, as a result, the income and capital value of the Sub-fund are affected by currency movements.

The table below details the currency risk profile at the balance sheet date.

Currency	31.12.22 £	31.12.21 £
Danish krone	1,487	1,674
Euro	102,094,518	135,571,641
Norwegian krone	13,443,033	9,529,283
Pound sterling	15,725,198	3,783,523
Swedish krona	19,276,095	25,699,398
Swiss franc	3,917,454	12,794,637
	<b>154,457,785</b>	<b>187,380,156</b>

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to Shareholders would increase or decrease by approximately £13,873,259 (2021: £18,359,663).

## Notes to the Financial Statements

continued

### 13. Portfolio Transaction Costs

31.12.22

Analysis of purchases	Total purchase cost £	Commissions paid		Taxes		Purchases before transaction costs £
		£	%	£	%	
Equities	118,596,803	62,712	0.05	16,258	0.01	118,517,833
Corporate actions	(219,079)	–	0.00	–	0.00	(219,079)
<b>Total purchases after commissions and tax</b>	<b>118,377,724</b>					

Analysis of sales	Net sale proceeds £	Commissions paid		Taxes		Sales before transaction costs £
		£	%	£	%	
Equities	132,175,906	68,932	0.05	7	0.00	132,244,845
<b>Total sales after commissions and tax</b>	<b>132,175,906</b>					
Commission as a % of average net assets	0.08%					
Taxes as a % of average net assets	0.01%					

31.12.21

Analysis of purchases	Total purchase cost £	Commissions paid		Taxes		Purchases before transaction costs £
		£	%	£	%	
Equities	208,900,386	160,962	0.08	32,926	0.02	208,706,498
Corporate actions	48,735	–	0.00	–	0.00	48,735
<b>Total purchases after commissions and tax</b>	<b>208,949,121</b>					

Analysis of sales	Net sale proceeds £	Commissions paid		Taxes		Sales before transaction costs £
		£	%	£	%	
Equities	37,866,544	29,418	0.08	–	0.00	37,895,962
<b>Total sales after commissions and tax</b>	<b>37,866,544</b>					
Commission as a % of average net assets	0.20%					
Taxes as a % of average net assets	0.04%					

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on pages 55 to 57. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

# MI Chelverton European Select Fund

## Notes to the Financial Statements

continued

### 14. Portfolio Dealing Spread

The average portfolio dealing spread at 31 December 2022 is 0.76% (2021: 0.54%).

### 15. Events after the Balance Sheet date

There were no notifiable events post the year end balance sheet date.

### 16. Fair Value Disclosure

Valuation technique	31.12.22		31.12.21	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 <sup>^</sup>	152,124,707	–	183,516,357	–
Level 2 <sup>^^</sup>	–	–	–	–
Level 3 <sup>^^^</sup>	–	–	–	–
	<b>152,124,707</b>	<b>–</b>	<b>183,516,357</b>	<b>–</b>

<sup>^</sup>Level 1: Unadjusted quoted price in an active market for an identical instrument.

<sup>^^</sup>Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

<sup>^^^</sup>Level 3: Valuation techniques using unobservable inputs.

### 17. Shares in Issue

	A Income	A Accumulation	B Income	B Accumulation
Opening number of shares	4,212,750	44,501,532	9,506,529	73,382,114
Shares issued	786,679	21,030,640	3,693,204	6,040,737
Shares cancelled	(185,902)	(2,709,560)	(270,112)	(37,116,746)
Shares converted	–	(3,886)	(3,319)	6,096
<b>Closing number of shares</b>	<b>4,813,527</b>	<b>62,818,726</b>	<b>12,926,302</b>	<b>42,312,201</b>

# MI Chelverton European Select Fund

## Distribution Tables

for the year ended 31 December 2022

### Income Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Distribution paid/payable 2022 p	Distribution paid 2021 p
A	Interim	Group 1	3.0693	–	3.0693	2.3190
		Group 2	2.2058	0.8635	3.0693	2.3190
	Final	Group 1	–	–	–	0.2450
		Group 2	–	–	–	0.2450
B	Interim	Group 1	2.3534	–	2.3534	1.6902
		Group 2	1.1160	1.2374	2.3534	1.6902
	Final	Group 1	0.0964	–	0.0964	–
		Group 2	–	0.0964	0.0964	–

### Accumulation Share Distributions

Share class	Distribution	Shares	Net revenue p	Equalisation p	Amount reinvested 2022 p	Amount reinvested 2021 p
A	Interim	Group 1	2.2201	–	2.2201	1.5870
		Group 2	0.9838	1.2363	2.2201	1.5870
	Final	Group 1	0.2579	–	0.2579	0.1568
		Group 2	0.1825	0.0754	0.2579	0.1568
B	Interim	Group 1	2.5458	–	2.5458	1.8138
		Group 2	0.7914	1.7544	2.5458	1.8138
	Final	Group 1	–	–	–	–
		Group 2	–	–	–	–

### Further information

Interim period: 01.01.22 - 30.06.22

Final period: 01.07.22 - 31.12.22

Group 1: Shares purchased prior to a distribution period

Group 2: Shares purchased during a distribution period

### Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents accrued revenue included in the purchase price of the shares. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

# MI Chelverton Equity Fund

## General information

### Authorised Status

MI Chelverton Equity Fund (the 'Company') is structured as an Open-Ended Investment Company, under regulation 12 (Authorisation) of the OEIC Regulations (Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)).

The Company does not intend to have an interest in immovable property.

The Company is authorised and regulated in the UK by the Financial Conduct Authority ('FCA') as a UCITS Retail Scheme and 'Umbrella Company' under the COLL Sourcebook.

The Company was incorporated in England and Wales on 04 April 2006 under registration number IC000431. The Shareholders are not liable for the debts of the Company.

The Company currently has 3 Sub-funds, which are detailed below:

MI Chelverton UK Equity Income Fund  
MI Chelverton UK Equity Growth Fund  
MI Chelverton European Select Fund

### Head Office

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

### Address for Service

The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

### Base Currency

The base currency of the Company is pounds sterling.

### Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the Net Asset Value of the Sub-fund.

### Classes of Shares

The Instrument of Incorporation allows each Fund to issue different classes of shares in respect of any Sub-fund.

The Sub-funds' currently have the following classes of shares available for investment:

	Share Class			
	A		B	
Sub-funds	Inc	Acc	Inc	Acc
MI Chelverton UK Equity Income Fund	✓	✓	✓	✓
MI Chelverton UK Equity Growth Fund	–	✓	✓	✓
MI Chelverton European Select Fund	✓	✓	✓	✓

The Company may issue both Income and Accumulation shares.

Holders of Income shares are entitled to be paid the revenue attributable to such shares in respect of each annual accounting period in the currency of the relevant share class.

Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of Shareholders and is reflected in the price of shares.

## General information

continued

### Valuation Point

The scheme property of the Company and each Sub-fund will normally be valued at 12:00pm on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed.

For the purpose of the pricing of shares, a business day is defined as a day on which the dealing office of the ACD is open for the buying and selling of shares. The ACD may at any time during a business day carry out an additional valuation of the property of the Sub-fund if the ACD considers it desirable to do so, with the Depositary's approval.

### Buying, Redeeming and Switching of Shares

The ACD will accept orders for the purchase, sale and switching of shares on normal business days between 08:30 and 16:30. Instructions to buy or sell shares may either be in writing to:

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

Or by telephone to:

0345 305 4217

The ACD has the right to establish facilities for recording telephone calls made or received on this telephone line.

A contract note giving details of the shares purchased will be issued no later than the next business day after the business day on which an application to purchase shares is received and instrumented by the ACD. Certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the register of Shareholders.

### Pricing Basis

There is a single price for buying, selling and switching shares in a Sub-fund which represents the Net Asset Value of the Sub-fund concerned. The share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

The prices of shares are published daily on [www.maitlandgroup.com](http://www.maitlandgroup.com). Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

### Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the Company which is also the Head Office of the Company. Copies may be obtained free of charge upon application. They are also available from the website of the Company, the details of which are given in the directory of this report.

Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD, or, following that, may make their complaint direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

### Significant Information

The ACD has assessed the Russia-Ukraine war implications and although the Company has no direct exposure to Russian or Ukrainian assets the crisis has and will have a wider impact in terms of market performance.

### ACD Value Assessment

The ACD is required to provide an annual statement for the Company, attesting that in the opinion of the ACD the services provided to the Company and any fees chargeable to the scheme property represent value for money, taking into account the following criteria as set out by the Regulator under COLL 6.6.20R:

- Quality of Service
- Performance
- Economies of Scale
- Comparable Services and Market Rates
- Classes of shares

## General Information

continued

### ACD Value Assessment (continued)

This statement references services provided directly by the ACD and those services delegated by the ACD to third parties such as, but not limited to, investment management, depositary services, custody and settlement, audit provision, legal services, printing services, KIID production and maintenance, and other costs as may be set out or allowable in the scheme documentation.

The ACD Value Assessment is published on the Maitland website.

### Remuneration of the ACD

The ACD is subject to a remuneration policy which meets the requirements of the Undertakings for Collective Investment in Transferable Securities Directive ('UCITS') as set out in SYSC 19E of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the ACD compliance with its duty to act in the best interests of the funds it manages.

The ACD has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

This disclosure does not include portfolio management activities as these are undertaken by various third party investment managers appointed by the ACD. The Investment Manager is required to make separate public disclosure as part of their obligations under the Capital Requirements Directive.

The ACD is required to disclose the total remuneration it pays to its staff during the financial year of the fund, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a fund or the ACD itself. This includes executives, senior risk and compliance staff and certain senior managers.

As the ACD provides UCITS and non-UCITS services, the remuneration figures have been prorated by the Net Asset Value of all the non-UCITS funds it manages as a percentage of the total assets under management.

31.12.22	Number of Beneficiaries	Fixed	Variable	Total
Total remuneration paid by the ACD during the year	16	£1,552,755	£516,969	£2,069,724
Remuneration paid to employees of the ACD who are material risk takers	6	£771,845	£437,876	£1,209,721

Further information is available in the ACD's Remuneration Policy Statement which can be obtained from [www.maitlandgroup.com](http://www.maitlandgroup.com). A paper copy of the remuneration policy is available on request from the registered office of the ACD free of charge.

### Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long-term investment. Investors should be aware that the price of shares and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.



# Maitland Institutional Services Limited

Registered in England No 6252939. Authorised and regulated by the Financial Conduct Authority.