

TB CHAWTON GLOBAL EQUITY INCOME FUND

AUGUST 2021 FACTSHEET



All data as at 31 August 2021

Investment Objective

The Fund aims to provide a growing income stream and to grow capital over the long term (5 years or more). Each part of this objective will have equal weighting.

Investment Philosophy

The fund will be at least 80% invested in global equities. The Investment Manager will invest in a select (typically 20-50 holdings) portfolio of companies that exhibit high and sustainable returns on capital allowing the companies to both reinvest in the business for growth and provide a meaningful and growing dividend stream to be paid over time. In order to maximise the opportunity of identifying such companies, the Fund will invest in listed equities globally. The Manager believes that in order to sustain high returns over the long term, companies must adhere to responsible and sustainable investment principles.

Management Commentary

New addition – Bloomsbury Publishing

We have initiated a new position in UK listed company Bloomsbury Publishing. Whilst we have a strong roster of media companies that have built dominant positions utilising digital technology such as Alphabet (advertising) and Netflix (video). The experience of another company held; Games Workshop, has shown the value of high-quality, content based, intellectual property in the digital era. Bloomsbury Publishing, famous for backing J.K Rowling's Harry Potter series of books has expanded its content library in the children's and adult consumer book area as well as diversifying into academic and professional publishing. The overriding focus of the company's strategy is on finding and nurturing the highest quality authors; however, as a smaller, more nimble operator in an industry dominated by five large slow moving legacy publishers, it is utilising digital channels to gain share through acting as a new entrant. As in the music industry with streaming, audio books and eBooks are now gaining sufficient traction to put the entire book market back onto the growth trajectory. In addition, reading great books is increasingly being viewed as a positive lifetime 'experience' and a constructive social counter to the destructive nature of much of the consumption of social media. The company has achieved impressive revenue growth in recent years and the inherent operational gearing in the business has resulted in increasing returns on capital. As minimal capital is required to grow, surplus cash has built up on the balance sheet resulting in a recent special dividend augmenting an already attractive ordinary dividend yield.

Portfolio Fundamentals

In order to assist in a better understanding of the fundamentals of the portfolio in aggregate, I am going to periodically include the following table which sets out certain key metrics we consider important and how these have changed over the last year.

Portfolio Fundamentals	Aug-21	Aug-20
Return on Capital	17%	17%
Gross Margin	54%	58%
Operating Margin	25%	28%
Net debt/EBITDA	1.1	1.3
Dividend 5 year CAGR	12%	10%
Forward Price Earnings Ratio	24.6	24.0
Forward Dividend Yield	1.8%	1.9%

Source: Capital IQ/Chawton Global Investors LLP

Observe that the aggregate portfolio return on invested capital is a healthy 17% which compares to a nominal cost of capital for equities that we estimate at about 7%. It can also be seen that aggregate margins have fallen whilst financial leverage is lower and the dividend growth rate has increased. Valuation metrics are similar despite the fund having risen 20% over the year. Given the return on capital is the same, the margin decrease has been offset by faster asset turns at underlying companies. Overall, these metrics are consistent with a portfolio of high-quality underlying businesses.

Performance



A - TB Chawton Global Equity Income B Acc GBP

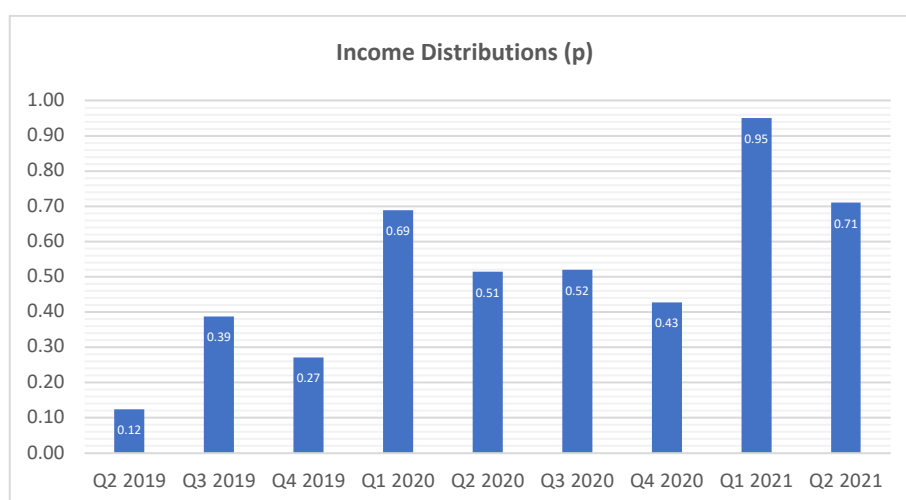
B - MSCI World TR in GBP

C - IA Global Equity Income TR in GBP

Cumulative	3 Months	6 Months	1 year	Since Launch*
TB Chawton Global Equity Income Fund B Acc GBP	9.0%	18.2%	20.1%	43.3%
MSCI World TR	9.4%	18.0%	26.3%	42.8%
IA Global Equity Income	5.1%	13.6%	23.5%	25.5%
Quartile	1	1	3	1

Source: FE fundinfo as at 31 August 2021. Total return in GBP. Past performance is not a reliable indicator of future results. The value of your investments and the income derived from it can go down as well as up and you may not get back the money you invested. * Fund launch 21 May 2019

Historic Quarterly distributions



Source: Chawton Global Investors LLP



The Investment Manager

Michael Crawford successfully managed what grew to be a substantial global equity fund at Bessemer Trust for seven years before departing in January 2019 to found Chawton Global Investors. He has over 23 years of fund management experience and was a member of the highly successful Morgan Grenfell Asset Management U.K. team from 1996 to 2004. He has also worked at Credit Suisse Asset Management and LV Asset Management. Michael has a Masters in Business Administration from Cranfield School of Management.

Michael Crawford
Managing Partner
Portfolio Manager,
Global Equities

How to Invest

TB Chawton Global Equity Income is available as an OEIC and it is also suitable to include in stocks and shares ISAs and SIPPS. You can buy shares in the fund by visiting www.tbaileyfs.co.uk/funds or through various third parties including Hargreaves Lansdown, Alliance Trust Savings, Aegon, Transact, Barclays Wealth and AJ Bell.

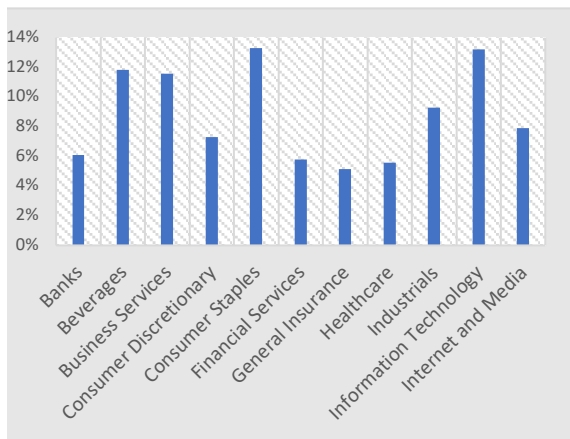
Ten Largest Holdings (% of NAV)

Next plc	4.1%
Procter and Gamble	4.0%
RELX	3.6%
Texas Instruments	3.5%
ASML	3.5%
Atlas Copco	3.4%
Johnson & Johnson	3.4%
Rentokil	3.3%
L'Oreal	3.3%
T Rowe Price	3.3%

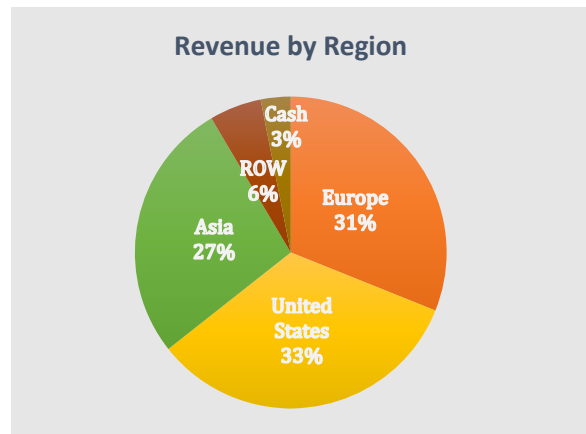
Risks

As a concentrated equity portfolio of typically less than 50 stocks the fund may involve higher volatility and therefore higher risk for those with shorter term investment time horizons (under 5 years). The value of an investment and the income from it can fall as well as rise as a result of market and currency movements and you may not get back the amount originally invested. You should therefore regard your investment as long term. Details of the risk factors are included in the fund's prospectus available at www.tbaileyfs.co.uk/funds

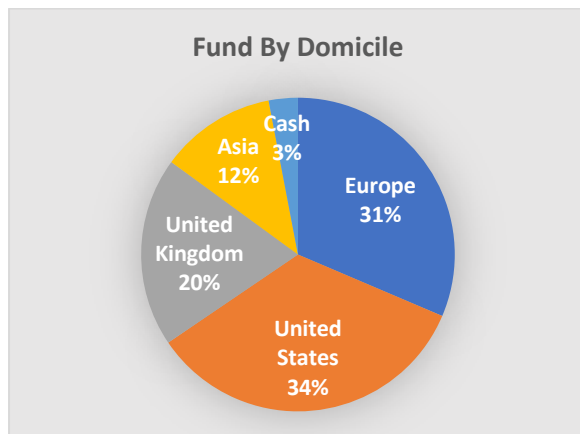
Sector Allocation



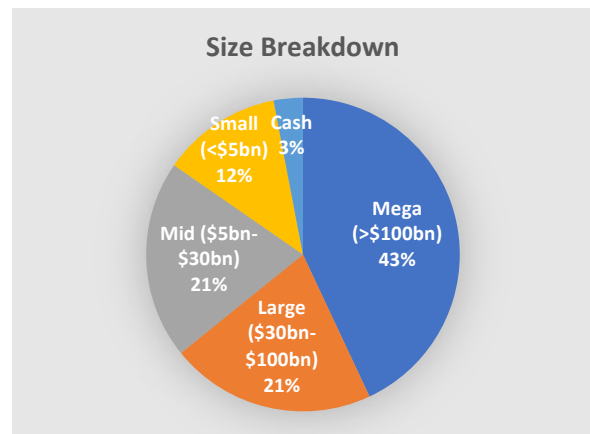
Geographic Breakdown



Listing Breakdown



Size breakdown



Fund Information

Type of scheme	UK OEIC (UCITS)
Launch date	21 May 2019
Total Net Assets	£14.6m
Comparator Benchmark	MSCI World Index
Number of Holdings	37 (35 company groups)
Base Currency	GBP (£)
Classes	B, C (£, \$, €)
Dealing and valuation	12 noon each UK Business Day
Year End	31 December
Dividend XD dates	1 April, 1 July, 1 Oct, 1 Jan
Dividend pay dates	31 May 31 Aug 30 Nov 28 Feb
Last 12 months Div. payments	2.6p
IA sector	Global Equity Income
Custodian	Northern Trust
Authorised Corporate Director	T. Bailey Fund Services Ltd

Minimum Investment

Class B Shares	£1,000
Class C Shares	£500,000

Management Fees

Class B Shares	0.90%
Class C Shares	0.60%

Ongoing Charge Figure*

Class B Shares	1.15%
Class C Shares	0.85%

ISIN Codes

Class B GBP INC	GB00BJ1GY073
Class B GBP ACC	GB00BJ1GXX37
Class B EUR INC	GB00BJ1GY180
Class B EUR ACC	GB00BJ1GXY44
Class B USD INC	GB00BJ1GY297
Class B USD ACC	GB00BJ1GXZ50
Class C GBP INC	GB00BJ1GY636
Class C GBP ACC	GB00BJ1GY305
Class C EUR INC	GB00BJ1GY743
Class C EUR ACC	GB00BJ1GY412
Class C USD INC	GB00BJ1GY859
Class C USD ACC	GB00BJ1GY52

*For full information on the periodic charge please refer to section 7 of the full prospectus

Important Information

TB Chawton Global Equity Income is a sub-fund of the TB Chawton Investment Funds ICVC. Full details of the TB Chawton Investment Funds including risk warnings are published in the TB Chawton Funds Prospectus, The TB Chawton Funds Supplementary Information Document (SID) and the TB Chawton Investment Funds Key Investor Information Documents (KIIDs) which are available on request or at www.tbaileyfs.co.uk. Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. Chawton Global Investors LLP is authorised and regulated by the Financial Conduct Authority No. 825467. T. Bailey Fund Services Limited is authorised and regulated by the Financial Conduct Authority No. 190293

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