

TB CHAWTON GLOBAL EQUITY INCOME FUND

DECEMBER 2020 FACTSHEET



All data as at 31 December 2020

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

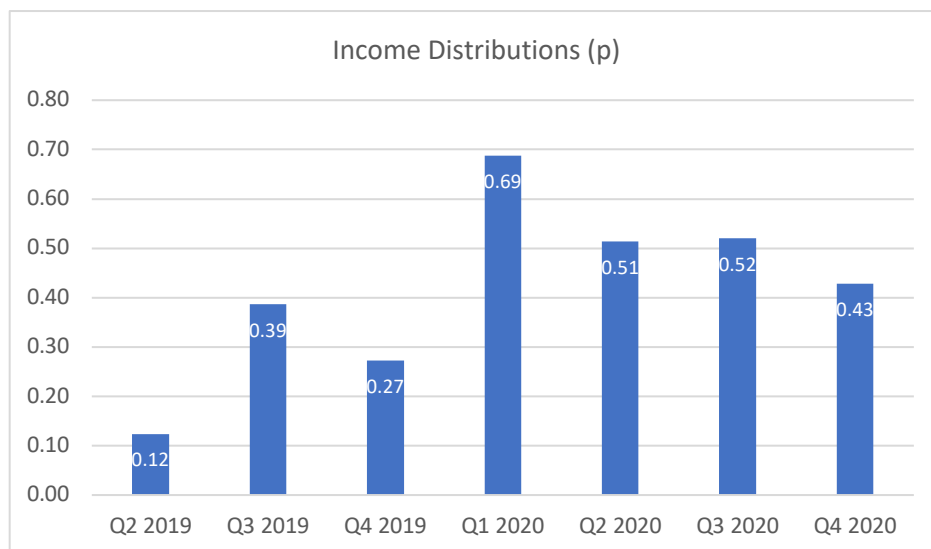
The fund will be at least 80% invested in global equities. The Investment Manager will invest in a select (typically 20-50 holdings) portfolio of companies that exhibit high and sustainable returns on capital allowing the companies to both reinvest in the business for growth and provide a meaningful 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

Performance

The fund has now been invested for just over 19 months and has delivered a total return of 24.8%. The B Class GBP Income share rose from the 100p launch price on 21 May 2019 to 121.8p at the end of 2020 and income distributions amounting to 2.9p have been made. Over the course of 2020, the total return was 14.2% with the B Class GBP Income having started the year at 108.8p and generated four quarterly dividend payments aggregating to 2.0p. These are solid returns given the circumstances and should be calibrated against the very long-term historic returns generated by equity markets of between 5% and 6% in real terms (which translates into 7% to 8% adding in average inflation of 2% per annum). The combined portfolio continues to exhibit high returns on capital, strong finances and good capital and income growth prospects at valuations, I regard, as reasonable.

Quarterly income distributions since inception:



Source: Chawton Global Investors LLP

Digital economies in Asia

The advantage of operating globally and being able to observe countries and regions develop at different speeds and in different ways is that insight is gained on trends that may become globally prevalent. Whilst much of the initial innovation in terms of business applications of digital technology originated in Silicon Valley, Chinese companies have taken some of the models and adapted and developed them in ways which, in some respects, are ahead of the US.

Jack Ma's Alibaba faced fierce competition from initially e-bay and then Yahoo both of which he saw off. Now he faces home grown competitor Tencent founded and guided by Pony Ma. The competition between the two is fierce to the benefit

of consumers and businesses through South East Asia. Now over 700 million users are active on Alibaba's e-commerce platforms and soon they can look forward to local deliveries within hours and international deliveries within a day. Delivery logistics are fast becoming automated and will likely eventually migrate to autonomous vehicles.

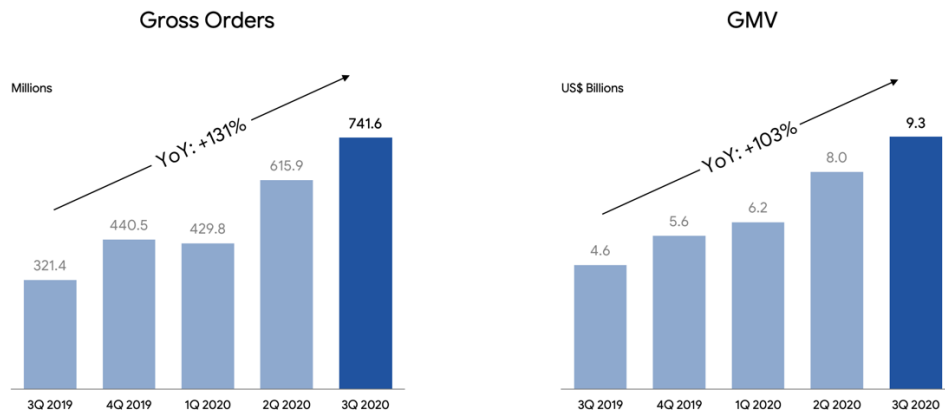
Alibaba have utilised their network and associated data to develop digital financial services concepts. This has been so successful that it has attracted the attention of PRC Government regulators. I believe it provides glimpses of future global developments and highlights that the risks to banks and payment companies is most likely to stem from the dominant digital companies with their gatekeeper roles and huge data rather than small fin. tech. start-ups. Asian companies both large and small are also furiously working on blockchain technology and the potential business opportunities. Very simply these involve the ability to provide efficient fractional ownership of assets along with the more newsworthy alternatives to currencies.

The other development of note is the move by large digital companies into food delivery led by Alibaba with Hema and Tencent with 7Fresh. This is most efficiently done when combined with local physical real estate and therefore has a detrimental impact on incremental returns on capital; however, the data provided by a single household food shop is hugely rich.

The Chinese companies are taking these ideas and concepts international initially in South East Asia. Tencent is behind Sea Ltd, a Singaporean company listed on NYSE developing ecommerce throughout the region. Its share price is up fourfold in 2020 and its market cap. has exceeded \$100 billion. Alibaba is backing the still private Lazada which stands neck to neck with Sea.

The likely end result is that both the huge Chinese market and the wider Asian markets will move quickly to digital economy models. This has implications for the branded consumer good companies held in the portfolio. I believe scale and brand advantages are transferrable from the physical to the digital economy; however, it is key the companies are building the talent and developing the skills necessary to succeed in this new environment. Fund holdings L'Oreal (personal care) and Carlsberg (brewing) have demonstrated success in this regard in China and the considerable growth Games Workshop (physical gaming hobbies) has seen in recent years has been enabled by their skilful use of international digital channels.

Sea Ltd's Shopee e-commerce operations shows Y-o-Y triple digit growth rate:



Source: Sea Ltd Q3 2020 infographic

Portfolio Activity

I exited a couple of small positions where I have concluded, after annual reviews, that the opportunity for returns and growth are not as great as other existing holdings and used the proceeds to add to Progressive Corporation (US general insurance), Microsoft and Games Workshop (UK consumer discretionary). At the end of the year, there were 35 separate securities held representing 33 different corporate groups. The two corporate groups where two different securities are held are Carlsberg and its Malaysian majority owned, listed, subsidiary; Carlsberg Brewery and Diageo and its Chinese majority owned, listed, subsidiary, Sichuan Swellfun.

Performance



Cumulative	3 Months	6 Months	1 year	Since Launch*
TB Chawton Global Equity Income Fund B Acc GBP	3.7%	8.3%	14.2%	24.8%
MSCI World TR	7.8%	11.2%	12.3%	21.9%
IA Global Equity Income	8.7%	10.2%	3.3%	10.5%
Quartile	4	3	1	1

Source: FE fundinfo as at 31 December 2020. 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



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

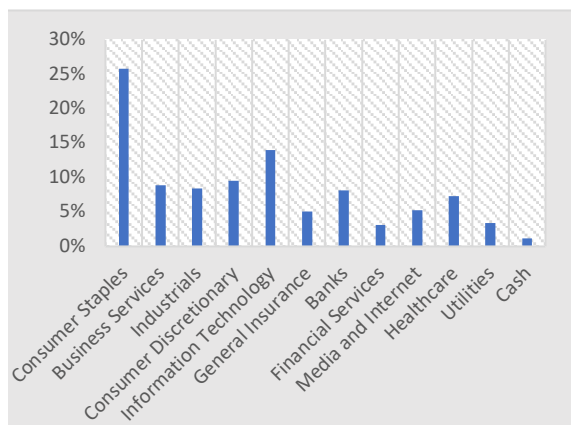
How to Invest

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	4.4%
Procter and Gamble	4.1%
TSMC	3.9%
Games Workshop	3.9%
Johnson and Johnson	3.8%
Texas Instruments	3.7%
ASML	3.6%
Renewables Infrastructure	3.4%
Nestle	3.5%
HDFC Bank	3.4%

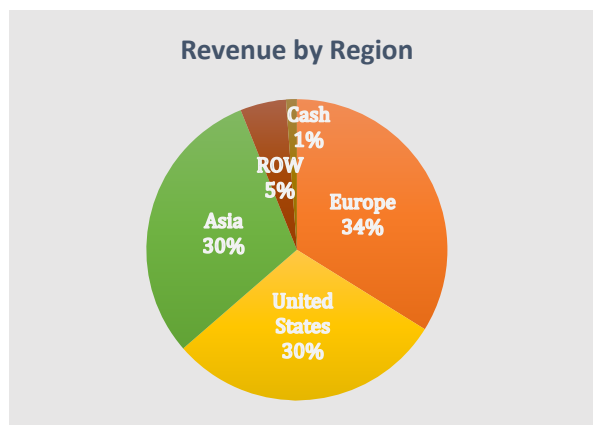
Sector Allocation



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

Geographic Breakdown



Fund Information

Type of scheme	UK OEIC (UCITS)
Launch date	21 May 2019
Total Net Assets	£11.8m
Comparator Benchmark	MSCI World Index
Number of Holdings	35 (33 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	2.0p
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	1.27%
Class C Shares	0.97%

SEDOL Codes

Class B GBP INC	BJ1GY07
Class B GBP ACC	BJ1GXX3
Class B EUR INC	BJ1GY18
Class B EUR ACC	BJ1GXY4
Class B USD INC	BJ1GY29
Class B USD ACC	BJ1GXZ5
Class C GBP INC	BJ1GY63
Class C GBP ACC	BJ1GY30
Class C EUR INC	BJ1GY74
Class C EUR ACC	BJ1GY41
Class C USD INC	BJ1GY85
Class C USD ACC	BJ1GY52

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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