

CHAWTON GLOBAL EQUITY INCOME FUND

29 February 2024



CHAWTON
GLOBAL INVESTORS

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 Manager

The Fund Investment Manager, Michael Crawford, successfully managed a global equity fund at a large U.S. multi-family office, doubling its value over 7 years to over \$6 billion. He has 26 years' experience and was previously a member of the very successful Deutsche Asset Management team.

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 to sustain high returns over the long term, companies must adhere to responsible and sustainable investment principles.

Cumulative Performance

Cumulative performance	3 Months	6 Months	1 Year	3 Year	Since Launch*
WS Chawton Global Equity Income Fund B Acc GBP	12.0%	13.9%	14.6%	31.3%	59.2%
MSCI World TR GBP	10.8%	12.7%	19.6%	41.7%	71.6%
IA Global Equity Income	7.5%	8.2%	9.2%	32.0%	45.94%
Quartile	1	1	1	3	1

Past performance is not a reliable indicator of future results. The value of your investments and income derived can go down and you may not get back the money you invested.

Commentary

The fund rose by 4.7% in February improving the cumulative three month gain to 12.0%. Since launch the fund has risen 59.2%.

A number of portfolio companies announced their 2023 results. Alphabet made good progress against the critical factors we monitor the company on with cloud revenue growth of 25.7% and cloud margin increasing to 9.4% in the fourth quarter.

Search revenue grew in double digits and the company generated \$69 bn in free cash flow in 2023 and spent \$62bn repurchasing shares at what we regard as an attractive valuation. This reduced the share count by 2.7%.

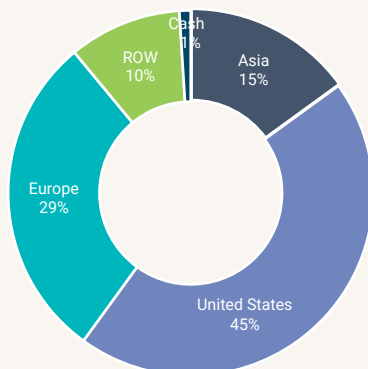
Nestlé's results were impacted by adverse foreign currency rates as the Swiss Franc continues to strengthen against most others. That meant revenues declined 1.5% but would have increased 7.2% at constant exchange rates.

Over the last three years, Nestlé has grown revenues 8% per annum, organically, and largely through increased pricing.

Management project mid-single digit revenue growth going forward and an improving margin profile as they build on the 70bp increase in gross margin achieved in the year. Share buybacks reduced the share count by 2.3% on top of the dividend payout that equated to a gross (dividend) yield of well over 3%.

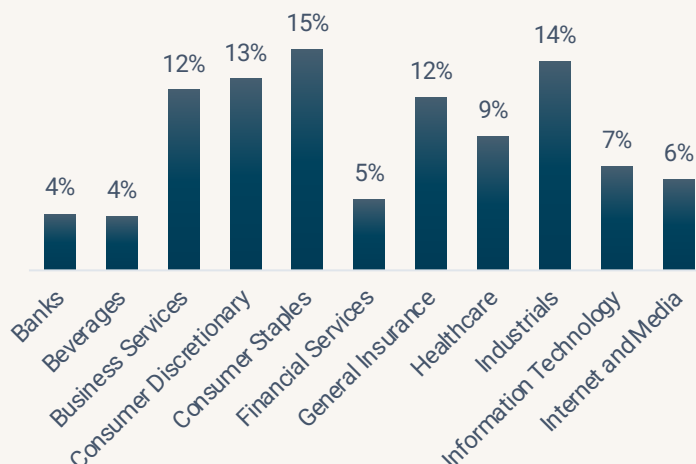
Nestlé owns two outstanding business in hot beverages centred around coffee and pet food. Some of their other businesses such as frozen food are more challenged and we think there is a case for spinning some of these off. This would have the effect of increased focus at Nestle and more motivated and directly incentivised management at the separated companies.

Geographic Breakdown



*By revenue

Sector Breakdown



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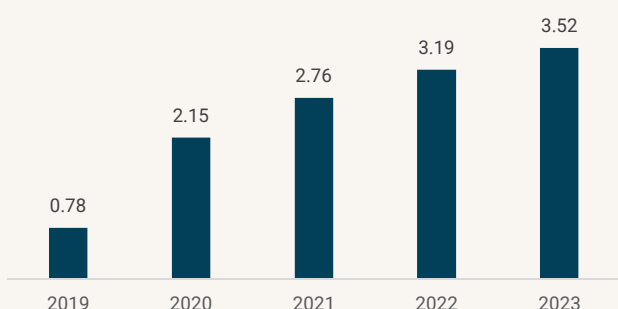


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Income Distribution (pence per share)



Source: Chawton Global Investors LLP (based on B Accumulation GBP Class)

Top Ten Positions

Company	As percentage of portfolio
Next	5.0%
Bloomsbury Publishing	4.6%
Novo-Nordisk	4.4%
Procter & Gamble	4.1%
Atlas Copco	4.0%
The Home Depot	4.0%
Svenska Handelsbanken	3.8%
Berkshire Hathaway	3.8%
ASML	3.6%
Union Pacific	3.5%

Discrete Performance

Discrete years	2019	2020	2021	2022	2023
WS Chawton Global Equity Income Fund B Acc GBP	9.3%	14.2%	18.2%	-8.3%	10.8%
MSCI World TR	8.6%	12.3%	22.9%	-7.8%	16.8%
IA Global Equity Income	7.0%	3.2%	18.7%	-1.2%	9.2%
Quartile	1	1	3	4	2

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How to Invest

WS 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 the following website: <https://www.waystone.com/waystone-fund-services-uk-limited/ws-chawton-investment-funds/>, or through various third parties including Hargreaves Lansdown, James Hay, Aegon, Transact, Barclays Wealth and AJ Bell.

Fund Information

Type of scheme	UK OEIC (UCITS)
Launch date	21 May 2019
Total Net Assets	£16.9 M
Comparator Benchmark	MSCI World Index
Number of Holdings	34
Base Currency	GBP (£)
Classes	B, C (£, \$, €)
Dealing and valuation	12 noon (UK Bus. Days)
Year End	31 December
Dividend XD dates	01 Apr. Jul. Sep. Dec
Dividend pay dates	31 May. Aug. Nov. Feb.
Last FY Div. payments	3.5p
IA Sector	Global Equity Income
Custodian	Northern Trust
ACD	Waystone Fund Services
Fund PE (Morningstar)	18.6x
Fund Yield (Morningstar)	2.6%

Management Fees

Class B Shares	0.90%
Class C Shares	0.60%

Ongoing Charge Figure

Class B Shares	1.12%
Class C Shares	0.82%

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	GB00BJ1GY529

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 <https://www.waystone.com/waystone-fund-services-uk-limited/ws-chawton-investment-funds/>

Minimum Investments

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

WS Chawton Global Equity Income is a sub-fund of the WS Chawton Investment Funds ICVC. Full details of the WS Chawton Investment Funds including risk warnings are published in the WS Chawton Funds Prospectus, the WS Chawton Funds Supplementary Information Document (SID) and the WS Chawton Investment Funds Key Investor Information Documents (KIID) which are available on request or at www.waystone.com/waystone-fund-services-uk-limited/ws-chawton-investment-funds/. 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. Waystone Fund Services UK Ltd is authorised and regulated by the Financial Conduct Authority No. 190293.

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