

# HANSON INCOME FUND

A Sub-Fund of Ledbury SICAV PLC



## CLASS B ACCUMULATION & DISTRIBUTION SHARES REPORT

APRIL 2019

### TOP 10 HOLDINGS

NORDEA BANK AB	5.21%	GOODMAN PROPERTY TRUST	3.47%
GENESIS ENERGY LTD	4.27%	INTERMEDIATE CAPITAL GROUP	3.11%
VODAFONE GROUP PLC	4.12%	KIER GROUP PLC	3.05%
BP PLC	3.97%	PHOENIX GROUP HOLDINGS	3.01%
LLOYDS BANKING GROUP PLC	3.49%	GO-AHEAD GROUP	3.01%

### DIVIDENDS

Source: Praxis Fund Services (Malta) Ltd

#### Dividends paid in 2018

GB£ B Dis £4.1964 US\$ B Dis \$4.3248 EU€ B Dis €1.1487

#### Historical dividends per share paid in 2017

GB£ B Dis £4.4463 US\$ B Dis \$1.8567

### PERFORMANCE 2019

Source: Praxis Fund Services (Malta) Ltd

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Class B GB£ Accumulation*	4.17%	2.04%	1.14%	1.16%									8.75%
Class B US\$ Accumulation	7.86%	3.23%	-0.46%	0.07%									10.92%
Class B Euro Accumulation	7.79%	3.89%	0.85%	0.86%									13.90%

### PAST PERFORMANCE

2017

2018

\*share class opened November 2017

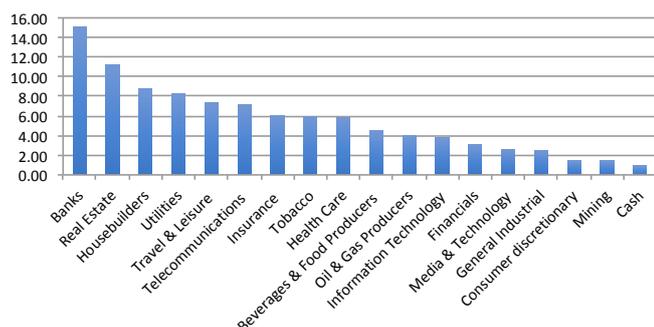
Class B GB£ Accumulation*	0.43%	-9.46%
Class B US\$ Accumulation	16.25%	-14.48%
Class B Euro Accumulation	2.48	-10.92%

### HANSON INCOME FUND ORDINARY CLASS B SHARE PRICES

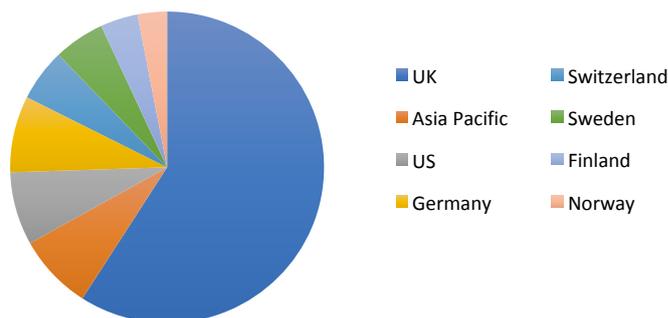
\*share class opened 11/17 \*\*share class opened 6/9/2018 \*\*\*share class opened 22/6/17

<b>GB£ Accumulation Shares</b> MT7000017661 <b>£98.90*</b>	<b>US\$ Accumulation Shares</b> MT7000017687 <b>\$111.25</b>	<b>Euro Accumulation Shares</b> MT7000017679 <b>€105.22</b>
<b>GB£ Distribution Shares</b> MT7000017695 <b>£95.98</b>	<b>US\$ Distribution Shares</b> MT7000017711 <b>\$95.01***</b>	<b>Euro Distribution Shares</b> MT7000017703 <b>€104.67**</b>

### SECTOR ALLOCATION



### GEOGRAPHICAL EXPOSURE



### FUND FACTS

- MALTESE UCITS V
- WEEKLY DEALING
- INCOME FUND
- TARGETED 4 - 4.5% P/A
- INCOME PAID TWICE YEARLY
- BOTH DISTRIBUTION AND ACCUMULATION UNITS
- RISK RATING 5/7
- WIDELY ACCEPTED BY BOND PROVIDERS, OTHER TAX WRAPPERS AND INVESTMENT PLATFORMS
- £/\$/EURO SHARE CLASSES

### THE MANAGER

Arlington Capital Ltd, regulated by the FCA was founded in 2017 to separate the fund management, principal investments and investment advisory activities of the Hanson group. Arlington Capital Ltd manages funds, investment vehicles and advises its clients on real estate investments, corporate debt and equity investments. The demerger allows Hanson Asset Management to concentrate on its private wealth management business and for Arlington to focus on its fund management and investment advisory activities. The two firms are co-located in Arlington Street, Mayfair, London.

### INVESTMENT OBJECTIVES

The Hanson Income Fund is an actively managed and diversified equity portfolio. The aim is to produce an income of 4-4.5% pa, paid twice yearly, together with capital growth. The fund intends to invest primarily in attractively valued dividend paying UK companies, with the balance invested internationally. The fund will target outperformance by owning shares that should grow dividends faster than inflation.

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### FUND MANAGER COMMENTARY

The Hanson Income Fund GBP Ordinary Class B Dis was up 1.16% in April. The S&P 500 was up 3.11% for April with the FTSE-100 up 1.38%. The DJIA was up 1.99% for the month.

Global equity markets continued to rise in April, with the dovishness of the central banks and encouraging economic data being major contributors.

**US** equities were boosted by labour market data and the better-than-predicted Q1 GDP growth. Stronger-than-expected economic data supported the rise in equity prices helping to calm potential recession fears. Published reports showed an unchanged unemployment rate of 3.8% and a GDP of 3.2%. 1.0% of the GDP growth was attributed to improving trade. Despite the better than expected data, the US economy still shows indications of a slowing in growth. The financial sector was among the best performers whilst healthcare stocks faced continued concerns with regard to drug price legislation.

**Eurozone** equities continued to perform well in April. Information technology and financial sectors were the leading performers over the month. Data released at the end of April showed resilient economic growth for the first quarter of the year. Eurozone GDP growth accelerated to 0.4% in the first quarter beating consensus expectations of 0.3%. Spain had an increase in GDP growth to 0.7% with Italy rebounding to 0.2% in the first quarter. European political uncertainty in the form of the Spanish elections and European parliamentary elections briefly affected the markets. ECB maintained current interest rates with the expectation that the rates will continue to remain at the present level until the end of 2019.

**UK** equities rose however they underperformed against the global equities market. The flexible extension to Article 50 deadline, granted on 12th April, did not significantly affect the continued UK economic growth. The Office for National Statistics announced that the economy expanded 0.5% for January and 0.2% for February with unemployment rate staying at 3.9%.

Pharmaceuticals and tobacco sectors performed poorly over the month. Looking ahead, the UK will be participating in the upcoming European Parliament elections on the 23rd May if it has not ratified the Withdrawal Agreement beforehand.

**China's** GDP grew 6.4% in the Q1 2019 above market expectations. Chinese equities did lose some momentum in April due to concerns over the scaling back of economic support measures by the government. However, policymakers remain vigilant and will provide support should economic data soften. Overall, increases in credit growth along with the improving sentiment with regard to the US -China trade agreement should provide further economic support.

In the next month geopolitical events will be the main contributors to the market volatility.

**Microsoft** performed well and was up 9.78% for April. Microsoft posted positive results for the quarter ending March 2019 with revenue up 14% to \$30.6 billion and operating income increasing by 25%. Microsoft returned \$7.4 billion to shareholders in the Q3 2019. Its current focus on enhancing its cloud platform makes it a leader in this market.

**GCP** Infrastructure Investments was up 2.55% against the FTSE 100 for April. The company aims to provide regular sustainable long-term dividends to its investors with an annualised yield of 8.1%. It has large investments in the renewable sector which is an area in which many investors wish to have exposure.

**AstraZeneca**, reported a strong start to 2019 with double-digit sales growth significant sales growth occurred in the new medical sector up 83%. China and the emerging markets also saw increased sales growth up 28% and 22% respectively. Incremental sales of new medicines remain the key sales driver posting 0.9bn increase compared to Q1 2018.



### PATRICK TEROERDE

Fund Manager Patrick has been the co-fund manager since the fund's launch. Patrick has been investing in markets for over 20 years with an expertise in company cash flows and income investing. Patrick was also a co-founder and joint Managing Director of Hanson Asset Management. He started his business career in investment banking before moving into private equity at Lazard. He was the Investment Director of Adurion Capital, a multi strategy investment office where he developed income strategies using equities, debt and real estate. Patrick read economics and business administration at EBS University for Business & Law in Germany, the Ecole Supérieure de Commerce in Dijon, France and the Graduate School for Business and Management at Pepperdine University in Malibu, California.

### JOHN McDONALD

John has 35 years' experience in financial markets and is a founding director of Alternative Research Ltd. He was most recently a co-founder of London Stock Exchange-listed BACIT Ltd, which merged with the Life Sciences investment firm, Syncona Partners, in late 2016. Previously he worked for six years at Hanson Asset Management as a non-Executive Director. Prior to this John was Head of Sales and Marketing at Impax Asset Management plc, Head of Alternative Investments Sales at New Star Asset Management plc, Investment Director at Eden Capital and co-founder of Fortune Asset Management. John began his career in European equity research at Morgan Grenfell & Co, followed by HSBC James Capel and UBS Warburg and the Europe Company Ltd. He is a graduate of EBS European Business School, studying in London, Paris and Frankfurt.

**HANSON INCOME FUND INVESTMENT COMMITTEE:** Edward Collins, Karl Micallef, Tom Wight.

**SALES SUPPORT:** funds@hansonincomefund.co.uk **Administrator-**Praxis Malta: +356 2546 8000.

The Prospectus and KIIDs are available in English from your financial advisor or the administrator.

**IMPORTANT INFORMATION:** This fund is intended as a medium to long term investment. The value of investments, and any income from them, can go down as well as up, and you may not get your money back. Any investment should be based on full details of the prospectus. The Investment Manager is Arlington Capital Limited, 6 Arlington Street, London SW1A 1RE. Registration Number: 09578016. Arlington Capital Limited is authorised and regulated by the FCA. FCA Licence Number: 810629. Authorisation: Ledbury SICAV PLC - Hanson Income Fund is licensed and authorised by the Malta Financial Services Authority as a Collective Investment Scheme qualifying as Maltese UCITS V under license number CIS/424.

**ADDITIONAL INFORMATION:** The annual management charge is 2.0%. Class A has an initial charge of 5.5% (please contact sales support or the administrator for further details) and Class B has a deferred sales charge of 5.5%. There are both Distribution and Accumulation share classes for both A&B (please contact sales support or the administrator for further details). The minimum investment for all share classes is 1000 units of the denominated currency. Subscriptions must be received by 5pm (CET) Wednesday. It is intended that the Company will distribute and pay dividends in respect of Distribution Share Classes half-yearly (31 December and 30 June). However the frequency of any income payments is not guaranteed and may vary.