

HANSON INCOME FUND

A Sub-Fund of Ledbury SICAV PLC



CLASS B ACCUMULATION & DISTRIBUTION SHARES REPORT

FEBRUARY 2019

TOP 10 HOLDINGS

GO-AHEAD GROUP	4.33%	LLOYDS BANKING GROUP PLC	3.82%
GCP INFRASTRUCTURE INVESTMENTS LIMITED	4.14%	TELENOR ASA	3.58%
BP PLC	4.09%	GOODMAN PROPERTY TRUST	3.38%
GENESIS ENERGY LTD	4.00%	ASTRAZENECA PLC	3.34%
VODAFONE GROUP PLC	3.90%	NOVARTIS AG-REG	3.33%

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%											6.30%
Class B US\$ Accumulation	7.86%	3.23%											11.34%
Class B Euro Accumulation	7.79%	3.89%											11.98%

PAST PERFORMANCE

2017

2018

*share class opened November 2017

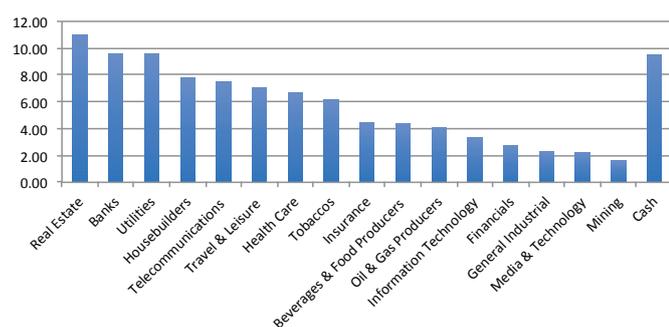
Class B GB£ Accumulation*	0.43%	-9.46%
Class B US\$ Accumulation	16.25%	-14.48%
Class B Euro Accumulation	2.48	-10.92%

HANSON INCOME FUND ORDINARY CLASS B SHARE PRICES

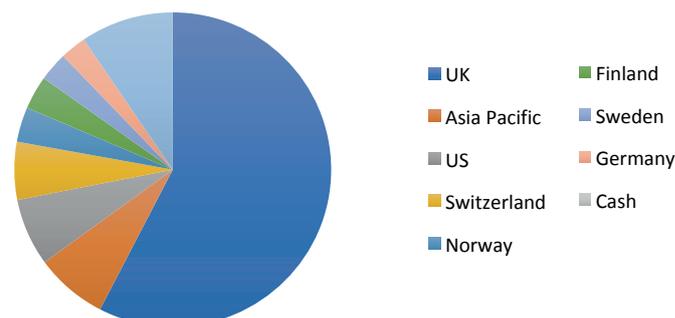
*share class opened 11/17 **share class opened 6/9/2018 ***share class opened 22/6/17

GB£ Accumulation Shares MT7000017661 £96.66*	US\$ Accumulation Shares MT7000017687 \$111.68	Euro Accumulation Shares MT7000017679 €103.45
GB£ Distribution Shares MT7000017695 £93.74	US\$ Distribution Shares MT7000017711 \$95.37***	Euro Distribution Shares MT7000017703 €102.94**

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 ACC was up 2.04% in February. The FTSE-100 and the DJIA performance was 2.39% and 4.13% for the month respectively. The fund is up 6.30% since the start of 2019. The Euro and US\$ shares are both up significantly since the beginning of the year.

US equity prices rose after a bill was signed to fund the Federal Government until September 2019 ending the partial governmental shutdown. The published fourth quarter report on US GDP showed 2.6% growth compared to 3.4% in the third quarter. In contrast, the US earnings season was relatively solid with 70% of S&P 500 companies beating expectations and fourth quarter earnings-per-share growth up by circa 13% to the previous quarter. Recent news on the US-China trade negotiations confirming an extension to the talks to the end of March has led to further optimism. We expect further volatility depending on the outcome of US political events, of which the trade talks and the Trump inquiry are two.

Weakening momentum was observed in the **Eurozone**. The fourth quarter growth estimate remained at 0.2% for the Eurozone with the German economy showing no growth for the final three months in 2018. European political uncertainties continue to impair investor appetite in Europe. Focus is now on current challenges including the impending Spanish elections, geopolitical uncertainty in Italy, Brexit and possible ECB action.

As the 29th March deadline approaches **Brexit** uncertainty continues to weigh on business sentiment. Issues with the Irish backstop led to further talks on EU concessions. Should concessions be secured the PM anticipates another vote on the Brexit deal in mid-March. If concessions are not achieved then a vote is scheduled regarding leaving with a no deal. Despite this, Sterling has rallied 1.1% against the dollar over February

indicating that the market bias is an increased likelihood of a delay of Brexit.

Overall, global markets are likely to remain volatile as the central banks tighten monetary policy and corporate profit growth slows. However, the market has swung to a more optimistic stance at the beginning of 2019. In order for this to be maintained a resolution of the US-China trade war, evidence of the Fed tolerating higher inflation and the calming of political instability across Europe is needed.

Strategically the fund increased the cash allocation to protect against downside risk.

iShares Automation & Robotics, a Blackrock fund that is a new addition to the portfolio, outperformed the FTSE100 by 3.08%. The fund is composed of developed and emerging market companies centred around the development of automatic and robotic technology. One holding which helped to boost the share price is Xilinx a company that invents and manufactures FPGA chips. With \$600 million in annual sales along with the market it serves growing by 13% annually it is expected to have significantly increased revenue.

Phoenix Group Holdings, Europe's largest life and pensions consolidator, has outperformed the FTSE100 by 9.4% over February with the price at close being up 11.05% for the month. Phoenix Group has a high visibility of long-term cash flow due to their distinctive business model in which they no longer actively sell new policies. This strategy along with their sustainable dividend payment has led analysts to increase their consensus forecast; advising that the company will outperform the market for March. Analysts are optimistic that the annual earnings being announced in early March will promote the company into the FTSE 100.



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.

JASON GOOCH - Jason co-manages the fund with Patrick and has been in the investment field for over 15 years. He started his career working for Macquarie bank and Goldman Sachs where he held positions in equity sales and research. Recently Jason was CIO of a prominent multi-family office with particular emphasis on enhanced income strategies and risk-management.

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.