

HANSON INCOME FUND

A Sub-Fund of Ledbury SICAV PLC



CLASS B ACCUMULATION & DISTRIBUTION SHARES REPORT

MARCH 2019

TOP 10 HOLDINGS

GENESIS ENERGY LTD	4.63%	LLOYDS BANKING GROUP PLC	3.71%
BP PLC	4.17%	TELENOR ASA	3.66%
GO-AHEAD GROUP	4.12%	NOVARTIS AG-REG	3.50%
GCP INFRASTRUCTURE INVESTMENTS LIMITED	4.03%	GOODMAN PROPERTY TRUST	3.49%
VODAFONE GROUP PLC	4.01%	ASTRAZENECA PLC	3.41%

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%										7.51%
Class B US\$ Accumulation	7.86%	3.23%	-0.46%										10.83%
Class B Euro Accumulation	7.79%	3.89%	0.85%										12.93%

PAST PERFORMANCE

2017

2018

*share class opened November 2017

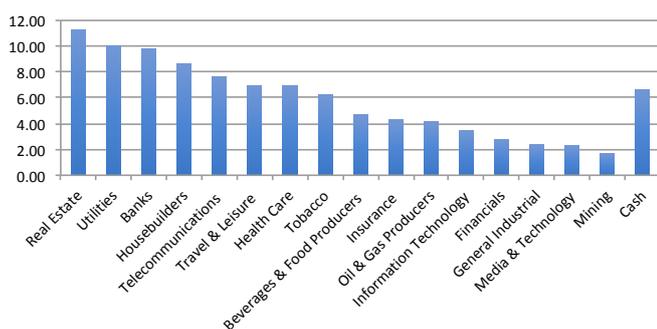
Class B GB£ Accumulation*	0.43%	-9.46%
Class B US\$ Accumulation	16.25%	-14.48%
Class B Euro Accumulation	2.48	-10.92%

HANSON INCOME FUND ORDINARY CLASS B SHARE PRICES

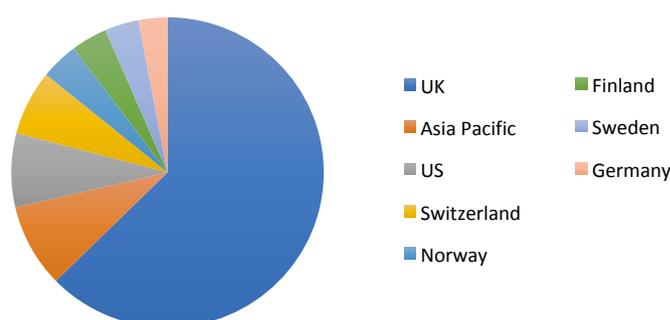
*share class opened 11/17 **share class opened 6/9/2018 ***share class opened 22/6/17

GB£ Accumulation Shares MT7000017661 £97.76*	US\$ Accumulation Shares MT7000017687 \$111.17	Euro Accumulation Shares MT7000017679 €104.32
GB£ Distribution Shares MT7000017695 £94.89	US\$ Distribution Shares MT7000017711 \$94.93***	Euro Distribution Shares MT7000017703 €103.79**

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 1.14% in March. The S&P 500 was up 1.07% for the month of March and continued to be bullish with the FTSE-100 up 2.43%. However, the DJIA was down 0.74% for the month.

Despite market indices rebounding, serious global risks and the slowing of economic growth continue to influence the markets. Significant factors leading to volatility in the markets include: ongoing political and economic uncertainty surrounding Brexit; concerns with the unresolved US-China trade negotiations; slowing economic growth within the U.S., Europe, China and other regions; and the geopolitical instability in Italy.

US market weakness and slower global growth led the Fed to continue to state they would be patient with regard to the raising of interest rates. Despite some progress in the US-China trade dispute uncertainty surrounding the negotiations is continuing to affect investor sentiment.

The final day in March saw **European** equities post gains. The Xetra Dax 30 was up 0.9% on the day. The European Central Bank (ECB) has continued to keep deposit rates at -0.4% and has stated that it will not increase rates until next year. Further announcements from the ECB include measures to reduce the drag on bank profits due to negative rates.

In the final week in March, UK Prime Minister Theresa May lost a further **Brexit** vote. This was the PM's third attempt to pass a Brexit deal, ending in another defeat and further uncertainty in the status of Brexit. With the global economy slowing and modest growth in the UK economy the Bank of England voted to keep interest rates at the 0.75%. This decision will allow the Bank to aim to keep inflation within 1% either side of the target of 2% in order to continue to promote increasing employment and sustain growth.

Despite Brexit UK unemployment was down to a low of 3.9% in the three months to January, the lowest point since 1975. However, it should be noted that this is for the period leading up to the main Brexit months of February and March which have been plagued by continued conflict within the parliamentary parties.

The Brexit impasse has had a significant impact on the British pound which has continued to fluctuate in line with shifting expectations and developments surrounding the UK's potential withdrawal from the EU. The failure to reach a decision in Parliament led Sterling to sink below \$1.30 at the end of March.

Overall it is becoming ever more likely that a softer Brexit will occur given the need to find a consensus in the House of Commons.

Nestlé, posted strong organic sales growth up 2.6% on last year compared to their rival Kraft's negative 0.6% growth. With innovative new products, such as the pink kit-kat aimed at the Asian market and vegan plant-based burgers, they are continuing to adapt their business model to carve a niche allowing them to consolidate on their strong growth.

Unilever, estimates that 70% of households worldwide use their products thanks to acquisitions of many well-known brands. This business model has allowed them to grow sales by 3.1% and improve operating margins by 18.4% despite the trade wars, Brexit and geopolitical uncertainty. Further to this they currently have a free cash flow of €5 billion and have a loyal customer following due to their sustainable approach to products. With earning growth expected to be 2.87% in 2019 Unilever has been recommended as a strong defensive buy by a number of analysts.



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.