



CHARTERIS
TREASURY PORTFOLIO
MANAGERS LIMITED

HC CHARTERIS PREMIUM INCOME FUND

**An Innovate strategy investing in leading UK
Blue Chip Equities**

Fund brochure



*For Professional investors and authorised wealth advisors information only.
This document is issued by Charteris Treasury Portfolio Managers*

Investment aims and Structure

This is a UCITS Fund which seeks to outperform a portfolio of leading UK Blue Chip Equities through a combination of active stock selection and the tactical writing of covered call options

Investment strategy

- ➔ Aims to boost the income from a portfolio of leading UK Blue Chip Equities enabling investors to benefit from higher income while not necessarily missing out on capital gains
- ➔ Targets growth stocks rather than traditional income stocks, which tend to underperform
- ➔ Income boosted as the premium generated from the writing of call options are added to the dividends
- ➔ As dividends can be cut the option proceeds are arguably a more reliable source of income
- ➔ The Fund is always fully invested in UK Shares. By only writing options for four to five months a year, it is possible to significantly boost the income while retaining exposure to the equity market for the majority of the year.

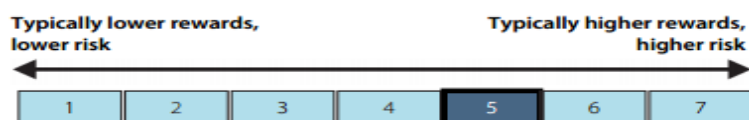
Investment process

- ➔ The holdings in the portfolio are selected by a combination of top-down thematic strategy and bottom-up stock selection. Technical analysis is used extensively to help time investment decisions including the writing of covered call options
- ➔ Options are only written during periods of the year when certain technical and fundamental investment criteria are met. Many option funds continuously run the risk of missing out on strongly rising markets
- ➔ Stock selection is not limited to high yielding stocks and the uncertainty as to whether the dividend will be maintained. The three month option premium on higher volatility shares can exceed the annual dividend yield on high income low volatility shares



Risk & Reward Profile

Stock Holdings	Fundamental Research	Qualitative bottom up analysis and objectivity
Diversification	Sector / industry limit Position Limit	Maximum 40% 10%
Covered Calls	Cash Limit Options	10% Covered call options on specific stocks in portfolio
Risk Management	Independent verification Daily Review Information systems	All positions of Fund are constantly monitored by the compliance at Host Capital [ACD] as well as compliance team at Citibank International Daily reporting & review of the Fund Bloomberg, Financial Express & Pro-Quote Systems



This Fund is classified in the Level 5 category. This is due to historical price movement of such investments.

Fund performance

	28/04/17 - 31/05/17	30/12/16 - 31/05/17	31/12/15 - 30/12/16	31/12/14 - 31/12/15	31/12/13 - 31/12/14	31/12/12 - 31/12/13
Charteris Premium Income - Inst Acc	2.52 %	9.22 %	18.12 %	-2.08 %	-5.75 %	4.33 %

- Top quartile performance calendar year 07/09/10/16/*
- Outperformed UK Equity Income Sector by 9.28% in 2016*
- Target dividend yield 4-6%
- Ian Williams has been a Citywire A rated manager and was a Trustnet Alpha Manager for 2011

Fund Managers

Ian Williams – Chartered FCSI, Chartered Wealth Manager



Ian has spent the past 35 years trading equities commodities and G7 government bonds, covering sales, research, market making and proprietary trading. Formerly a member of the London Stock Exchange before joining Chase Manhattan Bank (now JP Morgan). He then worked for Dresdner Kleinwort Benson and Guinness Mahon (now Investec) before becoming Chairman and Chief Executive of Charteris Treasury Portfolio Managers.

Colin Robertson – MA, MCSI

Colin has over 32 years investment management & financial experience. He has held important and influential positions at some of the largest names in the financial sector including Aberdeen Asset Management, Cornelian, Gillespie MacAndrew LLP and Brown Shipley. Colin graduated from Aberdeen University with a MA in accountancy and went on to acquire further qualifications including LSE exams as well as Private client futures and options exams



Nick Taylor – Chartered FCSI

Nick has 40 years experience of international investment management experience gained at Morgan Grenfell and Invesco and was Managing Director at Cigna International Investment Advisors and Matheson Investment Management. An award winning manager, Nick has run equity portfolios for a broad range of investors, including institutional pension funds, such as the Cadbury Schweppes Pension Fund.



About Charteris

Charteris Treasury Portfolio Managers Ltd was established in 1984 as an investment management company. Charteris is authorised and regulated by Financial Conduct Authority. (FCA Number 114952)

The investment team has more than 200 years of experience of global financial markets

Can be found on the web and across social media

www.charteris.co.uk



* Source Financial Express

Q & A

How is this Fund different from other equity income funds? It invests only in leading UK Blue chip equities not the entire UK Equity market. It is not run like a traditional income fund, the Fund targets growth stocks within the UK leading Index for performance and option writing reasons. It has no exposure to non-food retail shares like M&S or Next nor any travel stocks like Easyjet or British Airways. The fund has been top quartile for performance in 2007, 2009, 2010 & 2016 within the IA Equity Income Sector.

What is your competitive edge with regards to options? We look to write options for only four to five months in any calendar year leaving the Fund unencumbered by options for seven to eight months and therefore free to make potential capital gains. Writing options on growth stocks usually gives higher premiums than value stocks.

Why invest in the leading UK Index?

Investing only in the leading blue chip equities, it reduces risk compared with other income funds because we are not dealing with AIM small discovery stocks and/or high risk small cap stocks. We are dealing with the country's elite stocks. In addition, writing covered calls has to involve the more liquid large cap stocks

How do you divide research responsibilities in the team?

With almost 40 years of experience, Nick Taylor's knowledge of individual shares is exemplary. Nick & Colin analyse stocks and make recommendations for inclusion inside the fund. Ian Williams has overall management responsibilities for the Fund – his expertise is the broader macro backdrop and knowledge of how options trade in both gilt and equity markets. The Charteris team also harnesses various research portals and other detailed research material.

What type of investors would this appeal to?

A broad range of investors would find this strategy useful – primarily those looking for income but not at the expense of capital growth. Investors can therefore be sure that the underlying stock selection is based purely on the fundamentals of each company and potential upside, not on dividends. In this respect, investors are therefore gaining exposure to a sector with great liquidity and companies with strong overseas earnings with an enhanced yield as a result of the options strategy.

What are the risks?

Like all equity funds, the value of this investment and the income from it can go down as well as up. Past performance should not be a guide to future performance as market conditions, currency risk and option price movements can affect investor returns.



Key Points

- Invests only in leading UK Blue Chip equities (or cash up to 10%) with a target dividend yield of 4-6%
- Targets growth stocks rather than traditional income stocks, which tend to underperform
- Seeks to boost Income boosted by writing covered call options but for only four to five months in any calendar year leaving the Fund unencumbered by options for seven to eight months and free to make potential gains
- UK Unit Trust with daily valuations and daily dealing
- The current investment team has been managing the Fund since 31st October 2008

Fund Details

Launched: 10 December 2001
IA Sector: UK Equity Income
Suitable for: Regular savings, SIPPs, SSAS, ISA's & ISA transfers
Minimum Investment: £1,000 (Retail & Institutional)
Initial Charge: up to 5% (retail) / 0% Institutional
Annual Management Charge: 1.5% retail / 1% (institutional)
OCF: 1.84% (retail) / 1.34% (institutional) (as at 30 June 2016)
Dividend and payment dates: February (interim) and August (final)

Service providers

Manager / Authorised Corporate Director :
Host Capital Ltd, PO Box 9142, Wimborne, BH21 9HQ

Depository: Citibank International PLC

Dealing Line: 01202 802 900

Email: customerservice@investoras.co.uk

Fund Codes

Institutional Accumulation
Bloomberg: ELCHPIA LN EQUITY
Thomson Reuters: LP68106872
ISIN: GB00B3XFCL77
SEDOL: B3XFCL7

Institutional Income
Bloomberg: ELCHPII LN EQUITY
Thomson Reuters: LP68106871
ISIN: GB00B3R5HZ24
SEDOL: B3R5HZ2

Retail Accumulation
Bloomberg: ELCHPRA LN EQUITY
Thomson Reuters: LP68106870
ISIN: GB00B40YYS55
SEDOL: B40YYS5

Retail Income
Bloomberg: MFMJBPI LN EQUITY
Thomson Reuters: LP60066645
ISIN: GB0031162380
SEDOL: 3116238

Sales enquiries

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Authorised and regulated by the Financial Conduct Authority (FCA)

Available on the following platforms

Important Information

Past performance should not be as guide to future performance. All performance information is based on the Institutional Accumulation class unless stated otherwise. The value of this investment and the income from it can go down as well as up, it may be affected by exchange rate variations, and you may not get back the amount invested. The outlook expressed in this brochure represents the views of the Investment Manager at the time of preparation and should not be interpreted as investment advice. The asset split detailed within the brochure are correct as at reporting period and are subject to change, whilst operating within the objectives of the Fund. This document should be read in conjunction with the Fund's Key Investor Information document (KIID), which will exclusively form the basis of any application and the Fund's prospectus. A comprehensive list of risk factors is detailed in the KIID and the Principal Prospectus and an investment should not be contemplated until the risks are fully considered and understood. Current tax levels and reliefs will depend on your individual circumstances and details are also contained in the Key features (including the KIID and Principal Prospectus). If you are unsure of the suitability of this investment, please contact your Financial Adviser (if applicable). This brochure is issued by Charteris Treasury Portfolio Managers Ltd. The KIID and Prospectus are available from the ACD Host Capital Ltd at www.hostcapital.com or Charteris at www.charteris.co.uk.