

HANSON SUSTAINABLE INCOME FUND



A Sub-Fund of Ledbury SICAV PLC

CLASS B ACCUMULATION & DISTRIBUTION SHARES REPORT

JUNE 2021

TOP 10 HOLDINGS

| | | | |
|---------------------|-------|----------------------------|-------|
| SMURFIT KAPPA GROUP | 5.45% | UNILEVER | 3.31% |
| BP | 4.99% | POLAR CAPITAL HOLDINGS | 3.27% |
| VODAFONE GROUP | 4.31% | BIG YELLOW GROUP | 3.26% |
| PEPSICO | 4.08% | INTERMEDIATE CAPITAL GROUP | 3.24% |
| GLAXOSMITHKLINE | 3.41% | PHOENIX GROUP | 3.23% |

DIVIDENDS PER SHARE

Source: Praxis Fund Services (Malta) Ltd

| Dividends paid in 2021 | Dividends paid in 2020 | Dividends paid in 2019 | Dividends paid in 2018 | Dividends paid in 2017 |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| GB£ B Dis £1.7248 | GB£ B Dis £3.2038 | GB£ B Dis £4.1693 | GB£ B Dis £4.1964 | GB£ B Dis £4.4463 |
| US\$ B Dis \$1.851 | US\$ B Dis \$3.1759 | US\$ B Dis \$4.1094 | US\$ B Dis \$4.3248 | US\$ B Dis \$1.8567 |
| EU€ B Dis €1.8631 | EU€ B Dis €3.3775 | EU€ B Dis €4.4795 | EU€ B Dis €1.1487 | |

PERFORMANCE 2021

Source: Praxis Fund Services (Malta) Ltd

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|---------------------------|--------|--------|-------|--------|-------|--------|-----|-----|-----|-----|-----|-----|-------|
| Class B GB£ Accumulation | -0.56% | -0.31% | 2.89% | 1.61% | 0.20% | 0.97% | | | | | | | 4.85% |
| Class B US\$ Accumulation | -0.20% | 1.80% | 2.00% | 2.42% | 2.41% | -0.93% | | | | | | | 7.69% |
| Class B Euro Accumulation | 0.72% | 1.36% | 5.00% | -0.43% | 1.47% | 1.13% | | | | | | | 9.53% |

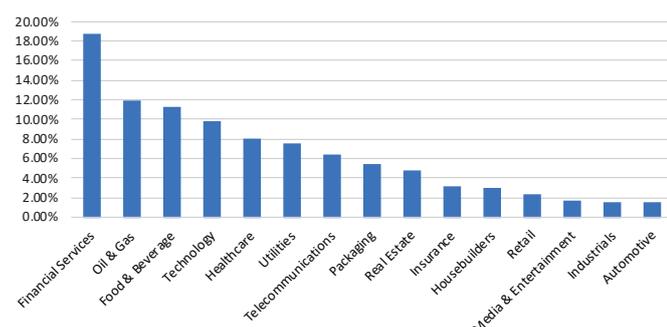
PAST PERFORMANCE

| | 2017 | 2018 | 2019 | 2020 |
|---------------------------|--------|---------|--------|---------|
| Class B GB£ Accumulation | 0.43% | -9.46% | 17.76% | -16.68% |
| Class B US\$ Accumulation | 16.25% | -14.48% | 21.84% | -11.71% |
| Class B Euro Accumulation | 2.48% | -10.92% | 25.40% | -19.08% |

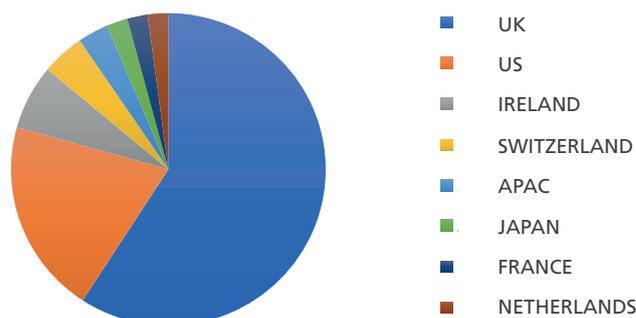
HANSON INCOME FUND ORDINARY CLASS B SHARE PRICES

| | | |
|--|---|--|
| GB£ Accumulation Shares MT7000017661 £93.55 | US\$ Accumulation Shares MT7000017687 \$116.19 | Euro Accumulation Shares MT7000017679 €102.67 |
| GB£ Distribution Shares MT7000017695 £82.83 | US\$ Distribution Shares MT7000017711 \$89.24 | Euro Distribution Shares MT7000017703 €90.68 |

SECTOR ALLOCATION



GEOGRAPHICAL EXPOSURE



FUND FACTS

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

THE MANAGER

Arlington Capital Ltd is authorised regulated by the FCA. Arlington is an asset management firm focused on wealth preservation and income generating strategies across asset classes. The business was founded in 2017 after Hanson Asset Management demerged, with the family office and principal investment businesses transferring to Arlington.

Arlington is a professional family office advisor and asset manager with in-depth market knowledge specialising in defensive, income yielding investment strategies and we also undertake advisory work for family offices or family backed corporations and institutions. Each member of Arlington's senior team has built and exited businesses in their chosen fields and have come together to create an exciting advisory and investment platform.

INVESTMENT OBJECTIVES

The Hanson Sustainable Income Fund is an actively managed and diversified equity portfolio. The aim is to produce a targeted income of 4% 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.

HANSON SUSTAINABLE INCOME FUND



A Sub-Fund of Ledbury SICAV PLC

CLASS B ACCUMULATION & DISTRIBUTION SHARES REPORT

JUNE 2021

FUND MANAGER COMMENTARY

In June markets continued to rise and the fund's sterling units rose ahead of the market. The dollar and Euro classes fared slightly less well as sterling weakened against both currencies. Investors in the distribution units should note that the NAVs for these share classes fell in June as the fund paid out its half-yearly dividend at the end of the month. The Ordinary B GBP share class paid £1.72 for this half year versus £1.53 last year. The income paid for all the share classes in 2021 was significantly above the level paid in 2020 as companies restart their dividend pay outs as earnings recover from the pandemic. We expect this trend to continue throughout the year and there will be a second dividend payment at the end of the year.

UK economic surveys released during the month were highly promising. In economic news business confidence in the UK may hit its highest point since June 2014, driven by the rollout of the vaccine programme and further easing of lockdown restrictions. The BDO Optimism Index, which quizzes businesses to calculate optimism, jumped from 99.85 in April to 109.71 in May well above the long-term average of 100.

UK business activity continued its rapid growth in June as the post-Covid reopening boom continued apace, new figures today suggested. A flash reading of the IHS Markit Composite PMI, which combines services and manufacturing, came in at 61.7, down from 62.9 in May. Any score above 50 indicates growth.

Turning to GDP, the UK economy grew by 2.3% in April, its best performance since July 2020, as outdoor hospitality and non-essential shops reopened, official figures have revealed. While the Bank of England's official forecasts state that the economy will return to pre-crisis levels towards the end of this year, Andy Haldane, the outgoing Chief Economist said that he believed the economy had already recovered the lost ground. "We have GDP data now to April and I think in May we'll see a further significant leg up, due to the loosening of restrictions. That will mean as of now I reckon we've pretty much made up all of the GDP lost ground from last year and we're back roughly to around pre-Covid levels on the back of what is a really very punchy recovery."

In Europe the PMI data showed that the eurozone is following in the footsteps of the US with strong economic growth. The Composite PMI for the eurozone clocked in at 57.1, and manufacturing PMI was a very strong 63.1. As Chris Williamson, economist at IHS Markit, explained, "Eurozone manufacturing continues to grow at a rate unprecedented in almost 24 years of survey history, the PMI breaking new records for a third month in a row. Surging output growth adds to signs that the economy is rebounding strongly in the second quarter."

In company news Dixons has been boosted by an online rush for laptops, games

consoles and coffee machines during the pandemic which has lifted profits by a third, prompting the electricals retailer to restart dividends. This was the basis for which we bought the stock in February. Alex Baldock, CEO, said, "that he was more confident than ever in our prospects, adding that electrical sales in Britain and Ireland were already higher than last year." Dixons Carphone's online sales more than doubled during the year to the end of May to £4.7 billion, helped by its move to offer one-hour click-and-collect services, as well as virtual shop assistant support online, which helped to offset losses from store closures.

Paychex reported results that beat expectations. Total revenue rose 12% year-over-year, President and CEO of Paychex Martin Mucci said, "Our fourth quarter results were driven by record client retention levels, record sales results, and stronger checks per client, which were driven by improving macroeconomic conditions and gains in employment." For the fiscal year ending May 31, 2022, the company expects total revenue to grow by 7% and adjusted EPS to rise by 10% to 12%.

In sustainable news BP has increased its portfolio of renewable energy projects by more than 60% with a \$220 million deal to buy a number of solar developments in the United States. The acquisition marks BP's first independent investment in solar since buying a stake in Lightsource, Europe's largest solar developer, in 2017. Under Bernard Looney, BP's chief executive, the oil giant is pursuing a strategy to sharply reduce carbon emissions by 2050 by reducing oil output and growing its renewables business. It is aiming to develop 50 gigawatts of renewable power capacity globally by 2030. The company expects to start developing about 2.2 gigawatts of the latest acquisition's pipeline by 2025.

In summary news GlaxoSmithKline held a markets day to update investors on their strategic plans. Glaxo is splitting itself into two separate FTSE 100 companies, CEO Ms Walmsley told investors it the "most important corporate shift in 20 years" and said it would lead to a "step change" in growth and performance. Glaxo said that its standalone pharma business, dubbed "New GSK", would reach annual sales of £33 billion by 2031, compared with £24 billion for pharma and vaccines combined last year. It also has 20 new vaccines in development, along with 42 medicines — essential if Glaxo is to make up sales that will be lost when products such as dolutegravir, a top-selling HIV treatment, go off-patent, freeing rivals to develop their own generic versions.

JPMorgan Chase & Co along with other US banks said they plan to raise their quarterly dividend pay outs, after the Federal Reserve released the results of its latest stress tests. JPMorgan effective from the third quarter will raise its pay out by 11.



EDWARD COLLINS - FUND MANAGER

Edward was the co-fund manager at its launch and is a Co-founder of Arlington Capital. Edward has nearly 20 years' experience of investing in financial markets. Previously Edward has been the CEO and member of the global investment committee of the global sustainable private equity group Earth Capital, joint managing director of Hanson Asset Management and Chief Investment Officer of Hanson Family Holdings. He started his investment management career as a fund manager at New Star Asset Management. In 2004 the Fund he managed with Patrick Evershed won the Lipper Citywire All Stars Fund Manager of the Year award for the best performing fund in the UK All Companies Sector. He has also managed growth and income mandates investing in large and mid-cap UK listed companies. Edward studied Politics at the University of Durham.



PATRICK TEROERDE - FUND MANAGER

Patrick has been the co-fund manager since its launch and is the Managing Director of Arlington Capital. Patrick has been investing in markets for over 20 years. He was previously also a co-founder and joint Managing Director of Hanson Asset Management and the Investment Director of Adurion Capital, a multi strategy investment office where he developed income strategies using equities, debt and real estate. Patrick started his business career in investment banking before moving into private equity at Lazard. 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.

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

Administrator-Praxis Malta: +356 2546 8000. www.hsincome.com

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 Sustainable 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.