

HANSON SUSTAINABLE INCOME FUND



A Sub-Fund of Ledbury SICAV PLC

CLASS B ACCUMULATION & DISTRIBUTION SHARES REPORT

JUNE 2023

TOP 10 HOLDINGS

RELX	5.07%	BRIDGESTONE CORP	4.12%
PEPSICO	4.70%	META PLATFORMS	4.01%
SWIRE PACIFIC	4.56%	VINCI	3.97%
GSK	4.55%	NESTLE	3.86%
SSE	4.13%	ASHTEAD GROUP	3.70%

DIVIDENDS PAID PER SHARE

Source: Praxis Fund Services (Malta) Ltd

	2022	2021	2020	2019	2018	2017
GB£ B Dis	£3.6005	£3.4727	£3.2038	£4.1693	£4.1964	£4.4463
US\$ B Dis	\$3.7137	\$3.7159	\$3.1759	\$4.1094	\$4.3248	\$1.8567
EU€ B Dis	€3.9865	€3.7872	€3.3775	€4.4795	€1.1487	

PERFORMANCE 2023

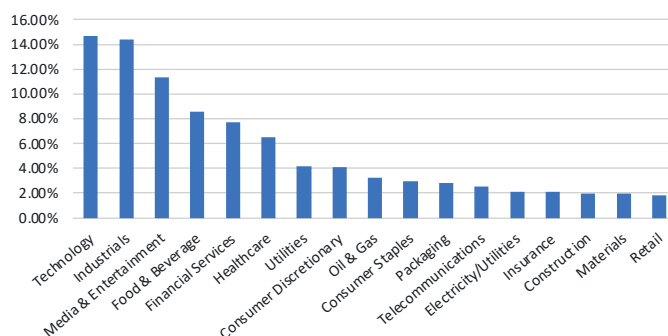
Source: Praxis Fund Services (Malta) Ltd

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Class B GB£ Accumulation	2.70%	1.06%	-4.38%	1.83%	-2.15%	-0.28%							-1.41%
Class B US\$ Accumulation	5.61%	-0.71%	-1.51%	2.72%	-3.34%	2.82%							5.33%
Class B Euro Accumulation	3.49%	0.59%	-4.32%	1.61%	-0.82%	1.33%							1.72%

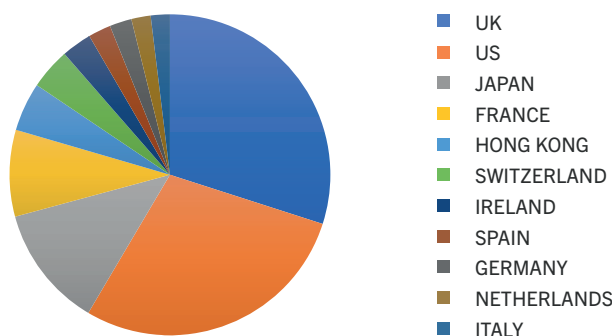
PAST PERFORMANCE

	2017	2018	2019	2020	2021	2022
Class B GB£ Accumulation	0.43%	-9.46%	17.76%	-16.68%	10.51%	-4.77%
Class B US\$ Accumulation	16.25%	-14.48%	21.84%	-11.71%	10.49%	-14.67%
Class B Euro Accumulation	2.48%	-10.92%	25.40%	-19.08%	17.93%	-9.75%

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 fund invests primarily in global equities in the form of market leading companies offering above average returns that can deliver capital upside together with improving dividends. The preference is to invest in large listed companies which are attractively valued, with strong balance sheets and significant growth potential from robust business models.

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FUND MANAGER COMMENTARY

June was a positive month for the fund. Marketwise the FTSE100 fell slightly, while the S&P500, Nikkei, Dax & CAC all rose. The Dollar and Euro both slightly weakened against Sterling reflecting changing interest rate expectations. Holders of distribution units will receive their income during July which is comparable to the amounts received in January.

In economic news the Bank of England increasing interest rates to 5%. The moves come after the European Central Bank made a quarter-point increase earlier this month. Although the US Federal Reserve skipped a rate rise at its last meeting, chair Jay Powell warned on Thursday that interest rates will need to rise further to bring inflation closer to its 2 per cent target.

Federal Reserve chairman Jay Powell's comments to Congress highlighted the strength of the US economy. In part this is because President Biden's spending and subsidy bills have set off a boom in spending for the construction of new factories. That spending has already jumped from an annualised rate of \$91 bn in January 2022 to \$189 bn in April 2023, the largest increase in twenty years, and rising. In addition, state and municipal governments are committing their flood of federal cash to anything that can be called an infrastructure or climate-cooling project, shovel-ready or not.

Preliminary data suggest the US economy is growing at an annual rate of 2%. It added a surprising 339,000 jobs last month; there are far more jobs available (10 m) than jobseekers (5.7 m); the labour force participation rate for prime age (25-54 year-olds) workers is at its highest level since 2007 and youngsters (15-19) seeking summer work are chalking up wages 40% higher than three years ago. While consumers continue to spend the \$500 bn in so-called excess savings accumulated during the pandemic, the number of new vehicles sold in May exceeded last year's by about 20% and hotel bookings seem likely to exceed pre-Covid levels. All in all much to be optimistic about!

In Company news Ashtead, the equipment rental group, reported full-year revenue of \$9.7bn, up 24% when ignoring the effect of exchange rates and broadly in line with analyst expectations. Growth was driven by the US and Canada, where both regions saw higher rates and volumes. Underlying operating profit rose 29%, ignoring exchange rates. The Board has proposed a final dividend of 85 cents, taking the full year to 100 cents, up 25%. Ashtead has guided to rental revenue growth of 13-16% over the coming year, the company has been a big beneficiary of President Biden's multibillion-dollar infrastructure investment.

Packaging firm DS Smith said that revenue in the year to April 30 rose 14% to GBP8.22. Pretax profit rose to £661 m, up from £378 m. DS declared a final dividend of 12.0p per share for financial 2023, up from 10.2p. Chief Executive Officer Miles Roberts said: "While economic conditions have continued to be volatile, trading for the year to date is in line with our expectations. Our strong customer relationships in the resilient [fast-moving consumer goods sector], together with the investments we are making to drive cost efficiencies and growth, give us confidence for the future."

Swire Pacific's announced the sale of its stake in Hong Kong Coca-Cola to the US parent for \$3.9 billion. This will allow Swire to pay a large special dividend, cut net debt and still run the division for a fee. Net debt at Swire is expected to fall by a third after the sale. Moreover the special dividend proposed is equal to more than what the company has paid out over the past three years combined. The stock rallied on the news, but according to Citi still trades at a 50% discount to its net asset value.

In brief news GSK has reached a surprise settlement before a key trial in the United States alleging that its old heartburn drug Zantac caused cancer. A bellwether case was due to be heard in a state court in California next month but has now been dismissed following the confidential agreement. "The settlement reflects the company's desire to avoid distraction related to protracted litigation in this case", GSK said. The settlement prompted shares in GSK to rally 66¼p, or 4.8% on the day.



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.

Apex Fund services Malta: info-mt@apexgroup.com

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

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, 33 St James's Street, London SW1A 1HD United Kingdom. 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.