

## Monthly Fact Sheet 31 December 2015

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£451.5m
<b>Historic Yield (%)*</b>	4.54

### Share Price (as at 31.12.15)

Shares	Income	Accumulation
A Shares	107.35p	173.52p
B Shares	113.02p	189.18p



## Fund Managers



### David Horner

qualified as a chartered accountant in 1984 with Touche Ross & Co before joining 3i Corporate Finance Limited in 1986 where he was a manager giving corporate finance advice. In May 1993 he joined Strand Partners Limited, and was appointed a director in

January 1994, where he carried out a range of corporate finance assignments identifying, structuring and managing investments in quoted and unquoted companies. In October 1997 he left to set up Chelverton Asset Management Limited and was responsible for setting up, in May 1999, the Small Companies Dividend Trust, which he still manages. He has co-managed the Chelverton UK Equity Income Fund since launch.



### David Taylor

began his career as an analyst in the research department at Wedd Durlacher and moved into fund management in 1987 with the Merchant Navy Officers Pension Fund. He joined Gartmore Investment Limited in 1991, during this time, he ran a combination of institutional funds and

investment trusts, namely the Clydesdale Investment Trust and London & Strathclyde Trust. In 1995, he moved to LGT to manage small cap retail funds and latterly spent nearly seven years as head of UK smaller companies at HSBC Asset Management. He joined Chelverton Asset Management in January 2006 and has co-managed the Chelverton UK Equity Income Fund since launch.

\*The historic yield reflects distributions over the past 12 months as a percentage of the bid price of the A share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.

# PFS Chelverton UK Equity Income Fund

## Investment Objective and Policy

The objective of the Fund is to provide a progressive income stream and achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities. The Fund will invest in UK companies which aim to provide a high initial dividend, progressive dividend payments and long term capital appreciation.

## Monthly Manager Commentary

The strong relative performance over the month was, in part, driven by the same themes that have been relevant since May. Our limited exposure to oil & gas, basic materials and banks, coupled with our size bias, has been highly beneficial over the past year as small and midcaps have outperformed strongly since the election, helped by the tailwind of a strong domestic economy. At the same time, macro indicators were indicating an improving Eurozone. Since the turn of the year, however, those investors expecting a January bounce in risk asset prices have come in for a nasty shock, to put it mildly. Worries with respect to the Chinese economy and falling commodity prices have had analysts leapfrogging each other to see who can revise down their growth expectations furthest. The subsequent sell off in Global markets has taken indices down to the levels seen in September, from which they subsequently bounced. At home, this recent volatility should at least serve to move the timing of the first interest rate rise further to the right. Whilst the majority of recent trading statements from our investee companies have reassured us, perhaps the aggregate strength of their balance sheets is more salient in the current environment.

At the stock level, a number of our holdings from a range of different sectors performed well after they released figures, including Brewin Dolphin, Clipper and Greene King. In a relatively inefficient part of the market it is often the case in our portfolio that 'value' is realised at the time of a 'news' event, which directs investors to the cash flow attractions of the underlying investment. Other positive contributions were made by Brammer, which bounced from recent lows, and Dairy Crest, which completed the sale of its dairies division. On the downside, a number of our retail stocks fell as investors worried about the effects of the unseasonably warm weather on trading. Over the past year, as the domestic economy has proved to be robust, an increasing number of companies that we invest in have been looking to gradually increase their investment spend. At the same time there have been the first tentative signs of an uptick in corporate activity. Our fear at the moment is that recent stock market events may send this momentum into reverse as it may undermine the confidence necessary amongst company directors for these trends to continue.

## Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	2.14	4.45	15.98	15.98	64.09	97.41
Sector Rank	1/83	50/83	3/82	3/82	4/75	1/64
Quartile Ranking	1st	3rd	1st	1st	1st	1st
IA UK Equity Income (%)	-0.46	4.66	5.95	5.95	35.99	48.63

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.12.2015

## Discrete Annual Performance

	31.12.14	31.12.13	31.12.12	30.12.11	31.12.10
	31.12.15	31.12.14	31.12.13	31.12.12	30.12.11
Fund (%)	15.98	0.34	41.00	29.36	-7.00

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.12.2015

## Dividend History

		Q1	Q2	Q3	Q4	Total
2012	B Inc	0.67p	0.90p	0.90p	1.83p	4.30p
	A Inc	0.67p	0.90p	0.90p	1.72p	4.19p
2013	B Inc	0.69p	1.00p	1.00p	2.12p	4.81p
	A Inc	0.69p	1.00p	1.00p	1.96p	4.65p
2014	B Inc	0.70p	1.05p	1.05p	2.09p	4.89p
	A Inc	0.70p	1.05p	1.05p	1.90p	4.70p
2015	B Inc	0.72p	1.15p	1.15p	2.08(e)	5.10p
	A Inc	0.72p	1.15p	1.15p	1.85(e)	4.87p

History of dividends declared per share; (e) estimated. Source: Chelverton Asset Management Limited

Source & Copyright: CITYWIRE. David Horner & David Taylor are AAA rated by Citywire for their 3 year risk adjusted performance for the period 31/12/2012 - 31/12/2015.

Monthly Fact Sheet  
**31 December 2015**

**ACD**  
Phoenix Fund Services Ltd

**Investment Advisor**  
Chelverton Asset Management Ltd

**Administrator**  
Phoenix Fund Services Ltd

**Income Paid** Quarterly

**XD Dates** 31 March, 30 June  
30 September, 31 December

**Valuation** 12 Noon, Daily

**SEDOL Codes**

	Income	Accumulation
A Shares	B1FD624	B1Y9J46
B Shares	B1FD646	B1Y9J57

**Initial Charge (%)**

A Shares	5.0*
B Shares	5.0*

**Annual Management Fee (%)**

A Shares	1.5
B Shares	0.75

**Minimum Investment**

A Shares	£1,000
B Shares	£1,000

\* or any such lower amount agreed with the ACD

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**FURTHER INFORMATION**

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**springcapital**

## PFS Chelverton UK Equity Income Fund

### Top 20 Holdings

Holding	Sector	% of Portfolio
1. Phoenix Group	Investment Companies	2.04
2. Galliford Try	Construction & Building Materials	1.94
3. Ashmore	Investment Companies	1.84
4. Dairy Crest Group	Consumer Goods	1.82
5. Berkeley Group	Construction & Building Materials	1.63
6. Clipper Logistics	Industrials	1.50
7. RWS Holdings	Support Services	1.47
8. Connect Group	Industrials	1.40
9. Marston's	Leisure, Entertainment & Hotels	1.39
10. Brewin Dolphin Holdings	Speciality & Other Finance	1.38
11. WH Smith	General Retailers	1.37
12. Greene King	Beverages	1.35
13. Kcom Group	Telecommunications Services	1.34
14. Hill & Smith Holdings	Construction & Building Materials	1.34
15. Pennon Group	Water	1.33
16. FDM	Software & Computer Services	1.30
17. Games Workshop Group	Leisure, Entertainment & Hotels	1.29
18. Segro	Real Estate	1.28
19. Intermediate Capital Group	Financials	1.28
20. Kier Group	Construction & Building Materials	1.27

Source: Chelverton Asset Management Limited

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	34.41	29
£500m - £1bn	18.86	16
£250m - £500m	19.89	22
£100m - £250m	19.55	22
Below £100m	2.96	7
Cash and Income	4.32	-
Total	100.00	96

Source: Chelverton Asset Management Limited

Disclaimer: This fund invests in smaller companies and carries a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The fund can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risks described above. This document is provided for information purposes only and should not be interpreted as investment advice. If you have any doubts as to the suitability of an investment, please consult your financial adviser. The information contained in this document has been obtained from sources that Chelverton Asset Management Limited ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy or completeness of the information provided, and therefore no investment decision should be based solely on this data. Past performance is not a guide to future performance. This document is issued by CAM, Authorised and regulated by the Financial Conduct Authority. This document does not represent a recommendation by CAM to purchase shares in this Fund. We recommend private investors seek the services of a Financial Adviser. Phoenix Fund Services (UK) Ltd are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email pfsinfo@phoenixfundservices.com or call +44 (0) 1245 398 950.