

Monthly Fact Sheet 31 October 2015

Launch Date	4th December 2006
Fund Size	£427.8m
Historic Yield (%)*	4.68

Share Price (as at 31.10.15)

Shares	Income	Accumulation
A Shares	105.21p	170.05p
B Shares	110.62p	185.16p



FundsNetwork
WINNER
UK Equity Income

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

Whilst we delivered a positive return, we lagged the income sector as a whole as large caps had a relatively strong month and resources stocks in particular performed well. Essentially a reversal of the previous month. With limited earnings momentum, market volatility and sector rotation will continue to be a significant short term influence on performance as we move into the New Year. By and large, the message from our investee companies continues to be one of steady, if unspectacular, progress. We believe that this is consistent with underlying valuations and the strength of the domestic economy. For the market as a whole, we expect an increase in the number of profit downgrades as December year end companies 'fine tune' 2015 and 2016 estimates with the oil & gas, mining, and industrial sectors being particularly vulnerable. To use a well-worn phrase, we remain 'cautiously optimistic' with respect to the prospects for our companies, but are realistic enough to acknowledge that to make absolute progress we need a bit of a tailwind for the wider equity market.

We added two new holdings to the portfolio. DFS is the leading retailer of upholstered furniture in the UK and we initiated a position after a placing of stock by private equity holders. Hostelworld operates the world's leading hostel online booking platform and we bought shares at the time of the IPO. Fund performance was adversely affected by a fall in the Brammer price which reacted to a statement from SKF, an industrial bell weather, highlighting weakening industrial demand.

Moreover, XP Power fell as earnings estimates were reduced due to a weaker US industrial outlook. We expect to have a number of new investment opportunities over the next few months as 'industrials', particularly those with oil and gas exposure, remain weak. The fund was also affected as the price of TalkTalk fell after its well documented problems. On the upside, three of our retailers, N.Brown, Debenhams and WH Smith all responded well to results, highlighting the resilience of the UK consumer. Good figures suggested that Braemar Shipping is benefiting from its recent acquisition of ACM as the tanker market is buoyant and UTV Media climbed ten per cent as it announced the £100 million sale of UTV Television. On the trading front we added to our housebuilders, Bovis and Galliford Try and topped up Chesnara and Matchtech. We raised funds by reducing 4Imprint on a sub two per cent yield and selling Amlin.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	2.36	0.18	13.66	15.96	67.17	104.85
Sector Rank	80/84	10/84	5/83	5/82	4/76	2/65
Quartile Ranking	4th	1st	1st	1st	1st	1st
IA UK Equity Income (%)	3.98	-1.62	5.37	7.91	38.21	54.65

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.10.2015

Discrete Annual Performance

	31.10.14 30.10.15	31.10.13 31.10.14	31.10.12 31.10.13	31.10.11 31.10.12	29.10.10 31.10.11
Fund (%)	15.96	0.10	44.02	20.82	1.42

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.10.2015

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		
	A Inc	0.72p	1.15p	1.15p		

History of dividends declared per share. 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 31/10/2012 - 31/10/2015.

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31 October 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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PFS Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Ashmore	Investment Companies	2.04
2. Phoenix Group	Investment Companies	2.01
3. Galliford Try	Construction & Building Materials	1.91
4. Dairy Crest Group	Consumer Goods	1.82
5. FDM	Software & Computer Services	1.61
6. Berkeley Group	Construction & Building Materials	1.55
7. Brown (N) Group	General Retailers	1.53
8. Connect Group	Industrials	1.47
9. Segro	Real Estate	1.43
10. Marston's	Leisure, Entertainment & Hotels	1.42
11. Debenhams	General Retailers	1.41
12. Clipper Logistics	Industrials	1.40
13. WH Smith	General Retailers	1.39
14. Headlam	Construction & Building Materials	1.38
15. Pennon Group	Water	1.34
16. Kier Group	Construction & Building Materials	1.33
17. Cobham	Aerospace & Defence	1.30
18. Hill & Smith Holdings	Construction & Building Materials	1.28
19. RWS Holdings	Support Services	1.27
20. Games Workshop Group	Leisure, Entertainment & Hotels	1.27

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	35.85	30
£500m - £1bn	17.32	15
£250m - £500m	18.30	20
£100m - £250m	22.93	25
Below £100m	2.59	5
Cash and Income	3.01	-
Total	100.00	95

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.