

## Monthly Fact Sheet 30 April 2015

**Launch Date** 20th October 2014

**Share Price** (as at 30.04.15)

Shares	Income	Accumulation
B Shares	113.99p	113.99p

**Codes (B Shares)**

	Income	Accumulation
Sedol	BP85595	BP855B7
ISIN	GB00BP855954	GB00BP855B75

**Annual Management Fee (%)**

B Shares 0.75

**Minimum Investment**

B Shares £1,000

### Fund Managers



**James Baker**

a history graduate from Cambridge University, has over 30 years of equity market experience on both buy and sell sides, specialising for all of his career in UK Small and Mid caps stock selection. He has

worked for several organisations over the years, but most notably spent 11 years from 1999 to 2011 as part of the ABN Amro, Small Mid cap sales team, which was consistently top ranked by Extel. Prior to joining Chelverton he worked as the Assistant fund manager on the Rathbone UK Recovery Fund.



**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.

Source & Copyright: CITYWIRE. David Taylor is AAA rated by Citywire for his 3 year risk adjusted performance for the period 31/03/2012 - 31/03/2015.

# PFS Chelverton UK Equity Growth Fund

## Investment Objective and Policy

The objective of the fund is to achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities.

## Monthly Manager Commentary

Ahead of the General Election our relatively positive performance in the last month was driven, not by a shift in macro trends, but by reassuring news flow from a number of our investee companies. It is a feature of 'nervous' markets that value is often only realised at the points at which real-time news highlights the underlying attractions of the companies in our portfolio. We have said for a long time that, despite the fears of a number of commentators, from a day- to-day trading perspective the vast majority of our portfolio would be largely unaffected by the outcome of the election and this remains the case. The good news after the election is that a 'more of the same' macro environment will persist which should see continued strength in the domestic economy and provide a good backdrop to UK small and mid-cap performance. The companies that we invest in are now in a better position to plan ahead and invest for the medium and long-term, which should finally lead to increased levels of capital expenditure. At the same time we also expect to see a pickup in levels of corporate activity as confidence grows amongst company directors with the electoral uncertainty out of the way.

Our best performing share was an IPO, Sanne (up 26%), which provides administration services for alternative asset managers' funds. It was followed closely by Mortgage Advice Bureau (+21%) another recent IPO, which reacted well to its maiden set of results. In Industrials, E2V and Solid State (both 18% ahead) rose on the back of positive trading updates, whilst in Healthcare both Quantum Pharma (+15%) and Clinigen (+15%) appreciated on the back of well received acquisitions. On the trading front we sold Home Retail, as its multi-channel retail strategy shows no sign of bearing fruit with sales under pressure, and Innovation after a disappointing trading update. On a more positive note, we sold Elementis on valuation grounds after a strong share price performance. We started holdings in both Matchtech, a staffing firm specialising in the provision of white collar engineering staff, which should benefit from the pick-up in the economy, and Eckoh, a secure payments software solutions provider to call centres and e-commerce customers with high levels of recurring revenue. It is seeing strong growth both in the UK and the USA, which it has only recently entered.

## Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	9.10	3.58	7.70	12.46	-	13.99
Sector Rank	36/263	15/265	21/265	55/263	-	172/263
Quartile Ranking	1st	1st	1st	1st	-	3rd
IA UK All Companies (%)	7.53	1.95	4.64	10.15	-	15.51

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 30.04.2015

## Discrete Annual Performance

	30.04.14	30.04.13	30.04.12	29.04.11	30.04.10
Fund (%)	30.04.15	30.04.14	30.04.13	30.04.12	29.04.11

Fund (%)	N/A	-	-	-	-
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Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 30.04.2015

## Investment Approach

The fund managers are looking for companies that can both grow faster than the market and are highly cash generative enabling them to fund their own growth. Typically these companies will have some form of sustainable competitive advantage, such as a unique product, or a dominant position in a particular market, leading to high margins and the ability to generate surplus cash.

## Stocks and Themes in the Portfolio

One feature of the Fund since launch has been the success we've enjoyed backing IPO's. A number of companies, which have met our financial and qualitative screening requirements, have come to market on quite reasonable valuations. As we pointed out earlier, two recent IPO's, **Sanne** and **Mortgage Advice Bureau**, were our top two performing shares in April, with the latter returning 38% since launch. Other successes have been **Focusrite** (up 44% since IPO), which has seen rapid growth supplying electronic music accessories to the growing band of music hobbyists uploading their own content onto the internet, and **Quantum Pharma** (up 31% since listing), which supplies unlicensed drugs into the NHS to meet otherwise unmet patient need. With a more stable political backdrop now in place, we hope to be able to continue to exploit this source of outperformance, as more growth companies in emerging segments of the economy come to market.

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### ACD

Phoenix Fund Services (UK) Ltd

### Investment Advisor

Chelverton Asset Management Ltd

### Administrator

Phoenix Fund Services (UK) Ltd

**Income Paid** Annually

**XD Dates** 31 December

**Valuation** 12 Noon

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### FURTHER INFORMATION

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**springcapital**

# PFS Chelverton UK Equity Growth Fund

## Top 20 Holdings

Holding	Sector	% of Portfolio
1. Clinigen Group	Healthcare	3.2
2. Alent	Industrials	2.5
3. Renew	Construction	2.3
4. Mortgage Advice Bureau	Financials	2.3
5. Liontrust Asset Management	Financials	2.2
6. Spectris	Industrials	2.2
7. Sanne Group	Financials	2.1
8. Craneware	Technology	2.1
9. Bioventix	Healthcare	2.1
10. Hill & Smith	Industrials	2.1
11. Tarsus	Media	2.0
12. Personal Group	Financials	1.9
13. Tristel	Healthcare	1.9
14. Polypipe	Construction	1.9
15. FDM	Technology	1.8
16. Cape	Support Services	1.8
17. River & Mercantile	Financials	1.8
18. Quantum Pharmaceutical	Healthcare	1.8
19. E2V Technologies	Industrials	1.8
20. Clarkson	Industrials	1.8

Source: Chelverton Asset Management Limited

## Sector Breakdown

	% of Portfolio
Industrials	22.5
Technology	22.5
Financials	13.8
Healthcare	10.4
Media	7.5
Construction	6.8
Support Services	6.5
Consumer	4.7
Property	1.3
Oils	0.6
Cash	3.6

## Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	7.5	5
£500m-£1bn	17.4	9
£250m-£500m	11.8	8
£100m-£250m	41.9	25
Below £100m	17.8	12
Cash and Income	3.6	N/A
Total	100.00	59

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.