

Monthly Fact Sheet 30 September 2015

Launch Date 20th October 2014

Share Price (as at 30.09.15)

Shares	Income	Accumulation
B Shares	122.41p	122.40p

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 30/09/2012 - 30/09/2015.

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

September was a difficult month for the equity market characterised by severe (often intra-day) volatility as investors worried about the slowdown in China and its implications for global growth and the timing of a rate rise in the USA. Commodity stocks remained under pressure, as did related industrials and this was compounded by the issues at VW, where companies also had automotive exposure. Domestically focused UK businesses were relatively robust, and given the helpful backdrop of rising wages and low inflation this is likely to continue. However the perception of slowing global growth is proving to be a growing headwind for business confidence and the market at large.

The Fund saw a negative return of -0.19% last month, but comfortably outperformed the IA UK All Companies Sector and the market. Our best performing stocks namely Curtis Banks (SIPP administration), Quartix (GPS for commercial vehicles), Bioventix (antibodies) and Park Group (shopping vouchers, pre-paid cards and employee benefits) all responded to good figures or trading updates. As one might expect two Industrials namely Senior and Morgan Advanced Materials, which both have some oil, gas and automotive exposure, were amongst our worst performers. Liontrust Asset Management gave up earlier gains in a weak equity market and Halfords fell back after reporting poor cycle sales through the wet British summer.

During the month we exited our holdings in Hill & Smith and Mattioli Woods on valuation grounds. We added EMIS (UK healthcare software supplier), with high levels of recurring income, IQE (leading global supplier of advanced semiconductor products to the mobile device market), with a growing presence of designed-in components for the Photonics and Power markets and Statpro (portfolio analysis tools), which we feel is about to reap the rewards of its significant investment in cloud-based portfolio analysis tools for the global investment management industry.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	17.15	-0.19	3.68	11.22	-	22.40
Sector Rank	3/262	27/265	3/265	4/264	-	10/262
Quartile Ranking	1st	1st	1st	1st	-	1st
IA UK All Companies (%)	0.13	-2.05	-5.52	-5.07	-	7.66

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 30.09.2015

Discrete Annual Performance

	30.09.14	30.09.13	28.09.12	30.09.11	30.09.10
Fund (%)	N/A	-	-	-	-

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 30.09.2015

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 theme that attracts us is the growing empowerment of consumers of financial products, as we move away from defined benefit pensions and annuities to SIPPS, and tax efficient savings products like ISAs. To take advantage of this trend we own independent fund managers **Liontrust** and **River & Mercantile**, two wealth management businesses namely **Brooks Macdonald** and **Mattioli Woods**, service providers to advisers such as **Curtis Banks** (SIPP Administration) and **Mortgage Advice Bureau** (compliance services for independent mortgage brokers) and finally **Personal Group** and **Park Group** who operate in the blue collar end of the savings and employee benefits market. We expect all these companies to benefit from the structural change in the market, they screen well and are all high margin, capital light, cash generative businesses.

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30 September 2015

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

Dealing Line 0845 305 4217

Dealing Fax 0845 280 0188

FURTHER INFORMATION

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PFS Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Tyman	Construction	2.2
2. Servelec Group	Technology	2.1
3. Elementis	Industrials	2.0
4. Liontrust Asset Management	Financials	1.9
5. Senior	Industrials	1.9
6. Alent	Industrials	1.9
7. UBM	Media	1.8
8. Craneware	Technology	1.8
9. Melrose Industries	Industrials	1.8
10. Mortgage Advice Bureau	Financials	1.8
11. Halfords Group	Consumer	1.8
12. Sanne Group	Financials	1.8
13. Brooks MacDonald	Financials	1.7
14. Topps Tiles	Consumer	1.7
15. Quixant	Technology	1.7
16. Wilmington	Media	1.7
17. Ebiquity	Media	1.7
18. Somero Enterprises	Construction	1.6
19. LSL Property Services	Property	1.6
20. Victrex	Industrials	1.6

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	23.5
Industrials	21.4
Financials	16.5
Construction	9.7
Media	7.2
Healthcare	6.4
Consumer	4.8
Support Services	4.1
Property	1.6
Cash	4.8

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	16.1	11
£500m-£1bn	9.7	8
£250m-£500m	16.3	12
£100m-£250m	32.7	23
Below £100m	20.4	15
Cash and Income	4.8	N/A
Total	100.0	69

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.