

Monthly Fact Sheet 30 November 2015

Launch Date	20th October 2014
Fund Size	£10.6m

Share Price (as at 30.11.15)		
<i>Shares</i>	<i>Income</i>	<i>Accumulation</i>
B Shares	129.65p	129.64p

Codes (B Shares)		
	<i>Income</i>	<i>Accumulation</i>
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 30/11/2012 - 30/11/2015.

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

Markets continued to be driven by the expectation of the first US rate rise since the financial crisis and its implications for global markets. This monetary tightening, which now seems inevitable, will take place at a time when the ECB (a late adopter of loose monetary policy) is moving in the opposite direction, creating an interesting conundrum for investors. Whilst we feel a UK rate rise is still some way off, the likely move in US rates is inevitably focusing minds on a tightening in the UK and has taken the shine of some of the domestic cyclicals. However we do not expect any tightening, when it does come, will be particularly severe and we feel the Growth Fund's bias towards structural growth stocks with strong balance sheets should stand it in good stead in such an environment.

Having underperformed the strong market rally in October, the Fund outperformed its IA All Companies peers in November returning +3.5% over the month. It also comfortably outperformed the major Mid and Small-Cap Indices. Two of the Fund's worst performing companies were interest rate sensitive domestic cyclicals, namely Halfords and Foxtons. Our best performers were Eckoh and Craneware (technology companies), Ultra Electronics (defence) and Sanne (the fund administrator).

During the month we took the opportunity of buying back into Hill & Smith, taking advantage of its underperformance following our earlier sale. We started a holding in NCC Group, a cyber security business, when it was raising money to finance the acquisition of a threat intelligence business. We also added Dairy Crest (Britain's largest cheese-maker) to the portfolio. The disposal of its loss-making dairy assets means that it is now focused on its' highly profitable and cash generative cheddar cheese business, with growth prospects being enhanced by an investment in processing its whey by-products for the infant food market. We exited our holding in Fidessa, where although we like the business, we feel ongoing investment in new product development is likely to subdue earnings progress for some time.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	24.08	3.52	5.72	9.37	25.96	29.64
Sector Rank	2/258	5/261	21/261	3/261	1/258	4/258
Quartile Ranking	1st	1st	1st	1st	1st	1st
IA UK All Companies (%)	5.11	0.90	2.84	-5.54	4.80	13.03

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 30.11.2015

Discrete Annual Performance

	28.11.14	29.11.13	30.11.12	30.11.11	30.11.10
Fund (%)	25.96	-	-	-	-

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 30.11.2015

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

A major conundrum for us at the moment is our industrials exposure. Many stocks in the sector manifest qualities that we are fundamentally attracted to, being cash generative businesses supplying high margin, performance critical materials and components to their end customers. However they are currently facing top-line headwinds from rapidly declining natural resource sectors together with the slowdown in Chinese and US capital goods markets. The strategy we've adopted is to focus on companies not too heavily exposed to oil and gas markets, with strong market positions and the prospect of a reasonably timely return to top line growth. An example is Victrex, whose lightweight, hard-wearing advanced polymer solutions are gradually replacing traditional metal components across a multiplicity of industries. Also Senior, with its exposure to the buoyant civil aerospace new build market.

The back-drop of a strengthening US dollar is likely to make some of these high quality businesses with global market positions more attractive to US predators as their valuations retrench. We saw this with the bid for Alent (in the portfolio) and the recent take-overs of Domino Printing and Hellerman Tyton.

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30 November 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

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FURTHER INFORMATION

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PFS Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Hill & Smith	Industrials	2.2
2. Greencore	Consumer	1.9
3. Tyman	Construction	1.8
4. Dotdigital	Technology	1.7
5. Dairy Crest	Consumer	1.7
6. Matchtech	Support Services	1.7
7. Melrose Industries	Industrials	1.7
8. LSL Property Services	Property	1.6
9. Polypipe	Construction	1.6
10. Clinigen	Healthcare	1.6
11. Skyepharma	Healthcare	1.6
12. Servelec	Technology	1.6
13. Senior	Industrials	1.6
14. EMIS	Technology	1.5
15. Wilmington	Media	1.5
16. Severfield	Construction	1.5
17. Clipper Logistics	Support Services	1.5
18. Atkins (WS)	Support Services	1.5
19. Tarsus Group	Media	1.5
20. IMImobile	Technology	1.5

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	21.2
Industrials	19.0
Financials	12.3
Construction	11.1
Consumer	7.9
Media	7.1
Healthcare	5.2
Support Services	5.0
Property	3.0
Telecoms	0.5
Cash	7.7

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	14.1	11
£500m-£1bn	11.8	8
£250m-£500m	17.6	13
£100m-£250m	32.9	27
Below £100m	15.8	14
Cash & Income	7.7	N/A
Total	100.0	73

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.