

Monthly Fact Sheet 28 February 2014

Launch Date	4th December 2006
Fund Size	£272.6m
Historic Yield (%)*	4.49

Share Price (as at 28.02.14)

Shares	Income	Accumulation
A Shares	103.66p	155.09p
B Shares	107.50p	166.80p



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

A mixed month for us as mid-caps outperformed and small-caps underperformed the market as a whole and there was little in the way of sector leadership as a number of underperforming sectors in the previous month recovered strongly. At the macro level there were heightened concerns with respect to growth in emerging economies and there was increased volatility as a result of the situation in Ukraine. At the corporate level the relative strength of sterling is acting as a significant headwind with respect to forecast earnings growth. We still appear to be some way away from a period of sustained upgrades which we believe is necessary to drive the UK equity market higher. In the meantime however underlying dividend payments and 'special' returns of capital continue to surprise on the upside. A welcome consequence of the new found financial discipline since the 2008 crisis is the propensity of company directors to hand back to shareholders capital that they genuinely believe to be surplus to requirements.

With continued fund inflows we added to over thirty of our existing holdings and bought an IPO, DX Services, a logistics and parcel distribution company operating in the UK and Ireland. We were also able to acquire a stake in Mucklow (A&J), an industrial property company based in the Midlands as it raised a relatively small amount of funds for development purposes. Additionally we added to our position in Tarsus as it raised money to fund a couple of small acquisitions and we took up our rights in Cineworld. The Interserve share price rose as it announced plans to acquire the Initial Facilities business from Rentokil and other mid-caps that performed well in the month included Greene King, N Brown, BBA Aviation and Investec as it recovered from the currency inspired sell off of last month. At the smaller end of our universe RM Group reacted positively to a reassuring set of results and the announcement of details of a special dividend and Centaur Media performed well as it released figures. On the downside the share prices of Morgan Sindall and Randall & Quilter fell in response to results and a trading update respectively.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	3.63	5.97	4.01	32.77	77.01	265.03
Sector Rank	92/98	16/98	14/98	4/96	1/88	2/78
Quartile Ranking	4th	1st	1st	1st	1st	1st
IMA UK Equity Income (%)	5.36	4.79	2.86	19.20	39.69	126.06

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 28.02.2014

Discrete Annual Performance

	28.02.13	29.02.12	28.02.11	26.02.10	27.02.09
	28.02.14	28.02.13	29.02.12	28.02.11	26.02.10
Fund (%)	32.77	30.02	2.54	31.52	56.80

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 28.02.2014

Dividend History

		Q1	Q2	Q3	Q4	Total
2010	B (Inc)	0.60p	0.80p	0.80p	1.67p	3.87p
	A (Inc)	0.60p	0.80p	0.80p	1.64p	3.84p
2011	B (Inc)	0.63p	0.85p	0.85p	2.02p	4.35p
	A (Inc)	0.63p	0.85p	0.85p	1.97p	4.30p
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

History of dividends declared per share. Source: Chelverton Asset Management Limited

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28 February 2014

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	0.0

Annual Management Fee (%)

A Shares	1.5
B Shares	0.75

Minimum Investment

A Shares	£1,000
B Shares	£100,000

* 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. Galliford Try	Construction & Building Materials	1.88
2. Premier Farnell	Electronic & Electrical Equipment	1.67
3. Phoenix Group	Investment Companies	1.65
4. Go-Ahead Group	Transport	1.65
5. WH Smith	General Retailers	1.63
6. Ashmore	Investment Companies	1.60
7. Soco International	Oil & Gas	1.53
8. Brewin Dolphin Holdings	Speciality & Other Finance	1.45
9. Kier Group	Industrials	1.44
10. Domino Printing Sciences	Software & Computer Services	1.42
11. Electrocomponents	Support Services	1.42
12. Informa	Media & Photography	1.41
13. Sthree	Support Services	1.41
14. UTV Media	Media & Photography	1.40
15. Segro	Real Estate	1.37
16. Amlin Plc	Speciality & Other Finance	1.36
17. Pennon Group	Water	1.36
18. Marston's	Leisure, Entertainment & Hotels	1.36
19. Ladbrokes	Leisure, Entertainment & Hotels	1.35
20. Fidessa Group	Software & Computer Services	1.33

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	38.11	32
£500m - £1bn	22.08	15
£250m - £500m	18.50	19
£100m - £250m	18.10	19
Below £100m	3.17	6
Cash and Income	3.55	-
Total	100.00	91

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.