

## Monthly Fact Sheet 31 March 2014

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£281.7m
<b>Historic Yield (%)*</b>	4.59

### Share Price (as at 31.03.14)

Shares	Income	Accumulation
A Shares	101.57p	151.96p
B Shares	105.40p	163.54p



## 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

In a month when domestic economic growth forecasts continued to improve and inflation expectations fell the equity market produced a negative return and large caps outperformed both small and mid caps. On the face of it this could be attributed to rising risk premiums as the events in the Ukraine unfolded but we feel it is more to do with the apparent disconnect between the bullish macro trends and the rather pedestrian corporate earnings outlook. The fact that the momentum in the wider economy has yet to drop through to Company profits has not unreasonably served to put a short term brake on valuations and has inevitably led, at the margin, to some profit taking. Another sign of investor 'fatigue' is that whilst the reaction to the IPO market remains generally positive we have recently seen the prices of some of the more highly rated issues retreat from their highs. Importantly however there does still appear to be sufficient liquidity and enthusiasm to support an improving pipeline of corporate transactions and fund raises.

Despite any obvious 'bottom up' signs of a sustained improvement in earnings it is reassuring to see that many of the Directors of the Companies that we invest in remain confident enough to continue to grow dividend payments at rates in excess of market expectations. Within our portfolio in the last month there was somewhat of a rollercoaster ride for the share prices of both Chesnara and Phoenix which were both adversely affected by the Chancellors decision regarding annuities in the budget, started to recover as the immediate reaction was overdone and were then hit again as the FCA announced an investigation into 'Zombie' funds. Another stock to be adversely affected by changes in the budget was Ladbrokes and the price of Smiths News fell after a disappointing trading update. On the plus side Interserve performed well after the acquisition of the FM business of Rentokil and Investec continued to recover. With little or no sustained 'top down' sector or style leadership we expect prices to remain volatile in the short term.

## Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	-2.02	1.91	1.91	27.04	72.27	248.05
Sector Rank	38/95	22/95	22/95	5/94	1/87	2/76
Quartile Ranking	2nd	1st	1st	1st	1st	1st
IMA UK Equity Income (%)	-2.12	0.69	0.69	13.98	36.89	121.63

Source: Lipper, NAV to NAV, A Shares Acc, Total Return to 31.03.2014

## Discrete Annual Performance

	29.03.13 31.03.14	30.03.12 29.03.13	31.03.11 30.03.12	31.03.10 31.03.11	31.03.09 31.03.10
Fund (%)	27.04	29.73	4.53	25.49	60.99

Source: Lipper, NAV to NAV, A Shares Acc, Total Return to 31.03.2014

## Dividend History

		Q1	Q2	Q3	Q4	Total
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
2014	B Inc	0.70p				0.70p
	A Inc	0.70p				0.70p

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 31/03/2011 - 31/03/2014.

Monthly Fact Sheet  
**31 March 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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**springcapital**

## PFS Chelverton UK Equity Income Fund

### Top 20 Holdings

Holding	Sector	% of Portfolio
1. Galliford Try	Construction & Building Materials	1.92
2. WH Smith	General Retailers	1.69
3. Ashmore	Investment Companies	1.66
4. Premier Farnell	Electronic & Electrical Equipment	1.63
5. Informa	Media & Photography	1.51
6. Electrocomponents	Support Services	1.51
7. St.Ives	Support Services	1.49
8. Segro	Real Estate	1.49
9. Amlin	Speciality & Other Finance	1.49
10. Hansteen	Real Estate	1.49
11. Phoenix Group	Investment Companies	1.48
12. Novae Group	Insurance	1.46
13. Brewin Dolphin Holdings	Speciality & Other Finance	1.41
14. Braemar Shipping Services	Support Services	1.41
15. Balfour Beatty	Industrials	1.39
16. Cineworld Group	Leisure, Entertainment & Hotels	1.39
17. Go-Ahead Group	Transport	1.39
18. Dairy Crest Group	Consumer Goods	1.38
19. Investec	Speciality & Other Finance	1.37
20. Interserve	Support Services	1.37

Source: Chelverton Asset Management Limited

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	38.12	31
£500m - £1bn	17.89	16
£250m - £500m	18.61	18
£100m - £250m	16.75	17
Below £100m	5.27	9
Cash and Income	3.36	-
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.