

Monthly Fact Sheet 31 May 2014

Launch Date	4th December 2006
Fund Size	£313.5m
Historic Yield (%)*	4.58

Share Price (as at 31.05.14)

Shares	Income	Accumulation
A Shares	101.83p	153.41p
B Shares	105.82p	165.29p



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

During the last month there was a perceived move by some investors away from UK mid-caps into large caps driven by relative valuations. Whilst some short term profit taking from small and mid caps is not wholly unexpected, the good news is that the raft of recent trading statements have been generally more upbeat than we expected. As the market still shows little sign of short term earnings momentum however we continue to focus on the income account in anticipation of forecast upgrades in the latter part of the year. On a more upbeat note this is underlined by trading statements from both Mucklow and Marstons suggesting that there is now tangible evidence of economic recovery rolling out across the country. At the same time business investment remains a positive as strong balance sheets and improving Director confidence have driven a fifth successive quarter of expansion which looks set to be sustained.

Within the portfolio Go Ahead performed well as the shares reacted positively to the company being awarded the Thameslink rail franchise and Talk Talk and Connect both responded well to results. On the downside Balfour Beatty was adversely affected by a poor trading statement and Wilmington and Headlam fell ahead of Index changes. Cobham announced a placing and the acquisition of Aeroflex and one of our longest standing holdings, Braemar Shipping announced a merger with ACM Shipping. One factor that has historically put a short term ceiling on the performance of small and mid caps in a rising market is equity issuance and we have seen this manifest itself recently in a rather 'tired' IPO market. The good news however is that some very good companies that fall into our investible universe are now being floated at increasingly competitive prices and we have been able to add Clipper Logistics, which provides logistics solutions to the UK retail sector, and Shoezone, a discount shoe retailer to our fund at very attractive prospective yields.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	0.13	-1.09	2.88	22.21	67.64	194.75
Sector Rank	88/94	74/93	48/93	6/93	1/85	2/76
Quartile Ranking	4th	4th	3rd	1st	1st	1st
IMA UK Equity Income (%)	1.34	0.26	3.11	12.21	36.24	97.62

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.05.2014

Discrete Annual Performance

	31.05.13	31.05.12	31.05.11	31.05.10	29.05.09
Fund (%)	30.05.14	31.05.13	31.05.12	31.05.11	31.05.10
Fund (%)	22.21	43.56	-4.45	27.38	38.02

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.05.2014

Dividend History

		Q1	Q2	Q3	Q4	Total
2011	B Inc	0.60p	0.80p	0.80p	1.67p	3.87p
	A Inc	0.60p	0.80p	0.80p	1.64p	3.84p
2012	B Inc	0.63p	0.85p	0.85p	2.02p	4.35p
	A Inc	0.63p	0.85p	0.85p	1.97p	4.30p
2013	B Inc	0.67p	0.90p	0.90p	1.83p	4.30p
	A Inc	0.67p	0.90p	0.90p	1.72p	4.19p
2014	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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31 May 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. Connect Group	Industrials	1.79
2. Ashmore	Investment Companies	1.63
3. Marston's	Leisure, Entertainment & Hotels	1.57
4. Cineworld Group	Leisure, Entertainment & Hotels	1.53
5. Fidessa Group	Software & Computer Services	1.51
6. Premier Farnell	Electronic & Electrical Equipment	1.50
7. WH Smith	General Retailers	1.47
8. Galliford Try	Construction & Building Materials	1.46
9. Go-Ahead Group	Transport	1.46
10. Informa	Media & Photography	1.43
11. Kier Group	Industrials	1.43
12. Electrocomponents	Support Services	1.42
13. St.Ives	Support Services	1.42
14. UBM	Media & Photography	1.40
15. Phoenix Group	Investment Companies	1.39
16. Novae Group	Insurance	1.38
17. Dairy Crest Group	Consumer Goods	1.37
18. Amlin	Speciality & Other Finance	1.37
19. GVC Holdings	Software & Computer Services	1.36
20. Micro Focus	Software & Computer Services	1.35

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	33.82	29
£500m - £1bn	18.61	16
£250m - £500m	25.82	23
£100m - £250m	13.75	17
Below £100m	4.86	8
Cash and Income	3.14	-
Total	100.00	93

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.