

Monthly Fact Sheet 31 July 2014

Launch Date	4th December 2006
Fund Size	£336.3m
Historic Yield (%)*	4.78

Share Price (as at 31.07.14)

Shares	Income	Accumulation
A Shares	98.58p	148.51p
B Shares	102.47p	160.05p



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

Whilst the macro data remains volatile, particularly with respect to domestic manufacturing, the UK economy did finally exceed the peak level of output that was seen in the first quarter of 2008. The strength of sterling versus the US dollar continues to present a major headwind for aggregate earnings growth but this does mean that the earnings of small and mid caps with their relatively high domestic exposure have proved to be resilient. However in the absence of a catalyst for growth there appears to have been a move into large caps, which outperformed in the month, as risk premiums rose in response to a worsening geopolitical environment. Having increased the underlying yield on our portfolio over the past few months we are now well placed to benefit from an appreciation in capital values as we believe that earnings will finally begin to grow in the last quarter of the year.

At the stock level there was a strong positive contribution from both Low and Bonar and 4imprint after good interim results and from Kcomm after it reaffirmed its dividend prospects. On the downside Keller sold off after having to take an exceptional charge against an old contract, Connect fell as a result of a disappointing performance in its book division and both Electrocomponents and Premier Farnell were hit over fears with respect to both US and European growth rates. We added to our holding in Acal as the shares were weak after their recent rights issue, and a similar situation with Braemar after it's acquisition of ACM presented us with another attractive buying opportunity. We added an IPO Epwin, a specialist provider of low maintenance building products, to the portfolio on an annualised yield of over six percent and started a new position in Foxtons. We raised funds by reducing our exposure to the financial sector with the sale of both ICAP and Investec and we sold out of Tritax. Unsurprisingly after the recent derating of small and mid caps there are an increasing number of opportunities that fulfil our strict investment criteria.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	-1.43	-2.42	0.26	12.85	65.04	176.92
Sector Rank	75/90	78/88	54/87	6/87	2/80	2/73
Quartile Ranking	4th	4th	3rd	1st	1st	1st
IMA UK Equity Income (%)	-0.42	-0.78	0.97	7.22	36.54	86.02

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.07.2014

Discrete Annual Performance

	31.07.13	31.07.12	29.07.11	30.07.10	31.07.09
	31.07.14	31.07.13	31.07.12	29.07.11	30.07.10
Fund (%)	12.85	44.97	0.88	22.76	36.68

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.07.2014

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	1.05p			1.75p
	A Inc	0.70p	1.05p			1.75p

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 31/07/2011 - 31/07/2014.

Monthly Fact Sheet
31 July 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	5.0*

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

Dealing Line 0845 305 4217

Dealing Fax 0845 280 0188

FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

Tel +44 (0)20 3195 0076

Email chelverton@springcapitalpartners.com

Visit springcapitalpartners.com

springcapital

PFS Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Phoenix Group	Investment Companies	1.99
2. Galliford Try	Construction & Building Materials	1.82
3. WH Smith	General Retailers	1.70
4. Kier Group	Industrials	1.67
5. Ashmore	Investment Companies	1.54
6. Soco International	Oil & Gas	1.54
7. Berkeley Group	Construction & Building Materials	1.46
8. Brown (N) Group	General Retailers	1.45
9. Go-Ahead Group	Transport	1.43
10. Electrocomponents	Support Services	1.42
11. Marston's	Leisure, Entertainment & Hotels	1.39
12. Majestic Wine	Food Producers & Processors	1.39
13. Intermediate Capital Group	Investment Companies	1.38
14. UBM	Media & Photography	1.35
15. Dairy Crest Group	Consumer Goods	1.34
16. Epwin Group	Construction & Building Materials	1.34
17. St.Ives	Support Services	1.34
18. Interserve	Support Services	1.33
19. Cineworld Group	Leisure, Entertainment & Hotels	1.32
20. Premier Farnell	Electronic & Electrical Equipment	1.31

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	34.96	30
£500m - £1bn	17.40	15
£250m - £500m	22.00	21
£100m - £250m	17.83	19
Below £100m	4.16	8
Cash and Income	3.65	-
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.