

Monthly Fact Sheet 31 August 2014

Launch Date	4th December 2006
Fund Size	£344.4m
Historic Yield (%)*	4.73

Share Price (as at 31.08.14)

Shares	Income	Accumulation
A Shares	99.62p	151.66p
B Shares	103.76p	163.72p



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

The lack of a positive message from the corporate sector over the recent results season has continued to undermine UK equity valuations as, understandably, Directors remain reluctant to 'talk up' prospects for the coming year. Whilst earnings estimates for the remainder of this year now look to be soundly based and indeed beatable there still remains sufficient uncertainty with respect to the global geopolitical environment, and the strength of the Eurozone economies to cast a shadow on the outlook for next year. As evidence of this one of our holdings Low and Bonar has just released a profit warning citing a slowdown in Europe as a major contributory factor. On top of this the recent polls with respect to the Scottish referendum suggesting a much closer result than previously expected have added an additional element of caution with respect to the domestic macro outlook. As we are reminded of constantly, markets do not like uncertainty.

In the last month twenty three of our holdings announced interim results and whilst only a small number failed to meet expectations it is fair to say that those of a more bullish disposition who were expecting an uptick in earnings momentum were disappointed. Currency and Europe still remain as substantial headwinds for a lot of companies. Importantly however we are just beginning to see earnings upgrades for a number of our holdings for next year, including Marshalls, Hill&Smith and Headlam for example, and this will be a key component to performance over the next eighteen months or so. Once again dividends came in ahead of expectations with four maintained dividends and nineteen increased dividends of which six were double digit percentage increases. Having sold a couple of holdings at the end of last month we added D.S Smith, an international packaging company and RPS, an international energy and environmental consultancy business, to the portfolio. We also added to half a dozen of our existing holdings including Centaur Media and Braemar Shipping.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	1.44	-1.14	1.70	12.77	82.59	145.68
Sector Rank	69/89	70/87	63/86	15/86	1/80	2/73
Quartile Ranking	4th	4th	3rd	1st	1st	1st
IMA UK Equity Income (%)	1.87	-0.18	2.87	10.23	50.17	75.42

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.08.2014

Discrete Annual Performance

	30.08.13	31.08.12	31.08.11	31.08.10	31.08.09
	29.08.14	30.08.13	31.08.12	31.08.11	31.08.10
Fund (%)	12.77	40.83	14.97	12.35	19.76

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.08.2014

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

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31 August 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

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FURTHER INFORMATION

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PFS Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Phoenix Group	Investment Companies	2.06
2. Galliford Try	Construction & Building Materials	1.79
3. WH Smith	General Retailers	1.68
4. Kier Group	Industrials	1.60
5. Soco International	Oil & Gas	1.48
6. Ashmore	Investment Companies	1.48
7. Brown (N) Group	General Retailers	1.44
8. Electrocomponents	Support Services	1.43
9. Marston's	Leisure, Entertainment & Hotels	1.41
10. Go-Ahead Group	Transport	1.41
11. Berkeley Group	Construction & Building Materials	1.39
12. Majestic Wine	Food Producers & Processors	1.39
13. Intermediate Capital Group	Investment Companies	1.37
14. Epwin Group	Construction & Building Materials	1.36
15. Premier Farnell	Electronic & Electrical Equipment	1.36
16. Interserve	Support Services	1.35
17. UBM	Media & Photography	1.35
18. Cineworld Group	Leisure, Entertainment & Hotels	1.34
19. Fidessa Group	Software & Computer Services	1.33
20. St.Ives	Support Services	1.33

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	35.19	30
£500m - £1bn	19.47	17
£250m - £500m	21.84	21
£100m - £250m	16.25	18
Below £100m	4.41	8
Cash and Income	2.83	-
Total	100.00	94

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.