

Monthly Fact Sheet 31 October 2014

Launch Date	4th December 2006
Fund Size	£337.8m
Historic Yield (%)*	4.96

Share Price (as at 31.10.14)

Shares	Income	Accumulation
A Shares	96.00p	144.62p
B Shares	99.89p	156.03p



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 increased volatility that we highlighted last month continued as share prices sold off rapidly in the first part of the month as a reaction to increased worries with respect to global growth rates and then bounced back sharply towards the end of the month driven, in part, by strong Q3 corporate earnings in the US. The overriding trend continues to be that the momentum in domestic corporate earnings is not yet strong enough to compensate for a slowing Eurozone macro outlook and investor nervousness can be seen in the magnitude of short term share price falls in stocks that disappoint. At the sector level, there have been downgrades amongst contractors based on older contracts having to be completed at today's prices, clothing retailers affected by the warm weather and oil stocks reflecting the recent fall in the oil price. Interestingly, despite the rather 'subdued' backdrop, we have seen number of potential IPO's in the last month suggesting a final burst of 'new issue' activity before the year end.

Within our portfolio the majority of Company trading updates and results have been 'in line' with expectations, the major exceptions being Foxtons on the downside where slowing London housing transactions led to downgrades and 4Imprint on the upside where there were substantial earnings upgrades. As the market sold off quite heavily in the first part of the month we took profits with the partial sale of our positions in Wilmington and Morgan Sindall which had performed relatively strongly, and topped up exposure to some of the short term underperformers including Low&Bonar, Menzies and RPS. At the same time we added to our defensives by increasing our weightings in both Pennon and National Express. At the moment we continue to favour a relatively balanced portfolio as the UK equity market shows no sign of sustained sector or style leadership. One of our holdings, Greene King, the brewer and pub group, announced an offer for Spirit which has since been agreed by both parties.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	-1.21	-1.91	-1.66	0.10	74.07	128.89
Sector Rank	78/89	77/89	69/86	63/86	1/80	2/72
Quartile Ranking	4th	4th	4th	3rd	1st	1st
IMA UK Equity Income (%)	-0.35	-0.56	0.42	2.02	40.28	65.43

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.10.2014

Discrete Annual Performance

	31.10.13	31.10.12	31.10.11	29.10.10	30.10.09
	31.10.14	31.10.13	31.10.12	31.10.11	29.10.10
Fund (%)	0.10	43.96	20.80	1.38	29.70

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.10.2014

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	1.05p		2.80p
	A Inc	0.70p	1.05p	1.05p		2.80p

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 31/10/2011 - 31/10/2014.

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31 October 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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springcapital

PFS Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Galliford Try	Construction & Building Materials	1.93
2. Phoenix Group	Investment Companies	1.82
3. WH Smith	General Retailers	1.75
4. Go-Ahead Group	Transport	1.62
5. Connect Group	Industrials	1.49
6. Dairy Crest Group	Consumer Goods	1.48
7. Micro Focus	Software & Computer Services	1.47
8. Ashmore	Investment Companies	1.47
9. Marston's	Leisure, Entertainment & Hotels	1.46
10. Kier Group	Industrials	1.41
11. Intermediate Capital Group	Investment Companies	1.39
12. Cineworld Group	Leisure, Entertainment & Hotels	1.39
13. Fidessa Group	Software & Computer Services	1.39
14. GVC Holdings	Software & Computer Services	1.38
15. Shoe Zone	General Retailers	1.37
16. Premier Farnell	Electronic & Electrical Equipment	1.37
17. Berkeley Group	Construction & Building Materials	1.36
18. Electrocomponents	Support Services	1.35
19. Informa	Media & Photography	1.33
20. Epwin Group	Construction & Building Materials	1.32

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	35.25	30
£500m - £1bn	17.32	14
£250m - £500m	19.20	19
£100m - £250m	20.70	22
Below £100m	3.38	7
Cash and Income	4.15	-
Total	100.00	92

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.