

Monthly Fact Sheet 31 December 2014

Launch Date	4th December 2006
Fund Size	£352.8m
Historic Yield (%)*	4.90

Share Price (as at 31.12.14)

Shares	Income	Accumulation
A Shares	97.21p	149.61p
B Shares	101.55p	161.90p



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

Although we ended with a relatively good month, we are disappointed that we have seen strong domestic GDP growth over the past year, but UK small caps have underperformed the wider UK equity market. Whilst the 'geo political' background and lack of growth in the Eurozone have been substantial headwinds, the real issue has been that 'bottom up' earnings expectations have not been met and downgrades consistently outnumbered upgrades throughout the year. Looking forward, relative valuations now appear more attractive and expectations have fallen to the point where some commentators are expecting an earnings decline for the year as a whole. Even modest earnings growth should, therefore, provide a degree of positive momentum to small cap share prices against a wider background of a robust domestic economy. The election looms large and we believe that, whilst the ultimate outcome will have little bearing on the fortunes of the companies in which we invest, there will inevitably be a period of heightened uncertainty and market volatility beforehand. History also suggests a period of inactivity in sectors such as housing which is then rapidly reversed after the election is over.

At the stock level, Clipper, an IPO earlier in the year, performed well after releasing interim results and making a small acquisition. Balfour Beatty and N.Brown continued to recover from depressed levels. We took up our rights in Connect and in UBM and supported Chesnara as it raised funds to purchase Waard Group. We added to our positions in Low&Bonar, National Express and DX Group amongst others and sold our holding in ISG after a period of good performance. Looking forward, the falling oil price and an anticipated rise in real incomes should provide a boost to the domestic consumer and we finally expect to see an upturn in corporate cap ex. Once again, underlying dividend payments from the stocks in which we invest were ahead of expectation and the outlook is for another year of growth. Importantly, we continue to earn income from a well-diversified portfolio of stocks and industries.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	1.23	0.78	0.33	0.33	82.88	132.09
Sector Rank	7/91	67/90	73/87	73/87	2/82	2/73
Quartile Ranking	1st	3rd	4th	4th	1st	1st
IMA UK Equity Income (%)	-0.42	2.03	2.81	2.81	46.40	62.42

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.12.2014

Discrete Annual Performance

	31.12.13 31.12.14	31.12.12 31.12.13	30.12.11 31.12.12	31.12.10 30.12.11	31.12.09 31.12.10
Fund (%)	0.33	40.92	29.36	-7.04	36.52

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 31.12.2014

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	2.09p (e)	4.89p (e)
	A Inc	0.70p	1.05p	1.05p	1.90p (e)	4.70p (e)

History of dividends declared per share; (e) is estimated. Source: Chelverton Asset Management Limited

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Monthly Fact Sheet
31 December 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. WH Smith	General Retailers	2.01
2. Phoenix Group	Investment Companies	1.91
3. Galliford Try	Construction & Building Materials	1.90
4. Dairy Crest Group	Consumer Goods	1.71
5. Cineworld Group	Leisure, Entertainment & Hotels	1.65
6. Connect Group	Industrials	1.59
7. Intermediate Capital Group	Financials	1.50
8. Brown (N) Group	General Retailers	1.44
9. Kier Group	Industrials	1.43
10. Micro Focus International	Software & Computer Services	1.43
11. Berkeley Group	Construction & Building Materials	1.41
12. Go-Ahead Group	Transport	1.39
13. Fidessa Group	Software & Computer Services	1.39
14. Pennon Group	Water	1.37
15. Majestic Wine	Beverages	1.33
16. Marston's	Leisure, Entertainment & Hotels	1.31
17. Ashmore	Investment Companies	1.31
18. Domino Printing Sciences	Software & Computer Services	1.29
19. GVC Holdings	Software & Computer Services	1.29
20. Marshalls	Construction & Building Materials	1.28

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	35.89	29
£500m - £1bn	15.95	14
£250m - £500m	20.18	20
£100m - £250m	19.66	22
Below £100m	2.65	6
Cash and Income	5.67	-
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.