

Monthly Fact Sheet 31 January 2015

Launch Date 20th October 2014

Share Price (as at 31.12.14)

Shares	Income	Accumulation
B Shares	104.39p	163.06p

Codes (B Shares)

	Income	Accumulation
Sedol	BP85595	BP855B7
ISIN	GB00BP855954	GB00BP855B75

Annual Management Fee (%)

B Shares 0.75

Minimum Investment

B Shares £1,000

Fund Managers



James Baker

a history graduate from Cambridge University, has over 30 years of equity market experience on both buy and sell sides, specialising for all of his career in UK Small and Mid caps stock selection. He has

worked for several organisations over the years, but most notably spent 11 years from 1999 to 2011 as part of the ABN Amro, Small Mid cap sales team, which was consistently top ranked by Extel. Prior to joining Chelverton he worked as the Assistant fund manager on the Rathbone UK Recovery Fund.



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.

Source & Copyright: CITYWIRE. David Taylor is AAA rated by Citywire for his 3 year risk adjusted performance for the period 31/01/2012 - 31/01/2015.

PFS Chelverton UK Equity Growth Fund

Investment Objective and Policy

The objective of the fund is to achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities.

Monthly Manager Commentary

There was no sign of an early year small and mid-cap 'bounce' as they underperformed large caps as a result of investors preferring the short term attractions of large liquid defensives. This was a result of heightened macro concerns with respect to both the Greek election and the lack of growth in the Eurozone with the accompanying uncertainty as to the timing and potential extent of any additional QE, although by the month end these fears appeared to be somewhat overdone. At home the falling oil price and the increasingly 'bullish' prospects of the first growth in real wages for a number of years appear to underpin the prospects for domestic consumption and survey data suggests that we may finally start to benefit from the much anticipated uplift in business investment. Although January is a quiet month for corporate announcements, the results and trading statements that we have had to date do generally appear to be at least in line with expectations and this is an important first step in being able to generate some earnings momentum within the small and mid-cap universe. We should certainly benefit if analysts are able to upgrade forecasts in the busy March reporting season as small and mid-cap relative ratings currently appear attractive given the subdued growth expectations.

There were no particular themes amongst our best performers, if anything what was notable was individual stock volatility in January. For example our best performer was Foxtons, which rallied sharply from its earlier sell-off, on the back of a reassuring trading update. DotDigital (email marketing), also responded well to a positive trading update. AB Dynamics (automotive testing), Bioventix (healthcare), Quixant (technology) and Alent (industrial consumables) all returned over 10% in the period. On the negative side our two small oil holdings Soco and Amerisur continued to put a drag on performance. Skyepharma sold off after the company decided to accelerate its new product development spend and Escher fell when it failed to complete a major license sale in time for its year end. During the month we added four stocks to the portfolio. Brooks MacDonald (wealth management), OMG (sophisticated imaging technology), Cape (maintenance and project management services for the energy sector) and Home Retail, where we've been impressed by management's strategy to evolve Argos into a fit for purpose modern day multi-channel retailer.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	1.30	1.30	4.42	-	-	5.84
Sector Rank	234/262	234/262	155/262	-	-	253/262
Quartile Ranking	4th	4th	3rd	-	-	4th
IA UK All Companies (%)	2.77	2.77	5.26	-	-	10.39

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 31.01.2015

Discrete Annual Performance

	31.01.14	31.01.13	31.01.12	31.01.11	29.01.10
Fund (%)	N/A	-	-	-	-

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 31.01.2015

Investment Approach

The fund managers are looking for companies that can both grow faster than the market and are highly cash generative enabling them to fund their own growth. Typically these companies will have some form of sustainable competitive advantage, such as a unique product, or a dominant position in a particular market, leading to high margins and the ability to generate surplus cash.

Stocks and Themes in the Portfolio

The managers are always looking to be on the right side of structural change in the economy. So whilst keen to get some consumer exposure, given the backdrop of rising incomes and low inflation, they are wary of investing in traditional bricks and mortar retailers, where products are easily available over the internet. To achieve this, the fund has invested in 'picks and shovel' businesses, which facilitate the growth of online retail. To this end the fund holds **Clipper Logistics** (£170m market cap, floated in 2014), which has a growing focus on e-fulfilment logistics, handling product returns and e-commerce logistics for retailers like ASOS.com and John Lewis. The fund also owns **dotDigital** (£85m market cap, AIM Listed), developer of easy to use email marketing software for mid-sized online retailers. Both companies have strong growth prospects and excellent revenue visibility, with Clipper enjoying 3-5 year contracts with its clients and dotDigital enjoying 1-3 year minimum usage contracts.

Monthly Fact Sheet
31 January 2015

ACD
Phoenix Fund Services (UK) Ltd

Investment Advisor
Chelverton Asset Management Ltd

Administrator
Phoenix Fund Services (UK) Ltd

Income Paid Annually

XD Dates 31 December

Valuation 12 Noon

Dealing Line 0845 305 4217

Dealing Fax 0845 280 0188

PFS Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Personal Group	Financials	2.3
2. Craneware	Technology	2.2
3. Renew Holdings	Support Services	2.2
4. Polypipe Group	Construction	2.2
5. Topps Tiles	Consumer	2.1
6. Clipper Logistics	Support Services	2.1
7. Bioventix	Healthcare	2.1
8. Foxtons	Property	2.0
9. Porvair	Industrials	2.0
10. Alent	Industrials	2.0
11. Halfords	Consumer	2.0
12. Ultra Electronics	Industrials	1.9
13. Clarkson	Support Services	1.9
14. SQS - Software Quality Systems	Technology	1.9
15. Accesso Technology Group	Technology	1.9
16. Cape	Industrials	1.9
17. Paragon Group	Financials	1.8
18. Hansteen	Property	1.8
19. Mortgage Advice Bureau	Financials	1.8
20. Soco International	Oils	1.8

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	24.1
Industrials	19.3
Financials	10.6
Support Services	9.9
Healthcare	8.4
Media	6.3
Consumer	5.4
Construction	4.9
Property	3.8
Oils	2.5
Cash	4.8

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	11.5	8
£500m - £1bn	13.8	8
£250m - £500m	18.3	12
£100m - £250m	33.8	19
Below £100m	17.8	13
Cash and Income	4.8	N/A
Total	100.00	60

Source: Chelverton Asset Management Limited

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

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.