

## Monthly Fact Sheet 31 January 2015

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£348.2m
<b>Historic Yield (%)*</b>	4.84

### Share Price (as at 31.01.15)

Shares	Income	Accumulation
A Shares	97.00p	152.26p
B Shares	101.29p	164.88p



## 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

There was no sign of an early year small and mid-cap 'bounce' as these companies underperformed large caps in the last month, 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. 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. 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.

In the last month we have added three new stocks to the portfolio all with yields of around six per cent. Cape, a maintenance and project management business serving the energy sector, Fenner which specialises in reinforced polymer technology, most notably conveyor belting, and Countrywide an estate agency and property services company. Funds have been raised from the sale of Hansteen and by reducing our holdings in Cineworld, UBM, Intermediate Capital and Marshalls. Computacenter and 4Imprint reacted well to solid trading updates, Sthree released figures that were well received, RPC's shares rose after the recent rights issue was fully digested and Braemar started to recover from an oversold position. On the downside, RPS fell as investors became nervous in respect to its exposure to the oil and gas industry and Connect suffered as it went ex-dividend. With a robust portfolio dividend derived from a wide range of sectors and industries, we believe that we are also well placed to benefit from any upturn in capital values in the event of any sustained improvement in the earnings momentum within the UK small and mid-cap sector.

## Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	1.77	3.83	1.77	1.73	74.66	133.40
Sector Rank	81/89	79/89	81/89	82/85	4/80	2/71
Quartile Ranking	4th	4th	4th	4th	1st	1st
IA UK Equity Income (%)	3.42	5.99	3.42	8.97	47.52	72.35

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

## Discrete Annual Performance

	31.01.14 30.01.15	31.01.13 31.01.14	31.01.12 31.01.13	31.01.11 31.01.12	29.01.10 31.01.11
Fund (%)	1.73	34.44	27.70	-0.91	34.85

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

## 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

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

Monthly Fact Sheet  
**31 January 2015**

**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	2.01
2. Phoenix Group	Investment Companies	1.97
3. Dairy Crest Group	Consumer Goods	1.74
4. Ashmore	Investment Companies	1.59
5. Brown (N) Group	General Retailers	1.57
6. Kier Group	Industrials	1.54
7. Connect Group	Industrials	1.48
8. Shoe Zone	General Retailers	1.44
9. Go-Ahead Group	Transport	1.42
10. Berkeley Group	Construction & Building Materials	1.40
11. Marston's	Leisure, Entertainment & Hotels	1.39
12. Segro	Real Estate	1.37
13. Informa	Media & Photography	1.37
14. WH Smith	General Retailers	1.37
15. Domino Printing Sciences	Software & Computer Services	1.35
16. Pennon Group	Water	1.33
17. Beazley	Insurance	1.31
18. Debenhams	General Retailers	1.30
19. Cobham	Aerospace & Defence	1.30
20. Fidessa Group	Software & Computer Services	1.29

Source: Chelverton Asset Management Limited

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	35.23	29
£500m - £1bn	17.82	16
£250m - £500m	18.17	18
£100m - £250m	23.31	25
Below £100m	2.76	6
Cash and Income	2.69	-
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.