

## Monthly Fact Sheet 28 February 2015

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£363.0m
<b>Historic Yield (%)*</b>	4.62

### Share Price (as at 28.02.15)

Shares	Income	Accumulation
A Shares	101.81p	159.80p
B Shares	106.37p	173.14p



## 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 feature of the last month has been the improvement in the share prices of a wide range of some of our more 'undervalued' investments as results and trading statements have continued to be broadly in line with expectations. The fact that the rate of downgrades has slowed and profit forecasts now feel more soundly based has been enough, in the short term, to provide a catalyst for a re-rating versus some of the more expensive, large cap 'bond proxy' stocks. However, for this to be sustained we need to see earnings upgrades and these are unlikely to occur ahead of the election. Whilst we believe that the domestic macro environment will continue to provide a tailwind for UK small and mid-cap equities, and that relative valuations currently look attractive, the major headwind remains the General Election and the added volatility that the uncertain outcome creates.

A number of our investments bounced strongly last month including three recent purchases, Countrywide, Fenner and Cape, which all returned double-digit percentage increases. A number of building and construction related stocks, Interserve, Epwin and Kier were in demand and the share prices of Lancashire and Computacenter responded positively to the declaration of 'unexpected' special dividends. It is reassuring to see that management teams continue to be happy to return excess capital to shareholders. In the last month we added one new stock to the portfolio, XP Power, an international manufacturer of power converters for industrial, technology and healthcare customers. We increased our holdings in DX Group, Ashmore, Games Workshop and Low&Bonar and reduced Cineworld, UBM and Beazley. One pleasing aspect of the results season to date has been the continued strength of dividend payments. We believe that our 'balanced' approach to portfolio construction remains appropriate, although we continue to look for opportunities to invest in companies that will benefit from rising real incomes and domestic consumption.

## Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	4.96	8.13	6.82	3.04	77.87	139.87
Sector Rank	2/90	5/89	24/89	71/84	2/79	2/70
Quartile Ranking	1st	1st	2nd	4th	1st	1st
IA UK Equity Income (%)	2.63	5.83	6.21	6.21	45.39	73.70

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 28.02.2015

## Discrete Annual Performance

	28.02.14	28.02.13	29.02.12	28.02.11	26.02.10
Fund (%)	3.04	32.77	30.02	2.54	31.52

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 28.02.2015

## 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	4.89p (e)
	A Inc	0.70p	1.05p	1.05p	1.90p	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 28/02/2012 - 28/02/2015.

Monthly Fact Sheet  
**28 February 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	2.15
2. Phoenix Group	Investment Companies	1.93
3. Ashmore	Investment Companies	1.74
4. Dairy Crest Group	Consumer Goods	1.64
5. Kier Group	Industrials	1.61
6. Brown (N) Group	General Retailers	1.57
7. Connect Group	Industrials	1.56
8. Domino Printing Sciences	Software & Computer Services	1.44
9. Berkeley Group	Construction & Building Materials	1.44
10. Go-Ahead Group	Transport	1.43
11. Informa	Media & Photography	1.40
12. Shoe Zone	General Retailers	1.40
13. Marston's	Leisure, Entertainment & Hotels	1.36
14. Segro	Real Estate	1.35
15. Interserve	Support Services	1.34
16. Debenhams	General Retailers	1.34
17. Brewin Dolphin Holdings	Speciality & Other Finance	1.31
18. Low and Bonar	Household Goods	1.31
19. Amlin	Speciality & Other Finance	1.31
20. WH Smith	General Retailers	1.29

Source: Chelverton Asset Management Limited

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	34.54	30
£500m - £1bn	17.60	14
£250m - £500m	21.27	21
£100m - £250m	21.16	22
Below £100m	2.31	5
Cash and Income	3.12	-
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.