

Monthly Fact Sheet 30 June 2015

Launch Date 20th October 2014

Share Price (as at 30.06.15)

Shares	Income	Accumulation
B Shares	118.06p	118.05p

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 30/06/2012 - 30/06/2015.

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

After a short post election honeymoon investors began to worry about the implications of 'Grexit', as there is no precedent for the current situation, and not surprisingly Eurozone business and consumer confidence remains subdued. At home rising real wages continue to provide a significant boost to the consumer with the domestic consumer stocks that we invest in increasingly showing signs of an upturn in underlying earnings. As we have said before this was a trend that started ahead of the election, but risk premiums have fallen since then and the ratings of small and mid caps have started to recover. Further evidence of an increased investor appetite for stocks in our universe is that May was the first month for over a year when there was positive fund flows into UK small company funds in aggregate.

The Fund recorded its first negative return since launch in June of -0.4%, but it comfortably outperformed the market and its IA Sector Average. Our worst performing stock was HSS Hire Group, which committed the cardinal sin of warning on profits soon after its IPO, reporting slower than expected trading in April and May. It compounded the error having issued a seemingly contradictory statement at the end of May which referred to sales in the period being up year on year. Consequently the shares sold off sharply, falling by one third over the month. Elsewhere the main themes were the broad-based weakness across our industrial names reflecting the lack of confidence in the global GDP outlook and the good performance from our domestic consumer companies. We had already reduced our industrials exposure somewhat by selling out of Elementis and Senior and also reduced our exposure to Spectris, which fell back in June. IMI, Alent, Melrose Industries, Victrex and XP Power were also relatively weak. Amongst the consumer stocks Mortgage Advice Bureau, Topps Tiles and Halfords all performed well.

On the trading front we took a profit on Sanne on valuation grounds (up 42.5% since its IPO). We participated in two more IPOs in June, adding Orchard Funding (a high margin specialist lender to insurance brokers and professional partnerships) and Cairn Homes (a Dublin house builder). We also started holdings in Mattioli Woods, the private wealth manager, Anpario, natural animal feed additives, and Park Group, saving and employee benefits products.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	12.99	-0.40	7.27	12.99	-	18.05
Sector Rank	10/262	4/265	7/264	10/262	-	51/262
Quartile Ranking	1st	1st	1st	1st	-	1st
IA UK All Companies (%)	5.92	-4.82	0.43	5.92	-	13.83

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 30.06.2015

Discrete Annual Performance

	30.06.14	28.06.13	29.06.12	30.06.11	30.06.10
Fund (%)	N/A	-	-	-	-

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 30.06.2015

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

One theme that attracts us is the growing empowerment of consumers of financial products, as we move away from defined benefit pensions and annuities to SIPPS, and tax efficient savings products like ISAs. To take advantage of this trend we own independent fund managers **Liontrust** and **River & Mercantile**, two wealth management businesses namely **Brooks Macdonald** and **Mattioli Woods**, service providers to advisers such as **Curtis Banks** (SIPP Administration) and **Mortgage Advice Bureau** (compliance services for independent mortgage brokers) and finally **Personal Group** and **Park Group** who operate in the blue collar end of the savings and employee benefits market. We expect all these companies to benefit from the structural change in the market, they screen well and are all high margin, capital light, cash generative businesses.

Monthly Fact Sheet
30 June 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

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FURTHER INFORMATION

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springcapital

PFS Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Tarsus	Media	2.3
2. Clinigen	Healthcare	2.2
3. Halfords	Consumer	2.2
4. Alent	Industrials	2.2
5. Servelec	Technology	2.1
6. Liontrust Asset Management	Financials	2.0
7. LSL Property Services	Property	1.8
8. Victrex	Industrials	1.8
9. FDM Group	Technology	1.8
10. Mortgage Advice Bureau	Financials	1.8
11. Renew Holdings	Construction	1.8
12. Trifast	Industrials	1.7
13. Topps Tiles	Consumer	1.7
14. Ultra Electronics	Industrials	1.7
15. Tristel	Healthcare	1.7
16. HSS Hire Group	Support Services	1.7
17. Matchtech	Support Services	1.6
18. Quartix	Technology	1.6
19. Polypipe Group	Construction	1.6
20. Hill & Smith	Industrials	1.6

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Technology	21.3
Industrials	19.4
Financials	12.9
Healthcare	9.2
Construction	8.7
Support Services	7.5
Media	7.0
Consumer	5.4
Property	1.8
Resources	1.2
Cash	5.7

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	9.4	6
£500m-£1bn	11.9	7
£250m-£500m	15.9	12
£100m-£250m	39.1	28
Below £100m	18.1	13
Cash and Income	5.7	N/A
Total	100.00	66

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.