

Monthly Fact Sheet 31 August 2015

Launch Date 20th October 2014

Share Price (as at 31.07.15)

Shares	Income	Accumulation
B Shares	122.64p	122.63p

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 31/08/2012 - 31/08/2015.

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

August proved to be a difficult month for global equity markets with concerns over both the slowdown in China and its implications for the global economy and the timing of a rate rise in the USA causing sharply heightened volatility. The obvious casualties were commodities stocks, which helped drive the FTSE 100 lower, contributing to the relative outperformance by the more domestically focused small and mid-caps. The Fund's performance reflected this, with a return of -0.87% which comfortably outperformed the IA UK All Companies Sector average.

Our two best performing shares were UK domestic businesses, namely Polypipe (plastic piping for construction), which rose strongly on the back of good results and a well-received acquisition and Mortgage Advice Bureau, which is benefitting from the growing trend for consumers to arrange mortgages through an intermediary. Optimal Payments (online payment processing) also performed well on receiving regulatory approval for a strategic acquisition and posting reassuring results. Our worst performer was HSS Hire, which issued another profits warning seemingly at odds with the strength of the domestic economy. We have lost all confidence in management and sold our position. Clarkson (shipbroking) was weak as the slowdown in global trading impacted its first half results. Finally Fidessa's shares sold off when management flagged increased investment in new products, which will put a drag on profits growth for the immediate future.

Apart from our sale of HSS Hire we also exited our holding in 4Imprint on valuation grounds after a very strong run with an 80% capital gain on our first investment when the fund was launched. We started buying back into Elementis, which has de-rated sharply since the sale of our original holding on the back of its oil & gas and Chinese exposure. We have also bought back into both UBM (business exhibitions) and Sanne (3rd party funds administration business) both of which have in our view come back to attractive valuations.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	17.37	-0.87	3.46	11.92	-	22.63
Sector Rank	2/260	3/263	2/263	3/262	-	9/260
Quartile Ranking	1st	1st	1st	1st	-	1st
IA UK All Companies (%)	2.13	-4.69	-8.22	-3.81	-	9.77

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 31.08.2015

Discrete Annual Performance

	29.08.14	30.08.13	31.08.12	31.08.11	31.08.10
Fund (%)	N/A	-	-	-	-
	31.08.15	29.08.14	30.08.13	31.08.12	31.08.11

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 31.08.2015

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.

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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

FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

Tel +44 (0)20 3195 0076

Email chelverton@springcapitalpartners.com

Visit springcapitalpartners.com

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PFS Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Servelec	Technology	2.2
2. Alent	Industrials	2.1
3. Sanne Group	Financials	1.9
4. Liontrust Asset Management	Financials	1.8
5. Halfords	Consumer	1.8
6. Cape	Support Services	1.8
7. LSL Property Services	Property	1.8
8. Morgan Advanced Materials	Industrials	1.7
9. Melrose Industries	Industrials	1.7
10. UBM	Media	1.7
11. Tarsus Group	Media	1.6
12. Matchtech Group	Support Services	1.6
13. Focusrite	Industrials	1.6
14. Tyman	Construction	1.6
15. Mortgage Advice Bureau	Financials	1.6
16. River & Mercantile Group	Financials	1.6
17. Somero Enterprises	Construction	1.6
18. Spectris	Industrials	1.6
19. Revolution Bars Group	Consumer	1.6
20. Polypipe Group	Construction	1.5

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Industrials	22.8
Technology	21.3
Financials	15.9
Construction	8.5
Healthcare	6.4
Media	6.2
Support Services	4.7
Consumer	4.4
Property	1.8
Resources	0.7
Cash	7.3

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	18.0	12
£500m-£1bn	10.5	8
£250m-£500m	15.1	11
£100m-£250m	30.5	23
Below £100m	18.5	14
Cash and Income	7.3	N/A
Total	100.0	67

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.