

Monthly Fact Sheet 31 August 2015

| | |
|----------------------------|-------------------|
| Launch Date | 4th December 2006 |
| Fund Size | £414.3m |
| Historic Yield (%)* | 4.60 |

Share Price (as at 31.08.15)

| Shares | Income | Accumulation |
|----------|---------|--------------|
| A Shares | 104.72p | 167.38p |
| B Shares | 109.91p | 182.03p |



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

In a month of negative returns the headlines have centred around the economic slowdown in China and the implications for growth elsewhere, particularly in other emerging economies. Obvious casualties were commodity stocks, which helped to drive the FTSE 100 lower. This contributed to a month of strong relative performance by domestic small and mid cap stocks. An increased level of volatility in a market that is trending down in the very short term does tend to 'refresh' our investible universe and this has been the case recently. An increasing number of good quality industrials, for example, are now yielding the requisite four percent after recent earnings downgrades. With UK consumer confidence indicators still robust, sectors such as travel and leisure, retail, and media have all held up well. The share price of Interserve came under pressure, despite a good set of interim results, as it became one of the first stocks to try to quantify the implications on profitability of the new national living wage. This is something that will have to be increasingly factored into forecasts. After a quiet couple of months, we expect levels of M&A, corporate activity, and IPO's to pick up substantially in the near term.

In the last month we added two new stocks to the portfolio. IMI is a specialist engineering company that designs, manufactures, and services valves and actuators that control the movement of fluids. UBM is a multinational media business with a particularly strong events portfolio. We continued to reduce our holding in Marshalls and top sliced 4Imprint as strong share price performance meant that both stocks were brushing up against a two percent dividend yield, the point at which our investment process triggers a sale. This yield based approach to selling our 'winners' remains a key component of delivering a strong portfolio yield across the cycle. We also topped up a number of existing holdings, including Marstons, Mucklow and Foxtons. In terms of contribution to monthly performance, the share prices of Novae, Cape and Centaur Media were all strong after their interim results attracted investor attention. Mortgage Advice Bureau performed well and UTV bounced sharply after announcing that it was in discussions over the potential sale of its television assets.

Cumulative Performance

| | 1 m | 3 m | YTD | 1 yr | 3 yrs | 5 yrs |
|-------------------------|-------|-------|-------|-------|-------|--------|
| Fund (%) | -1.38 | -2.29 | 11.87 | 10.36 | 75.27 | 126.39 |
| Sector Rank | 4/86 | 8/86 | 4/85 | 8/83 | 3/78 | 2/66 |
| Quartile Ranking | 1st | 1st | 1st | 1st | 1st | 1st |
| IA UK Equity Income (%) | -4.20 | -7.36 | 2.72 | 2.69 | 38.12 | 64.93 |

Source: Lipper, NAV to NAV, A 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 (%) | 10.36 | 12.77 | 40.83 | 14.97 | 12.35 |

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

Dividend History

| | | Q1 | Q2 | Q3 | Q4 | Total |
|------|-------|-------|-------|-------|-------|-------|
| 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 |
| | A Inc | 0.70p | 1.05p | 1.05p | 1.90p | 4.70p |
| 2015 | B Inc | 0.72p | 1.15p | | | |
| | A Inc | 0.72p | 1.15p | | | |

History of dividends declared per share. 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 31/08/2012 - 31/08/2015.

Monthly Fact Sheet
31 August 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 | £1,000 |

* 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. Phoenix Group | Investment Companies | 2.02 |
| 2. Galliford Try | Construction & Building Materials | 1.98 |
| 3. Ashmore | Investment Companies | 1.97 |
| 4. Dairy Crest Group | Consumer Goods | 1.67 |
| 5. Berkeley Group | Construction & Building Materials | 1.61 |
| 6. FDM | Software & Computer Services | 1.59 |
| 7. Kier Group | Construction & Building Materials | 1.47 |
| 8. Clipper Logistics | Industrials | 1.46 |
| 9. Connect Group | Industrials | 1.43 |
| 10. Hill & Smith Holdings | Construction & Building Materials | 1.38 |
| 11. Segro | Real Estate | 1.37 |
| 12. Majestic Wine | Beverages | 1.37 |
| 13. Marston's | Leisure, Entertainment & Hotels | 1.37 |
| 14. Cobham | Aerospace & Defence | 1.34 |
| 15. Low and Bonar | Household Goods | 1.30 |
| 16. Games Workshop Group | Leisure, Entertainment & Hotels | 1.29 |
| 17. WH Smith | General Retailers | 1.27 |
| 18. Headlam | Construction & Building Materials | 1.26 |
| 19. RPS Group | Support Services | 1.25 |
| 20. Pennon Group | Water | 1.25 |

Source: Chelverton Asset Management Limited

Market Cap Breakdown

| | % of Portfolio | No. of Stocks |
|-----------------|----------------|---------------|
| Above £1bn | 33.41 | 29 |
| £500m - £1bn | 17.66 | 15 |
| £250m - £500m | 23.21 | 24 |
| £100m - £250m | 18.81 | 20 |
| Below £100m | 3.37 | 6 |
| Cash and Income | 3.52 | - |
| 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.