



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 30 December 2011

Launch Date	4th December 2006
Fund Size	£34.2m
Yield (%)*	6.84

Share Price (as at 30.12.11)

Shares	Income	Accumulation
Retail	62.90p	81.75p
Institutional	64.37p	86.78p

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.

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 longterm capital appreciation.

Monthly Manager Commentary

The UK equity market produced a small positive return in the last month led by oils, pharmaceuticals and tobacco which continued the trend of large-cap relative outperformance. At the year end our fund was approximately one third UK mid-caps and two thirds UK small-caps and whilst, over the year, we have outperformed both of these benchmark indices comfortably we continue to lag the UK market as a whole. This is a continued reflection of the increased investor caution since the summer when the Eurozone fears first began to dominate headlines and investors sought the sanctuary of large cap defensives. Recent figures suggest that the US economy is at last beginning to recover which we see as a prerequisite for a sustainable improvement in the performance of 'risk' assets, and the UK market appears to have already discounted recent macro downgrades. The great unknown remains the Eurozone.

It is evident that dividends, dividend growth and cash flow have been relatively rerated by investors as the last year has progressed and we expect this to continue for the foreseeable future. Indeed an increasing number of Companies are electing to return surplus capital to shareholders in the form of special payments rather than retaining low returning cash or making acquisitions. As interest rates have remained low and look set to remain so way beyond previous expectations the need for income remains as strong as ever amongst a large number of investors. We expect that the high dividend yield on our fund, in excess of 6% at the year end, will continue to prove attractive. Also as we have seen in the last few weeks current valuations suggest there is scope for a significant uplift in capital values when confidence improves and investors become less risk averse.

Cumulative Performance

	1m	3 m	6 m	YTD	1 yr	3 yrs
Fund (%)	0.42	1.63	-9.84	-7.04	-7.04	79.20
Sector Rank	98/105	103/104	94/102	80/97	80/97	2/84
Quartile Ranking	4th	4th	4th	4th	4th	1st
IMA UK Equity Income (%)	2.02	5.98	-5.37	-2.87	-2.87	37.19
FTSE All Share (%)	0.84	8.39	-6.24	-3.46	-3.46	43.85

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.12.2011

Discrete Annual Performance

	31.12.10	31.12.09	31.12.08	31.12.07	29.12.06
	30.12.11	31.12.10	31.12.09	31.12.08	31.12.07
Fund (%)	-7.04	36.52	41.21	-43.68	-17.22

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.12.2011

Dividend History

	Q1	Q2	Q3	Q4	Total
2010	0.60p	0.80p	0.80p	1.68p	3.88p
2011	0.63p	0.85p	0.85p	1.97p	4.30p

History of dividends declared per retail share. Source: Chelverton Asset Management Limited

*The historic yield reflects distributions over the past 12 months as a percentage of the bid price of the retail 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

Monthly Fact Sheet 30 December 2011

ACD
Phoenix Fund Services Ltd

Investment Advisor
Chelverton Asset Management Ltd

Administrator
Phoenix Fund Services Ltd

Income Paid Quarterly

XD Dates 31st March, 30th June,
30th September, 31st December

Valuation 12 Noon, Daily

SEDOL Codes

	Income	Accumulation
Retail	B1FD624	B1Y9J46
Institutional	B1FD646	B1Y9J57

Initial Charge (%)

Retail	5.0
Institutional	0.0

Annual Management Fee (%)

Retail	1.5
Institutional	0.75

Minimum Investment

Retail	£1,000
Institutional	£100,000

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

springcapital

London • Singapore

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Cineworld	Travel & Leisure	2.57
2. RPC	Support Services	2.48
3. Moneysupermarket	Media	2.30
4. Diploma	Support Services	2.26
5. Micro Focus International	Software & Computer Services	2.25
6. Melrose	Industrial Engineering	2.14
7. BBA Aviation	Industrial Transportation	2.07
8. First Group	Industrial Transportation	1.97
9. Beazley	Life Insurance	1.96
10. Menzies	Support Services	1.86
11. Hansard Global	Life Insurance	1.84
12. W H Smith	General Retailers	1.83
13. Office2Office	Support Services	1.83
14. N Brown	General Retailers	1.78
15. UBM	Media	1.76
16. Hilton Foods	Food Producers	1.72
17. Brewin Dolphin	Asset Management	1.69
18. Tui	Travel & Leisure	1.69
19. Cranswick	Food Producers	1.67
20. Mecom Group	Media	1.64

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No of Stocks
£1bn - £2bn	8.92	5
£500m - £1bn	24.20	14
£250m - £500m	17.09	11
£100m - £250m	19.85	16
Below £100m	20.80	26
Cash & Income	9.14	-
Total	100.00	72

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 Services 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.