



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 31 July 2011

Launch Date	4th December 2006
Fund Size	£37.6m
Yield (%)*	5.61

Share Price (as at 30.06.11)

Shares	Income	Accumulation
Retail	70.62p	90.54p
Institutional	72.08p	95.89p

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 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

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

In the last month the focus of investor concern shifted from the debt situation in Greece and the implications for the Euro-zone to the debt situation in the US and the implications for the global economy of a default. These have been resolved in the short-term and although these were the issues that grabbed the headlines, at the same time there has been a raft of disappointing macro figures that suggest a significant slowdown in global economic growth compared to previous expectations. The recent fall in equity markets appears to be a reaction to the need to pull back aggregate earnings estimates for the corporate sector and the magnitude of the sell-off has been driven by the 'bears' who are now looking for aggregate growth to turn negative in the face of a 'double-dip' recession.

Whilst we do not subscribe to this scenario, it is worth noting that the balance sheets of our stocks are in substantially better shape than in the sell off a few years ago and in the face of the current pessimism it is useful to look at the dividend experience of our companies as this represents tangible evidence of real improving cash generation. In recent weeks we have had interim results and dividend increases from the following, with the magnitude of the increase (noted in brackets), 4 Imprint (6%), Moneysupermarket (15% underlying and a special), Beazley (4.2%), UBM (5%), Tarsus (5%) LSL Property (12%) and Novae (35%). Importantly these are a reasonably diverse group of stocks with respect to the industries that they operate in. Our performance in the last month was helped by the cash bid for Holidaybreak and the approach for ATH Resources, and although these are welcome we believe it is too early in the cycle to see a sustained uptick in corporate activity.

Cumulative Performance

	1m	3 m	6 m	YTD	1 yr	3 yrs
Fund (%)	-0.16	-1.71	2.97	2.94	22.76	46.52
Sector Rank	19/105	35/103	37/101	27/101	3/101	3/85
Quartile Ranking	1st	2nd	2nd	2nd	1st	1st
IMA UK Equity Income (%)	-1.09	-2.23	2.15	1.54	14.13	22.07
FTSE All Share (%)	-2.20	-3.34	1.23	0.69	14.93	22.76

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 29.07.2011

Discrete Annual Performance

	30.07.10	31.07.09	31.07.08	31.07.07	31.07.06
	29.07.11	30.07.10	31.07.09	31.07.08	31.07.07
Fund (%)	22.76	37.4	-13.13	-36.04	-

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 29.07.2011

Dividend History

	Q1	Q2	Q3	Q4	Total
2010	0.60p	0.80p	0.80p	1.68p	3.88p
2011	0.63p	0.85p			1.48p

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



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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

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FURTHER INFORMATION

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PFS Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Melrose	Industrial Engineering	2.60
2. Moneysupermarket	General Financials	2.56
3. N Brown	General Retailers	2.31
4. RPC	Industrial Engineering	2.29
5. Holidaybreak	Travel & Leisure	2.11
6. Diploma	Industrial Transportation	2.06
7. Cineworld	Travel & Leisure	2.03
8. Chesnara	Life Insurance	1.97
9. BBA Aviation	Industrial Engineering	1.95
10. Braemar Seascope	General Financials	1.94
11. First Group	Travel & Leisure	1.92
12. Hilton Foods	Food Producers	1.85
13. Hill and Smith	Construction & Materials	1.82
14. UBM	Media	1.82
15. Office2Office	Support Services	1.80
16. Hansard Global	Life Insurance	1.78
17. Beazley	Life Insurance	1.77
18. LSL Property Services	Real Estate	1.75
19. Consort Medical	Pharmaceuticals & Biotechnology	1.64
20. Menzies	Support Services	1.62

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No of Stocks
£1bn - £2bn	10.13	6
£500m - £1bn	19.60	13
£250m - £500m	22.32	15
£100m - £250m	19.40	16
Below £100m	21.03	24
Cash & Income	7.53	-
Total	100.00	74

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.