



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 30 June 2011

Launch Date	4th December 2006
Fund Size	£36.2m
Yield (%)*	5.53

Share Price (as at 30.06.11)

Shares	Income	Accumulation
Retail	71.58p	90.68p
Institutional	72.96p	95.92p

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

The negative return of the last month was a case of 'risk off' in the first weeks as the UK equity market fell reflecting continued worries over a Greek default and poor domestic macro data. The last week was back to 'risk on' when markets bounced back as the underlying corporate news continued, on balance, to be positive and upgrades continued to outweigh downgrades, albeit marginally. At the same time there was a relative improvement in the performance of UK centric stocks compared to overseas earners which will have benefited our fund and the first tentative signs of a pick up in corporate activity. We expect markets to remain volatile over the summer months and we expect to retain our relatively balanced portfolio for the foreseeable future.

At the stock level we believe that some of the earnings forecasts for 2012 appear to be rather optimistic given the macro background and whilst we still expect decent earnings growth, in aggregate, we expect a period of adjustment for some of the top of the range forecasts. Importantly, however, we still believe that we will see strong dividend growth and, if anything, our dividend expectations are continuing to rise with respect to 2012 as the dividend will become an increasingly important way for Directors to differentiate their Company and attract the marginal buyer. In the last month we have added two new holdings to our fund, DMGT the global media business and Novae an insurance underwriter and have sold our holding in Wincanton as it passed its dividend. At the same time new monies have been invested across twenty of our existing holdings which we feel underlines the attractive valuations within our portfolio.

Cumulative Performance

	1m	3 m	6 m	YTD	1 yr	3 yrs
Fund (%)	-0.84	2.79	3.11	3.11	25.56	33.93
Sector Rank	21/103	28/103	42/101	42/101	21/100	6/85
Quartile Ranking	1st	2nd	2nd	2nd	1st	1st
IMA UK Equity Income (%)	-1.35	1.78	2.66	2.66	22.09	20.64
FTSE All Share (%)	-0.45	1.91	2.96	2.96	25.63	21.00

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.06.2011

Discrete Annual Performance

	30.06.10	30.06.09	30.06.08	29.06.07	30.06.06
	30.06.11	30.06.10	30.06.09	30.06.08	29.06.07
Fund (%)	25.56	35.9	-21.51	-32.41	-

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.06.2011

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



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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	2.76
2. RPC	General Industrials	2.41
3. Moneysupermarket	Media	2.39
4. Cineworld	Travel & Leisure	2.30
5. N Brown	General Retailers	2.26
6. Diploma	Support Services	2.17
7. BBA Aviation	Industrial Transportation	2.09
8. Chesnara	Life Insurance	2.05
9. Braemar Seascope	Industrial Transportation	2.03
10. UBM	Media	1.96
11. First Group	Travel & Leisure	1.89
12. Hilton Foods	Food Producers	1.85
13. Hansard Global	Life Insurance	1.82
14. Hill and Smith	Industrial Engineering	1.78
15. LSL Property Services	Real Estate	1.74
16. Beazley	Life Insurance	1.73
17. Office2Office	Support Services	1.71
18. Go Ahead	Travel & Leisure	1.68
19. 4Imprint	Media	1.67
20. Menzies	Support Services	1.65

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No of Stocks
£1bn - £2bn	10.98	6
£500m - £1bn	18.68	12
£250m - £500m	20.05	13
£100m - £250m	23.43	19
Below £100m	19.87	22
Cash & Income	6.99	-
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.