



# Chelverton

ASSET MANAGEMENT LTD

## Monthly Fact Sheet 31 March 2011

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£30.2m
<b>Yield (%)*</b>	5.56

### Share Price (as at 31.03.11)

Shares	Income	Accumulation
Retail	70.27p	88.21p
Institutional	71.47p	93.13p

## 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.

# CF 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

Recent headlines have served to highlight the continued headwinds faced by investors. From a Global perspective continued worries regarding Eurozone debt, highlighted by the recent Irish stress test, the issues relating to Japan and unrest in the Middle East have contributed to the overall feeling of uncertainty, although equities are still benefiting from their relative attractions compared to other asset classes in the current environment. At home real household incomes have declined for the first time in thirty years and there appears to be little hope in the short term for a boost from either government spending or the consumer. The affects of the recent VAT increases and rising fears of unemployment have been reflected in the last week or so by the increasing number of profit warnings from the retail sector, and we expect this to continue.

In contrast to the general macro gloom, from a bottom up perspective the Corporate sector continues to deliver an improving performance. In the busy March results season your fund had thirty five Company's, or half of the fund by number of investments, reporting figures and twenty four of these increased their dividend with twenty of the increases being five percent or more. This is important as it highlights the confidence that the managers of the business's that we invest in have in their future prospects and cash flows. It also reflects the growing realisation on the part of Company Directors of the importance of the dividend and the message that it sends to investors. At the same time, eight stocks maintained payouts and, disappointingly three cut although two of these were in contracting related business's where we have previously highlighted that we expect 2011 to be the trough year. The affect of rising input costs was the recurring theme of the last month and we used the opportunity of a sell off in the price of RPC to add to our holding. We sold our position in Domino Printing after strong price performance had taken the yield below our minimum threshold and added new monies to a broad range of our existing holdings.

## Cumulative Performance

	1m	3 m	6 m	YTD	1 yr	3 yrs
Fund (%)	0.75	0.31	11.18	0.31	25.53	23.15
Sector Rank	9/101	73/101	9/101	73/101	2/100	13/86
Quartile Ranking	1st	3rd	1st	3rd	1st	1st
IMA UK Equity Income (%)	-0.46	0.84	7.64	0.84	9.87	13.39
FTSE All Share (%)	-0.81	1.03	8.48	1.03	8.72	17.02

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.03.2011

## Discrete Annual Performance

	31.03.10	31.03.09	31.03.08	30.03.07	31.03.06
	31.03.11	31.03.10	31.03.09	31.03.08	30.03.07
Fund (%)	25.53	65.39	-40.68	-27.63	-

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.03.2011

## Dividend History

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

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



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**Investment Advisor**  
Chelverton Asset Management Ltd

**Administrator**  
Capita Financial Administrators 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 922 0044

## Top 20 Holdings

Holding	Sector	% of Portfolio
1. UBM	Media	2.51
2. Melrose	Industrial Engineering	2.48
3. RPC	General Industrials	2.38
4. Moneysupermarket	Media	2.33
5. Diploma	Support Services	2.25
6. Chesnara	Life Insurance	2.21
7. BBA Aviation	Industrial Transportation	2.17
8. Cineworld	Travel & Leisure	2.13
9. Hill and Smith	Industrial Engineering	2.12
10. Consort Medical	Health Care Equipment & Services	2.07
11. 4Imprint	Media	1.88
12. Morgan Sindall	Construction & Materials	1.86
13. Beazley	Nonlife Insurance	1.85
14. LSL Property Services	Construction & Materials	1.84
15. Hansard Global	Life Insurance	1.81
16. N Brown	General Retailers	1.80
17. Fiberweb	Support Services	1.78
18. Chaucer Holdings	Nonlife Insurance	1.76
19. Elementis	Chemicals	1.74
20. Hilton Foods	Food Producers	1.72

Source: Chelverton Asset Management Limited

## Market Cap Breakdown

	% of Portfolio	No of Stocks
£1bn - £2bn	4.99	2
£500m - £1bn	17.18	12
£250m - £500m	27.10	15
£100m - £250m	22.61	18
Below £100m	21.14	22
Cash & Income	5.02	-
<b>Total</b>	<b>100.00</b>	<b>70</b>

Source: Chelverton Asset Management Limited

### 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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London • Singapore

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. Capita Financial Managers Ltd are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email enquiries@capitafinancial.com or call 0845 922 0044.