



# Chelverton

ASSET MANAGEMENT LTD

## Monthly Fact Sheet 31 May 2011

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£31.7m
<b>Yield (%)*</b>	5.42

### Share Price (as at 31.03.11)

Shares	Income	Accumulation
Retail	72.19p	91.45p
Institutional	73.53p	96.68p

## 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

The global recovery remains fragile as the macro headwinds continued in May with disappointing data in the early part of the month from both the US and China. Whilst it is too early to suggest that a shift away from overseas earners towards domestic earners by investors is imminent we believe that the affects of falling growth expectations are already discounted in a broad range of stocks that are geared predominately to the UK economy. At the stock level we have seen a pick up in downward earnings revisions as a proportion of total revisions, but upgrades still account for more than half of the total and aggregate earnings growth estimates for this year and next remain intact. Industrial goods stocks remain at the top of the positive revisions charts.

In the last month twelve of our Companies reported and nine of these put their dividends up, of which five were double digit percentage increases. Three stocks also reported maintained levels of payout. In a market still waiting for tangible evidence of a sustainable recovery and with no obvious style or sector leadership the underlying financial performance of our investee Companies remains ahead of our expectations. We added two new holdings to the portfolio, Cranswick a leading food supplier and Kcom, which provides communications services to the domestic consumer and business markets. We also added to half a dozen of our existing holdings including Menzies, Marston's and Cineworld and raised monies from the sale of Chaucer after an agreed offer for the Company.

### Cumulative Performance

	1m	3 m	6 m	YTD	1 yr	3 yrs
Fund (%)	-0.72	4.44	12.00	3.99	27.38	23.21
Sector Rank	92/103	13/102	20/101	53/101	4/100	9/85
Quartile Ranking	4th	1st	1st	3rd	1st	1st
IMA UK Equity Income (%)	0.20	2.71	10.31	4.08	20.43	12.08
FTSE All Share (%)	-0.72	1.54	10.81	3.43	20.36	12.96

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.05.2011

### Discrete Annual Performance

	31.05.10 31.05.11	29.05.09 31.05.10	30.05.08 29.05.09	31.05.07 30.05.08	31.05.06 31.05.07
Fund (%)	27.38	38.75	-30.29	-27.96	-

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.05.2011

### 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. Melrose	Industrial Engineering	3.00
2. RPC	General Industrials	2.71
3. Moneysupermarket	Media	2.68
4. Diploma	Support Services	2.45
5. BBA Aviation	Industrial Transportation	2.44
6. UBM	Media	2.35
7. Hill and Smith	Industrial Engineering	2.20
8. Cineworld	Travel & Leisure	2.20
9. Chesnara	Life Insurance	2.11
10. Hilton Foods	Food Producers	2.03
11. Menzies	Support Services	2.00
12. LSL Property Services	Real Estate	1.98
13. N Brown	General Retailers	1.95
14. 4Imprint	Media	1.93
15. Consort Medical	Pharmaceuticals & Biotechnology	1.90
16. Office2Office	Support Services	1.89
17. Beazley	Life Insurance	1.86
18. Braemar Seascope	Industrial Transportation	1.83
19. Morgan Sindall	Construction & Materials	1.80
20. Go Ahead	Travel & Leisure	1.78

Source: Chelverton Asset Management Limited

## Market Cap Breakdown

	% of Portfolio	No of Stocks
£1bn - £2bn	9.69	5
£500m - £1bn	21.04	13
£250m - £500m	21.90	13
£100m - £250m	21.61	18
Below £100m	23.43	24
Cash & Income	2.33	-
<b>Total</b>	<b>100.00</b>	<b>73</b>

Source: Chelverton Asset Management Limited

### FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

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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.