



# Chelverton

ASSET MANAGEMENT LTD

## Monthly Fact Sheet 31 August 2013

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£131.7m
<b>Historic Yield (%)*</b>	4.65

### Share Price (as at 31.08.13)

Shares	Income	Accumulation
A Shares	92.62p	134.46p
B Shares	95.74p	144.09p



## 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 (A) 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 long term capital appreciation.

### Monthly Manager Commentary

The positive return in August was driven to a large extent by the fact that the fund's universe of UK small and mid cap stocks outperformed their larger counterparts who were adversely affected by geo-political developments. The economic news continues to provide support to the 'bulls' with a raft of recent PMI data providing further evidence of both domestic and global economic recovery. Our exposure to industrial cyclical and consumer names should add value as increasing domestic macro growth forecasts drive an improvement in investor sentiment. For this to be sustained however, we reiterate that we need to see this 'top down' optimism reflected in tangible 'bottom-up' earnings increases. As valuations have moved ahead of upgrades our requirement of a four percent dividend yield before adding a new stock to the portfolio provides a degree of protection against a 'false dawn'.

The last month was reasonably busy with respect to results announcements and twenty four of our Companies reported. The share prices of both Cineworld and Interserve reacted very positively to their numbers and other stocks that were notable contributors to performance included Low & Bonar, Smiths News, UTV and ISG. Brammer performed well as investors continued to seek exposure to Continental Europe and Wilmington benefited as it announced the acquisition of Compliance Week, a provider of governance, risk and compliance information and events. The overall feedback from the corporate sector is 'more of the same' and we are yet to see the much anticipated pick up in earnings on anything other than a very limited stock specific basis. For example, whilst commentators talk of a marked pick up in construction activity, the reality is that a lot of companies in the sector are currently having to contend with well documented short term cost increases. We are reassured once again by the fact that the highlight of the raft of recent results has been the better than expected dividend increases.

### Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	1.51	7.14	27.08	40.83	81.91	106.42
Sector Rank	10/99	4/99	2/97	2/96	2/84	2/69
Quartile Ranking	1st	1st	1st	1st	1st	1st
IMA UK Equity Income (%)	-1.04	1.39	16.59	21.42	46.89	49.55

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.08.2013

### Discrete Annual Performance

	31.08.12	31.08.11	31.08.10	31.08.09	29.08.08
	30.08.13	31.08.12	31.08.11	31.08.10	31.08.09
Fund (%)	40.83	14.97	12.35	19.76	-5.25

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.08.2013

### Dividend History

		Q1	Q2	Q3	Q4	Total
2010	Institutional Shares	0.60p	0.80p	0.80p	1.67p	3.87p
	Retail Shares	0.60p	0.80p	0.80p	1.64p	3.84p
2011	Institutional Shares	0.63p	0.85p	0.85p	2.02p	4.35p
	Retail Shares	0.63p	0.85p	0.85p	1.97p	4.30p
2012	Institutional Shares	0.67p	0.90p	0.90p	1.83p	4.30p
	Retail Shares	0.67p	0.90p	0.90p	1.72p	4.19p
2013	Institutional Shares	0.69p	1.00p			1.69p
	Retail Shares	0.69p	1.00p			1.69p

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

Source & Copyright: CITYWIRE. David Horner & David Taylor are AAA rated by Citywire for their 3 year risk adjusted performance for the period 31/08/2010 - 31/08/2013.



# PFS Chelverton UK Equity Income Fund

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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** 31 March, 30 June  
30 September, 31 December

**Valuation** 12 Noon, Daily

### SEDOL Codes

	Income	Accumulation
A Shares	B1FD624	B1Y9J46
B Shares	B1FD646	B1Y9J57

### Initial Charge (%)

A Shares	2.0
B Shares	0.0

### Annual Management Fee (%)

A Shares	1.5
B Shares	0.75

### Minimum Investment

A Shares	£1,000
B Shares	£100,000

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### FURTHER INFORMATION

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**springcapital**

## Top 20 Holdings

Holding	Sector	% of Portfolio
1. Galliford Try	Construction & Building Materials	1.99
2. Kier Group	Industrials	1.76
3. Chesnara	Insurance	1.69
4. Ashmore	Investment Companies	1.67
5. Amlin Plc	Speciality & Other Finance	1.67
6. TalkTalk Telecom Group	Telecommunications Services	1.66
7. Premier Farnell	Electronic & Electrical Equipment	1.63
8. Micro Focus International	Software & Computer Services	1.62
9. Sthree	Support Services	1.57
10. Kcom Group	Telecommunications Services	1.52
11. Informa	Media & Photography	1.51
12. Greggs	Food Producers & Processors	1.43
13. Ladbrokes	Leisure, Entertainment & Hotels	1.43
14. Brown (N) Group	General Retailers	1.42
15. Hill & Smith Holdings	Construction & Building Materials	1.41
16. Close Brothers Group	Speciality & Other Finance	1.41
17. Fidessa Group	Software & Computer Services	1.40
18. Games Workshop Group	Leisure, Entertainment & Hotels	1.37
19. Smiths News	Industrials	1.37
20. Atkins (WS)	Engineering & Machinery	1.36

Source: Chelverton Asset Management Limited

## Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	28.84	23
£500m - £1bn	20.55	17
£250m - £500m	19.67	16
£100m - £250m	17.81	17
Below £100m	8.09	13
Cash and Income	5.04	-
Total	100.00	86

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 Conduct 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.