



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 29 February 2012

Launch Date	4th December 2006
Fund Size	£35.7m
Historic Yield (%)*	6.43

Share Price (as at 29.02.12)

Shares	Income	Accumulation
Retail	66.92p	89.78p
Institutional	68.53p	95.39p

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

Equity markets continued to be buoyed by improving macro news and investors moved up the risk scale as 'defensives' underperformed over the month. Whilst the 'top down' economic news has driven the shift in sentiment since the year end we believe that for markets to progress substantially from here we need to see a tangible upturn in the 'bottom up' prospects of the corporate sector. Interestingly the ratio of profit upgrades to downgrades across the UK market has improved recently suggesting a return to positive earnings momentum is not too far away. Continuing the theme since the depths of the financial crisis, companies have continued to generate cash, improve cash returns to shareholders and largely disregard corporate activity and as income investors we applaud this discipline.

As the reporting season started in earnest in recent weeks it has been reassuring to note that the majority of company results have been in-line with forecasts. Once again the highlight has been the better than expected growth in aggregate dividend growth across our portfolio. Importantly, after the false dawn of the second half of last year, analysts appear not to have become too optimistic about the outlook for short term profitability which should leave scope for upgrades as we move through the year. In the last month we added two new stocks to the fund, Greencore, a convenience food group and Safestore, a self storage business in the UK and Paris. Additional investments were made in Hilton Foods, St Ives and Galliford Try who produced a particularly good set of results. We raised funds from the sale of shares in Britvic, Consort Medical and Diploma after periods of good performance and in Alumasc after a poor trading update.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	3.06	10.29	9.83	2.54	111.46	-8.32
Sector Rank	88/102	25/102	15/102	50/95	3/87	64/76
Quartile Ranking	4th	1st	1st	3rd	1st	4th
IMA UK Equity Income (%)	4.07	8.93	6.77	2.54	64.71	4.16
FTSE All Share (%)	4.29	8.02	7.12	1.53	75.04	14.19

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 29.02.2012

Discrete Annual Performance

	28.02.11	26.02.10	27.02.09	29.02.08	28.02.07
	29.02.12	28.02.11	26.02.10	27.02.09	29.02.08
Fund (%)	2.54	31.52	56.80	-44.36	-22.08

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 29.02.2012

Dividend History

	Q1	Q2	Q3	Q4	Total
2010	0.60p	0.80p	0.80p	1.68p	3.88p
2011	0.63p	0.85p	0.85p	1.97p	4.30p

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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Top 20 Holdings

Holding	Sector	% of Portfolio
1. Moneysupermarket	Media	2.67
2. Melrose	Industrial Engineering	2.37
3. BBA Aviation	Transportation	2.26
4. Tui Travel	Travel & Leisure	2.23
5. Micro Focus International	Software & Computer Services	2.18
6. RPC	Packaging	2.11
7. United Business Media	Media	2.09
8. Beazley	Insurance	2.04
9. Diploma	Support Services	1.99
10. John Menzies	Support Services	1.96
11. Hilton Foods	Food Producers	1.86
12. Cineworld	Travel & Leisure	1.85
13. Brewin Dolphin	General Financials	1.85
14. Office2Office	Support Services	1.83
15. Braemar Seascope	Support Services	1.77
16. Brammer	Support Services	1.75
17. RWS	Support Services	1.75
18. N Brown	General Retailers	1.75
19. Keller	Construction	1.74
20. Premier Farnell	Electronic & Electrical Equipment	1.73

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No of Stocks
Above £1bn	13.99	7
£500m - £1bn	20.25	11
£250m - £500m	20.25	14
£100m - £250m	22.34	17
Below £100m	19.23	23
Cash & Income	3.94	-
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.