



# Chelverton

ASSET MANAGEMENT LTD

## Monthly Fact Sheet 28 February 2013

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£67.2m
<b>Historic Yield (%)*</b>	5.10

### Share Price (as at 28.02.13)

Shares	Income	Accumulation
Retail	82.06p	116.79p
Institutional	84.49p	124.73p

### 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 rise in the domestic equity market continued throughout February as the leadership shifted from the top 100 companies to mid and small caps. Mid-caps performed particularly well and this was reflected in the strong relative performance of our fund with the financials and support services sectors, where we are well represented, leading the way and miners and retailers, where we are underweight, lagging. At the macro level the uncertainty created by the stalemate in the Italian election had a minimal impact on equity markets and closer to home the downgrading of the UK's credit rating had already been discounted for some time. This improved resilience to adverse macro news suggests that the recent rerating of share prices is predicated on a sustainable fall in risk premiums and, if anything, investors are looking to short term setbacks to increase equity weightings rather than reduce them. The first indications from the busy reporting season are promising with the majority of corporate results either in line with or slightly ahead of expectations.

One consequence of the cut in the UK's triple A rating was a weakening in sterling and there have been a number of currency related earnings upgrades to international business's as a result. It is important to note here however that whilst we are looking to upgrades to provide the catalyst to move valuations higher we have not yet seen upgrades based upon an improving economic environment in any meaningful way. The overriding message from the companies themselves is still one of relative caution although strong balance sheets should help to underpin expectations of dividend increases across the market of an average of around 6% for the coming year. In the last month we have taken a bit of profit in Beazley after a strong run and we have added to a broad range of existing holdings including Cobham, Acal, Kier, Numis and Galliford Try.

### Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	4.94	14.42	10.40	30.03	75.36	53.00
Sector Rank	2/96	2/95	7/96	2/95	2/85	7/72
Quartile Ranking	1st	1st	1st	1st	1st	1st
IMA UK Equity Income (%)	2.45	9.16	8.13	15.47	38.60	31.70

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 28.02.2013

### Discreet Annual Performance

	29.02.12	28.02.11	26.02.10	27.02.09	29.02.08
	28.02.13	29.02.12	28.02.11	26.02.10	27.02.09
Fund (%)	30.03	2.54	31.52	56.80	-44.36

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 28.02.2013

### 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

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



# 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
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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**springcapital**

### Top 20 Holdings

Holding	Sector	% of Portfolio
1. Galliford Try	Construction & Building Materials	2.08
2. Cobham	Aerospace & Defence	2.06
3. Beazley	Insurance	1.96
4. Fidessa Group	Software & Computer Services	1.95
5. Hiscox	Insurance	1.94
6. Go-Ahead Group	Transport	1.91
7. Smiths News	Industrials	1.90
8. Chesnara	Insurance	1.84
9. Tui Travel	Leisure, Entertainment & Hotels	1.78
10. Keller Group	Engineering & Machinery	1.73
11. Close Brothers Group	Speciality & Other Finance	1.71
12. Premier Farnell	Electronic & Electrical Equipment	1.71
13. Informa	Media & Photography	1.69
14. Brown (N) Group	General Retailers	1.63
15. TalkTalk Telecom Group	Telecommunications Services	1.62
16. Micro Focus International	Software & Computer Services	1.61
17. 4imprint	Media & Photography	1.60
18. Phoenix IT Group Ltd	Software & Computer Services	1.59
19. Interserve	Support Services	1.57
20. Randall & Quilter Investment	Insurance	1.48

Source: Chelverton Asset Management Limited

### Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	24.60	16
£500m - £1bn	20.88	15
£250m - £500m	17.83	14
£100m - £250m	22.45	19
Below £100m	12.07	16
Cash and Income	2.17	-
Total	100.00	80

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.