



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 31 July 2013

Launch Date	4th December 2006
Fund Size	£114.5m
Historic Yield (%)*	4.72

Share Price (as at 31.07.13)

Shares	Income	Accumulation
A Shares	91.24p	132.46p
B Shares	94.26p	141.87p



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 longterm capital appreciation.

Monthly Manager Commentary

The positive performance in July has been driven, in part, by an improving economic background and a more positive outlook for UK GDP growth. There now appears to be a consistency in both macro and survey data that supports the recovery theme and we note that commentators have already started to reflect on both the speed and strength of recovery. The issue for equity investors is whether or not this new found optimism is already priced into valuations and we continue to reiterate our belief that after recent market moves we need to see earnings upgrades to move prices significantly higher. It will be important to see whether or not Company Directors start to reflect an improvement in outlook in their trading statements in the next reporting season. In the meantime, with interest rates set to stay low for a prolonged period, the ability of a Company to pay a strong and growing dividend should continue to underpin valuations in our portfolio.

In the last month we have continued to have strong inflows into the fund and have invested in thirty of our existing holdings across a broad range of sectors. Whilst there continues to be no sustained sector leadership within UK equities there was a strong contribution to performance in the last period from a number of our domestic consumer facing stocks. Noticeable amongst these were Cineworld, Debenhams, Greene King and N.Brown, the latter after releasing a positive trading update. Contracting and building related stocks have been in focus as investors look for beneficiaries of a macro recovery. VP and Marshalls both performed well after announcing reassuring trading updates and the Kier price moved ahead after the company completed the acquisition of May Gurney. Whilst we have a reasonable exposure to a GDP led recovery in general contracting we would caution that in the short term rising labour and material costs may prove to be a temporary headwind. Interestingly another stock that performed well was Brammer, which has one of the highest exposures to Continental Europe in our portfolio, who released a solid set of interim results and a thirteen per cent hike in the dividend.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	6.97	10.36	25.19	44.97	79.53	113.15
Sector Rank	16/99	2/99	2/97	1/96	2/85	2/70
Quartile Ranking	1st	1st	1st	1st	1st	1st
IMA UK Equity Income (%)	6.08	5.45	17.88	25.66	47.10	58.33

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.07.2013

Discrete Annual Performance

	31.07.12	29.07.11	30.07.10	31.07.09	31.07.08
	31.07.13	31.07.12	29.07.11	30.07.10	31.07.09
Fund (%)	44.97	0.88	22.76	36.68	-13.13

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.07.2013

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

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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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Top 20 Holdings

Holding	Sector	% of Portfolio
1. Galliford Try	Construction & Building Materials	2.01
2. Chesnara	Insurance	1.80
3. Ashmore	Investment Companies	1.79
4. Kier Group	Industrials	1.79
5. TalkTalk Telecom Group	Telecommunications Services	1.76
6. Micro Focus International	Software & Computer Services	1.67
7. Premier Farnell	Electronic & Electrical Equipment	1.61
8. Brown (N) Group	General Retailers	1.53
9. Atkins (WS)	Engineering & Machinery	1.50
10. Kcom Group	Telecommunications Services	1.50
11. Fidessa Group	Software & Computer Services	1.49
12. St.Ives	Support Services	1.49
13. Investec	Speciality & Other Finance	1.47
14. 4imprint	Media & Photography	1.43
15. Amlin Plc	Speciality & Other Finance	1.41
16. RPC Group	Packaging	1.40
17. Dairy Crest Group	Consumer Goods	1.39
18. Intermediate Capital Group	Investment Companies	1.38
19. Debenhams	General Retailers	1.37
20. Close Brothers Group	Speciality & Other Finance	1.37

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	27.86	22
£500m - £1bn	19.33	15
£250m - £500m	19.49	17
£100m - £250m	17.57	16
Below £100m	8.10	14
Cash and Income	7.65	-
Total	100.00	84

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.