



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 31 March 2012

Launch Date	4th December 2006
Fund Size	£36.5m
Historic Yield (%)*	6.31

Share Price (as at 31.03.12)

Shares	Income	Accumulation
Retail	68.73p	92.21p
Institutional	70.42p	98.02p

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 fund performed relatively well over the last month as small and mid caps extended their outperformance despite a noticeable softening in a number of macro indicators. Whilst the budget continues to attract a wide range of unsavoury headlines it did nothing to alter the macroeconomic outlook, and we continue to believe that we need to see a sustained pick up in 'bottom up' prospects for the market to move up to the next level. Anecdotal evidence from our company meetings suggests that many domestic orientated businesses are looking to next year before they expect tangible evidence of a recovery, although as we have seen with the strong performance of the retail sector over the last month stocks and sectors can still perform well despite obvious headwinds. The recent results season once again highlighted the strength of corporate cash flows and Company Directors continue to try to reign back any overly optimistic earnings forecasts.

At the stock level valuations are currently supported by an increase in earnings upgrades relative to downgrades albeit marginal, and significantly, by dividend increases continuing to surprise on the upside. In the last six weeks or so, forty one of our Companies announced results of which twenty four increased dividend payouts, fourteen maintained payouts and three cut, although the cuts were anticipated. Ten of the increases were double digit in percentage terms and all but two were ahead of core CPI inflation. Pleasingly there was a positive contribution to performance from a wide range of stocks with 4Imprint, Keller and SThree performing particularly well. The key to our ability to add value over the longer term is to be able to provide investors with a high and growing dividend from a collection of stocks that also has the potential for substantial capital gain and we believe the last month is testament to the attractions of this approach. On the downside Domino Printing released a disappointing trading statement highlighting extended sales cycles in Europe and a slowdown in large corporate projects in China as the reason and Firstgroup were downgraded after announcing lower than expected margins in their bus business. We continue to hold both. We sold our holdings in Go Ahead and LSL Property in their entirety, the latter after a period of strong performance and monies raised were used to add to holdings in TUI Travel, Keller, Interserve, Novae and Mecom.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	2.70	12.80	12.80	4.53	115.88	-7.34
Sector Rank	1/102	1/102	1/102	28/97	3/88	59/77
Quartile Ranking	1st	1st	1st	2nd	1st	4th
IMA UK Equity Income (%)	-0.21	6.55	6.55	2.72	64.65	1.70
FTSE All Share (%)	-0.95	6.10	6.10	1.39	67.87	9.45

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.03.2012

Discrete Annual Performance

	31.03.11	31.03.10	31.03.09	31.03.08	30.03.07
Fund (%)	30.03.12	31.03.11	31.03.10	31.03.09	31.03.08
	4.53	25.53	64.51	-40.68	-27.64

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.03.2012

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
2012	0.67p				0.67p

History of dividends declared per retail 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 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.com	Speciality & Other Finance	2.60
2. Melrose	Industrial Engineering	2.51
3. Tui Travel	Leisure, Entertainment & Hotels	2.41
4. BBA Aviation	Engineering & Machinery	2.32
5. Micro Focus International	Software & Computer Services	2.19
6. United Business Media	Media & Photography	2.17
7. Menzies John	Support Services	1.99
8. Cineworld Group	Leisure, Entertainment & Hotels	1.99
9. Office2Office	Support Services	1.98
10. Hilton Food Group	Food Producers & Processors	1.97
11. RPC Group	Packaging	1.97
12. Brewin Dolphin Holdings	Speciality & Other Finance	1.93
13. Keller Group	Engineering & Machinery	1.93
14. 4imprint	Media & Photography	1.92
15. Beazley	Insurance	1.90
16. Braemar Shipping Services	Investment Companies	1.87
17. Brammer	Support Services	1.83
18. RWS Holdings	Support Services	1.81
19. Amlin Plc	Speciality & Other Finance	1.77
20. Mecom Group	Investment Companies	1.76

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No of Stocks
Above £1bn	14.45	8
£500m - £1bn	19.82	11
£250m - £500m	20.72	13
£100m - £250m	21.89	16
Below £100m	17.94	21
Cash & Income	5.18	-
Total	100.00	69

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.