



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 28 March 2013

Launch Date	4th December 2006
Fund Size	£70.0m
Historic Yield (%)*	5.01

Share Price (as at 28.03.13)

Shares	Income	Accumulation
Retail	84.05p	119.62p
Institutional	86.58p	127.82p

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

After the euphoria of the last few months it was inevitable that we would see a consolidation in equity markets and we believe that we need to begin to see sustainable earnings uplifts for the recent bout of multiple expansion to continue. The ratio of upgrades to downgrades does continue to improve however and as a generalisation forecasts for this year look broadly attainable although the following year still appears to us to be somewhat optimistic in aggregate. We expect the macro news to remain volatile but we expect equities to remain resilient at current levels largely due to the absence of any attractive alternatives. At home the gloom surrounding the budget passed without any adverse effect on the market and it seems that the domestic consumer remains surprisingly robust.

With the macro environment remaining so uncertain March provides an opportunity for the companies that we invest in to tell us what life is like in the 'real world' and the good news is that corporate UK is still healthy. Twenty six of our holdings released results and there were seventeen dividend increases, eight maintained dividends and one cut. Six of the increases were double digit percentage rises and it is fair to say that for the third results season in a row dividends surprised on the upside and are an increasingly important component of total return. Good trading results were the catalyst for strong share price gains in a number of our stocks including, Lookers who are benefitting from strong UK car sales, Keller, Marshalls, 4Imprint and Restaurant Group. Elsewhere in the portfolio Kier announced that they were considering making an offer for May Gurney and we took part in a placing by Acal as they raised funds to buy a European electronics supplier. We also purchased a holding in Debenhams after it released a profit warning due, in large part, to the poor winter weather.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	2.43	13.07	13.07	29.67	70.16	66.04
Sector Rank	45/96	11/96	11/96	2/94	2/85	3/72
Quartile Ranking	2nd	1st	1st	1st	1st	1st
IMA UK Equity Income (%)	2.32	10.63	10.63	18.32	34.32	38.56

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 28.03.2013

Discrete Annual Performance

	30.03.12	31.03.11	31.03.10	31.03.09	31.03.08
	29.03.13	30.03.12	31.03.11	31.03.10	31.03.09
Fund (%)	29.67	4.53	25.53	64.51	-40.68

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 28.03.2013

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				0.69p
	Retail Shares	0.69p				0.69p

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 31/03/2010 - 31/03/2013.



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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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PFS Chelverton UK Equity Income Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Cobham	Aerospace & Defence	2.07
2. Galliford Try	Construction & Building Materials	2.03
3. Hiscox	Insurance	1.97
4. Beazley	Insurance	1.95
5. Fidessa Group	Software & Computer Services	1.94
6. Smiths News	Industrials	1.94
7. Go-Ahead Group	Transport	1.88
8. Chesnara	Insurance	1.86
9. 4imprint	Media & Photography	1.85
10. Keller Group	Engineering & Machinery	1.79
11. Informa	Media & Photography	1.70
12. Premier Farnell	Electronic & Electrical Equipment	1.67
13. Close Brothers Group	Speciality & Other Finance	1.67
14. TalkTalk Telecom Group	Telecommunications Services	1.65
15. Brown (N) Group	General Retailers	1.61
16. St.Ives	Support Services	1.58
17. Micro Focus International	Software & Computer Services	1.55
18. Randall & Quilter Investment	Insurance	1.54
19. Interserve	Support Services	1.52
20. Hansard Global	Insurance	1.51

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	22.51	15
£500m - £1bn	20.29	14
£250m - £500m	19.66	16
£100m - £250m	24.84	20
Below £100m	10.15	15
Cash and Income	2.54	-
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.