



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 31 May 2013

Launch Date	4th December 2006	
Fund Size	£87.0m	
Historic Yield (%)*	4.81	

Share Price (as at 31.05.13)

	Income	Accumulation
A Shares	87.46p	125.50p
B Shares	90.23p	134.27p

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 positive performance in May was achieved against a widespread reduction in EPS expectations for the remainder of this year and with size proving to be no defence multiple expansion has broadly absorbed the 'pain' of these downgrades. It is hard to see this continuing to be the case however in the absence of a more settled macro outlook. Our relatively high exposure to domestic earnings appears to have helped performance against an increasingly volatile global economic background and UK consumer confidence does appear to be improving. Interestingly there also appears to be increased interest amongst investors in stocks with European earnings as the feeling grows that, rather like the UK in the latter part of last year, Eurozone earnings may be bumping along the bottom.

We have seen in recent results from both Acal and RPC, two of our investments with significant exposure to European earnings that sentiment and recent trading has improved, but we are still some way from a sustained recovery. In the last month we had a strong fund inflow and added to thirty seven existing holdings across seventeen sectors which reinforce the relatively 'balanced' approach to portfolio construction that we have maintained over the past few years. Continuing this theme performance came from a wide spread of business's in the period, including, Cobham, a defence contractor Greencore a food manufacturer, St Ives a marketing services business, Polar Capital a fund manager and Debenhams, amongst others. We added two new holdings, Headlam a company that distributes carpets to the independent retail sector and Harvey Nash, a recruitment business, and we sold our holding in T.Clarke in its entirety.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	4.57	7.45	18.62	43.56	74.74	68.11
Sector Rank	2/100	25/98	8/98	3/97	2/87	3/73
Quartile Ranking	1st	1st	1st	1st	1st	1st
IMA UK Equity Income (%)	2.94	6.30	14.90	30.26	47.71	37.71

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.05.2013

Discrete Annual Performance

	31.05.12	31.05.11	31.05.10	29.05.09	30.05.08
Fund (%)	43.56	-4.45	27.38	38.02	-30.29

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 31.05.2013

Dividend History

		Q1	Q2	Q3	Q4	Total
2010	A Shares	0.60p	0.80p	0.80p	1.64p	3.84p
	B Shares	0.60p	0.80p	0.80p	1.67p	3.87p
2011	A Shares	0.63p	0.85p	0.85p	1.97p	4.30p
	B Shares	0.63p	0.85p	0.85p	2.02p	4.35p
2012	A Shares	0.67p	0.90p	0.90p	1.72p	4.19p
	B Shares	0.67p	0.90p	0.90p	1.83p	4.30p
2013	A Shares	0.69p				
	B Shares	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 31/05/2010 - 31/05/2013.



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	5.0
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	2.16
2. Micro Focus International	Software & Computer Services	1.92
3. Fidessa Group	Software & Computer Services	1.88
4. TalkTalk Telecom Group	Telecommunications Services	1.84
5. Chesnara	Insurance	1.81
6. Brown (N) Group	General Retailers	1.80
7. Dairy Crest Group	Consumer Goods	1.75
8. Premier Farnell	Electronic & Electrical Equipment	1.74
9. 4imprint	Media & Photography	1.72
10. WH Smith	General Retailers	1.59
11. Hansard Global	Insurance	1.58
12. Smiths News	Industrials	1.58
13. Go-Ahead Group	Transport	1.58
14. Amlin Plc	Speciality & Other Finance	1.57
15. Debenhams	General Retailers	1.57
16. Marshalls	Construction & Building Materials	1.54
17. St.Ives	Support Services	1.53
18. Atkins (WS)	Engineering & Machinery	1.52
19. Polar Capital Holdings	Investment Companies	1.50
20. Intermediate Capital Group	Investment Companies	1.50

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	24.47	18
£500m - £1bn	21.76	15
£250m - £500m	19.93	16
£100m - £250m	19.61	17
Below £100m	10.75	15
Cash and Income	3.49	-
Total	100.00	81

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.