



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 30 November 2012

Launch Date	4th December 2006
Fund Size	£45.6m
Historic Yield (%)*	6.05

Share Price (as at 30.11.12)

Shares	Income	Accumulation
Retail	73.35p	102.04p
Institutional	75.50p	108.87p

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 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

Markets moved higher in the second half of the month as fears over the effects of the US 'fiscal cliff' receded and large cap defensives led the way. Small and mid-caps underperformed in the month and there was no real sector leadership within our investment universe although, as a generalisation, consumer-orientated domestic exposure continues to retain a positive momentum. At the sector level, software and engineering stocks performed well and construction and financial stocks proved to be amongst the laggards. Not unexpectedly, given our relatively balanced approach to portfolio construction, we have a meaningful exposure to all four of these sectors. With respect to the construction sector the news on the domestic front continues to get worse and expectations of an upturn have now moved into 2014. It is interesting to note an increasing number of commentators talking of a bond 'bubble' and this has helped to focus attention on the relative attraction of equities for investors seeking income.

We have previously highlighted that we believe 'bottom up' earnings estimates for the coming year are too high and we have seen downgrades in the last month, as companies have released trading updates or results. However it is reassuring that these look to be 'priced in' as share prices have tended to fall by less than the downgrade. Consensus forecasts suggest that we are now looking in aggregate for a single digit earnings uplift in 2013 for smaller companies, ex resources and financials. Whilst earnings downgrades continue to outpace upgrades the gap is closing, and dividends continue to grow with estimates suggesting continued growth of up to six percent in 2013. We have added one new stock to the fund, Amlin, the specialist insurance and reinsurance underwriting group and have added to our positions in Dairy Crest, and Premier Farnell amongst others. We continue to seek companies with 'value' characteristics and positive earnings revisions which we believe will continue to outperform in the current uncertain environment.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	0.33	6.93	24.82	25.34	60.73	20.50
Sector Rank	81/100	4/100	2/100	3/100	2/90	18/76
Quartile Ranking	4th	1st	1st	1st	1st	1st
IMA UK Equity Income (%)	0.96	3.08	12.98	15.24	30.58	11.41

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.11.2012

Discreet Annual Performance

	30.11.11	30.11.10	30.11.09	28.11.08	30.11.07
	30.11.12	30.11.11	30.11.10	30.11.09	28.11.08
Fund (%)	25.34	-0.29	28.61	41.35	-46.96

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.11.2012

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	0.90p	0.90p		2.47p

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



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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	B1FD646
Institutional	B1Y9J46	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. Tui	Leisure, Entertainment & Hotels	2.24
2. Keller	Engineering & Machinery	2.18
3. Smiths News	Industrials	2.18
4. N Brown	General Retailers	2.16
5. Talk Talk	Telecommunications Services	2.04
6. Greencore Group	Food Producers & Processors	2.03
7. Micro Focus International	Software & Computer Services	1.99
8. Beazley	Insurance	1.93
9. St Ives	Support Services	1.88
10. Galliford Try	Construction & Building Materials	1.85
11. Dairy Crest	Consumer Goods	1.83
12. 4Imprint	Media & Photography	1.81
13. Cineworld	Leisure, Entertainment & Hotels	1.76
14. Brewin Dolphin	Speciality & Other Finance	1.71
15. Interserve	Support Services	1.70
16. RWS	Support Services	1.64
17. Close Brothers	Speciality & Other Finance	1.62
18. Premier Farnell	Electronic & Electrical Equipment	1.62
19. Hilton Foods	Food Producers & Processors	1.61
20. SThree	Support Services	1.60

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No of stocks
Above £1bn	13.61	7
£500m - £1bn	21.73	15
£250m - £500m	25.36	16
£100m - £250m	19.43	16
Below £100m	13.78	18
Cash and Income	6.09	-
Total	100	73

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.