



# Chelverton

ASSET MANAGEMENT LTD

## Monthly Fact Sheet 30 November 2013

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£209.5m
<b>Historic Yield (%)*</b>	4.42

### Share Price (as at 30.11.13)

Shares	Income	Accumulation
A Shares	99.75p	146.35p
B Shares	103.32p	157.08p



## 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 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 long term capital appreciation.

## Monthly Manager Commentary

For the past couple of years the feedback from a wide cross section of our investee companies has been that the underlying trading of 'Corporate UK' was not as bad as the poor macro headlines implied. The tangible evidence of this was the improving cash generation, balance sheet strength and dividend growth of the stocks that we invested in. After the recent raft of bullish economic statistics confidence is improving and investors are increasingly returning to equities in anticipation of a sustained recovery in earnings. The irony at the moment is that for a good number of our holdings this new found optimism has yet to be reflected in orders. As we have said before for the market to continue its upward trend the economic recovery has to translate into sustained earnings growth.

For the last couple of months, across the market as a whole, the ratio of earnings upgrades to downgrades has actually deteriorated. This is not unexpected and is, we believe, mainly a reflection of a wide range of December year end companies fine tuning their full year estimates and erring on the side of caution. There is also the usual array of missed or delayed contracts and for us this is not a cause for concern. Using consensus earnings forecasts for next year the expectation for our portfolio in aggregate is to grow earnings by a mid single digit percentage compared to this year. We are not uncomfortable with this as we estimate that the underlying turnover of the stocks that we hold is approximately sixty percent geared to the fortunes of the domestic economy. From a timing perspective however we believe the growth could be second half weighted. From current levels the gradual improvement in earnings should also afford us scope for a degree of multiple expansion as well.. In the last month we have invested our positive fund flows across thirty one of our existing holdings whilst maintaining the underlying equity yield of the portfolio at around 4% on an historic basis.

## Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	-0.10	8.83	38.31	43.34	79.14	225.66
Sector Rank	37/97	5/97	2/95	2/94	2/84	2/70
Quartile Ranking	2nd	1st	1st	1st	1st	1st
IMA UK Equity Income (%)	-0.22	5.18	22.85	24.10	42.78	102.81

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 30.11.2013

## Discrete Annual Performance

	30.11.12 29.11.13	30.11.11 30.11.12	30.11.10 30.11.11	30.11.09 30.11.10	28.11.08 30.11.09
Fund (%)	43.34	25.34	-0.29	28.61	41.35

Source: Lipper, NAV to NAV, A Shares Inc, Total Return to 30.11.2013

## 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	1.00p		2.69p
	Retail Shares	0.69p	1.00p	1.00p		2.69p

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 30/11/2010 - 30/11/2013.



# 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	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

**Dealing Line** 0845 305 4217

**Dealing Fax** 0845 280 0188

### FURTHER INFORMATION

Please contact Spring Capital Partners, in the first instance.

**Tel** +44 (0)20 3195 0076

**Email** chelverton@springcapitalpartners.com

**Visit** springcapitalpartners.com

**springcapital**

## Top 20 Holdings

Holding	Sector	% of Portfolio
1. TalkTalk Telecom Group	Telecommunications Services	1.83
2. Galliford Try	Construction & Building Materials	1.80
3. Phoenix Group	Investment Companies	1.79
4. Premier Farnell	Electronic & Electrical Equipment	1.72
5. Smiths News	Industrials	1.70
6. Dairy Crest Group	Consumer Goods	1.61
7. Pennon Group	Water	1.56
8. Fidessa Group	Software & Computer Services	1.51
9. Go-Ahead Group	Transport	1.51
10. Ladbrokes	Leisure, Entertainment & Hotels	1.48
11. Ashmore	Investment Companies	1.48
12. Braemar Shipping Services	Support Services	1.48
13. Domino Printing Sciences	Software & Computer Services	1.47
14. WH Smith	General Retailers	1.46
15. Segro	Real Estate	1.46
16. ICAP	Investment Companies	1.45
17. Informa	Media & Photography	1.45
18. Soco International	Oil & Gas	1.44
19. Kier Group	Industrials	1.44
20. St.Ives	Support Services	1.41

Source: Chelverton Asset Management Limited

## Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	32.10	26
£500m - £1bn	20.87	18
£250m - £500m	17.11	16
£100m - £250m	20.68	21
Below £100m	4.39	8
Cash and Income	4.84	-
Total	100.00	89

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 Conduct 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.