



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 30 September 2012

Launch Date	4th December 2006
Fund Size	£42.2m
Historic Yield (%)*	6.20

Share Price (as at 30.09.12)

Shares	Income	Accumulation
Retail	71.56p	98.30p
Institutional	73.56p	104.77p

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.

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

A positive month for UK small and mid-caps was reflected in our performance relative to the income sector. After a strong start for 'risk' assets driven by the policies of both the ECB and the Fed the momentum turned negative in the latter half of the month as the problems in the Eurozone once again became headline news. At the same time the balance of corporate earnings revisions was downwards, notably in the industrial sectors, although some of the more domestically orientated, consumer related, sectors held up relatively well. There has been no real change in the 'cautious' feedback from our investee companies and the outlook for dividend growth remains positive.

One feature of the last month was that although there was a definite size bias to the relative performance statistics there continues to be no discernible style bias to UK equity performance. We retain a 'balanced' approach to portfolio construction which was highlighted in the month as we invested positive fund flows across a broad range of stocks. For example we added to our holdings in Domino Printing, an industrial growth stock with a global footprint; Marshalls and Morgan Sindall UK building and construction stocks where the outlook remains difficult but the valuations are compelling; Lookers, a motor retailer; Hilton Foods and Greencore which both have the defensive attributes of food stocks. Additional new purchases included Acal, a European distributor of specialist, low volume, electronic components and Polar Capital a fund management business. We also realised funds by reducing our exposure to TUI Travel and Moneysupermarket.com.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	3.01	10.66	20.24	22.20	52.49	5.42
Sector Rank	5/101	2/101	2/101	9/100	2/90	44/77
Quartile Ranking	1st	1st	1st	1st	1st	3rd
IMA UK Equity Income (%)	1.11	6.05	10.83	17.36	27.24	7.59

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.09.2012

Discrete Annual Performance

	30.09.11	30.09.10	30.09.09	30.09.08	28.09.07
Fund (%)	22.20	1.38	23.09	12.14	-38.35

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.09.2012

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		

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

*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

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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. Micro Focus International	Software & Computer Services	2.42
2. Tui	Leisure, Entertainment & Hotels	2.07
3. Keller	Engineering & Machinery	2.02
4. Beazley	Insurance	1.98
5. Galliford Try	Construction & Building Materials	1.98
6. Cineworld	Leisure, Entertainment & Hotels	1.91
7. Greencore Group	Food Producers & Processors	1.90
8. Smiths News	Industrials	1.89
9. 4Imprint	Media & Photography	1.88
10. Menzies	Support Services	1.84
11. Interserve	Support Services	1.83
12. N Brown	General Retailers	1.83
13. Hilton Foods	Food Producers & Processors	1.80
14. Talk Talk	Telecommunications Services	1.77
15. Brewin Dolphin	Speciality & Other Finance	1.70
16. Chesnara	Insurance	1.66
17. Premier Farnell	Electronic & Electrical Equipment	1.64
18. Office2Office	Support Services	1.64
19. Hill and Smith	Construction & Building Materials	1.64
20. Vp	Engineering & Machinery	1.61

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No of Stocks
Above £1bn	12.92	8
£500m - £1bn	22.04	16
£250m - £500m	22.29	14
£100m - £250m	19.90	17
Below £100m	15.75	19
Cash & Income	7.11	-
Total	100.00	74

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.