



Chelverton

ASSET MANAGEMENT LTD

Monthly Fact Sheet 30 September 2013

Launch Date	4th December 2006
Fund Size	£158.2m
Historic Yield (%)*	4.61

Share Price (as at 30.09.13)

Shares	Income	Accumulation
A Shares	95.61p	138.80p
B Shares	98.88p	148.82p



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 (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

Once again the small and mid cap orientation of our fund contributed to the positive performance. In the last month we have continued to see strong positive fund inflows and as we have invested the new monies we have ensured that we maintain an historic equity yield of just over four per cent on the portfolio. Whilst the results season has been broadly positive the fear now for most investors is that the recovery is already being 'priced in' to equity markets so our concentration on maintaining the underlying yield on the portfolio provides, we believe, a healthy dose of reality when it comes to underlying valuations. The good news is that we are now beginning to see the first signs of an improvement in confidence amongst the Directors running the companies that we invest in and if this is sustained it could well prove to be the catalyst for the much anticipated upturn in cap ex spending. The other notable feature of the last month has been the dramatic increase in activity in the IPO market and we fully expect that over the next six months or so the supply of new equity will help to keep a lid on existing small and mid cap valuations.

At the stock level there were a number of notable contributors to our performance last month. The strong run of both Smiths News and ISG noted last time continued and Ashmore recovered strongly after their results reassured investors who had been concerned about their exposure to emerging market debt. One of our more 'defensive' holdings, Go Ahead reacted well to a solid set of figures as did Centaur Media whose price was further buoyed by the announcement that a former Director was seeking finance to potentially make an offer for the Company. Interestingly a wide range of our building and construction related stocks performed well and these included, Kier, Marshalls, Galliford Try and Morgan Sindall all of whom are geared directly to the fortunes of the domestic cycle. On the downside, the prices of both Cineworld and Dairy Crest fell back after recent good performance and Ladbrokes was hit as they revealed that their digital division was running below expectation. In all we added to forty two of our existing holdings last month including Low&Bonar where we supported a placing to fund the acquisition of Texiplast, an Eastern European business.

Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	3.23	12.09	31.19	41.13	74.85	141.34
Sector Rank	1/97	4/97	2/95	2/94	2/84	2/69
Quartile Ranking	1st	1st	1st	1st	1st	1st
IMA UK Equity Income (%)	0.59	5.68	17.33	20.84	38.58	70.17

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.09.2013

Discrete Annual Performance

	28.09.12 30.09.13	30.09.11 28.09.12	30.09.10 30.09.11	30.09.09 30.09.10	30.09.08 30.09.09
Fund (%)	41.13	22.20	1.38	23.09	12.14

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.09.2013

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 30/09/2010 - 30/09/2013.



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

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FURTHER INFORMATION

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Top 20 Holdings

Holding	Sector	% of Portfolio
1. Galliford Try	Construction & Building Materials	1.80
2. TalkTalk Telecom Group	Telecommunications Services	1.69
3. Ashmore	Investment Companies	1.68
4. Kier Group	Industrials	1.66
5. Premier Farnell	Electronic & Electrical Equipment	1.58
6. Phoenix Group	Investment Companies	1.54
7. Dairy Crest Group	Consumer Goods	1.50
8. Amlin Plc	Speciality & Other Finance	1.50
9. St.Ives	Support Services	1.49
10. 4imprint	Media & Photography	1.48
11. Chesnara	Insurance	1.46
12. Pennon Group	Water	1.45
13. Close Brothers Group	Speciality & Other Finance	1.45
14. Hill & Smith Holdings	Construction & Building Materials	1.43
15. Micro Focus International	Software & Computer Services	1.41
16. Low and Bonar	Household Goods	1.37
17. Fidessa Group	Software & Computer Services	1.35
18. Sthree	Support Services	1.35
19. Go-Ahead Group	Transport	1.35
20. Kcom Group	Telecommunications Services	1.34

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	29.23	24
£500m - £1bn	19.26	17
£250m - £500m	21.53	19
£100m - £250m	17.59	17
Below £100m	5.08	10
Cash and Income	7.31	-
Total	100.00	87

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.