

PFS DOWNING ACTIVE MANAGEMENT FUND

MONTHLY UPDATE – JULY 2014

About the Fund

PFS Downing Active Management Fund ("the Fund") seeks to achieve capital growth by investing in a concentrated portfolio of between 25-30 UK smaller companies (typically those with market capitalisations between £20 million and £150 million). The Fund seeks to generate capital growth from a portfolio consisting of companies within the Numis Smaller Companies Indices whilst retaining a strong focus on capital preservation. The Fund aims to outperform returns from other UK small-cap equity funds by selecting investments that the Investment Manager believes are undervalued by the market.

Investment approach

The focused approach of the Fund allows the Manager to concentrate on a highly diligent process which is more akin to private equity diligence than that typically deployed by many small company investors. Diligence is focused on identifying companies with sustainable competitive advantages, run by competent and aligned managers at an entry price that provides investors with a defined margin of safety. The Fund is long term focused and is not distracted by the short term fluctuations and volatility of the equity market. An Investment Committee, comprising an independent chairman and senior individuals from within Downing, sits on a regular basis to monitor adherence to the Fund objectives and investment approach.

Lead Fund Manager

Judith MacKenzie

Judith is a Partner at Downing and joined in 2009. Previously she was a partner at Acuity Capital managing AIM-quoted VCT and IHT investments and the CF Acuity RAM Fund (the predecessor to this Fund). Prior to Acuity, Judith spent seven years as a senior investment manager with Aberdeen Asset Management Growth Capital, as co-Manager of the five Aberdeen VCTs, investing in both public and private companies. Judith has held various non-executive and advisory roles in Scottish Government and private companies, and is a Fellow of the Securities Institute.

KEY FACTS as at 1st July 2014

Structure

London listed Open Ended Investment Company (OEIC), established as a "UCITS scheme" being compliant with FCA rules

Incorporation date & date of transfer to Downing and change of ACD

September 2008 / February 2011

Fund Size

(A, B and C Share Class combined)
£9,277m

Share Price

Class A 141.02p
Class B 150.26p
Class C 100.42p

No. of Holdings

28

Dividends

Accumulation only

Liquidity

Daily pricing and daily dealing

Minimum initial Investment

A Accumulation - £1,000
B Accumulation - £1,000,000
C Accumulation - £1,000
C Share class monthly savings plan available. Monthly contributions of £100 can be made via standing order on the 1st of each month.

Fund Charges

Initial charge: A, B & C Accumulation – 5%

Management charge

A Accumulation – 1.75% per annum
B Accumulation – 1.00% per annum
C Accumulation – 1.50% per annum

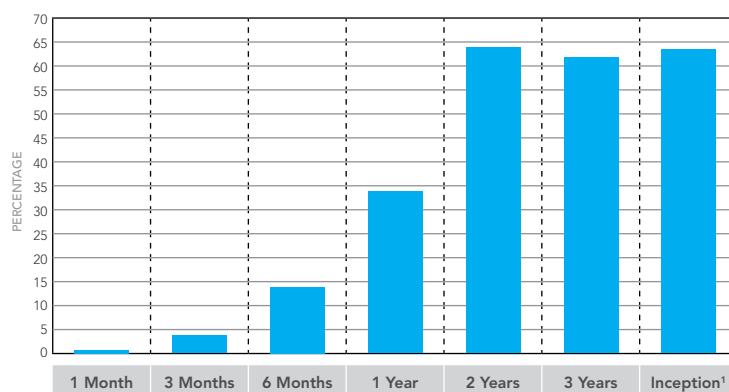
Performance charge

There are performance fees on the C Share Class only. For further information please refer to the Key Investor Information Document. The Fund may also pay fees and charges related to administration, custody and other reasonable expenses.

ISIN codes:

A Accumulation GB00B2403D34
B Accumulation GB00B2403R79
C Accumulation GB00B7SB5C00

Performance (%) as at 1 July 2014*



Fund

*Class B shares

¹Since transfer of Investment Manager and ACD in February 2011

Source: Downing LLP

Top 5 portfolio holdings²

	% of Fund
Sprue Aegis	7.47
Inland Homes	6.22
Science in Sport	6.14
Tracsis	5.78
Office2Office	4.93

²Data as at 1 July 2014. Source: Downing LLP

Contact details

Manager

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London SW1P 2AL
Tel: 020 7416 7780

Authorised Corporate Director

Phoenix Fund Services (UK) Ltd
Springfield Lodge
Colchester Road
Chelmsford
Essex CM2 5PW

How to apply:

Through Downing:

Tel: 020 7630 3319
Visit www.downing.co.uk to access the Application Form.

Through Phoenix Fund Services:

Tel: 0845 305 4215
Email: downing@phoenixfundservices.com

Platforms hosting the Fund

A J Bell
Ascentric
Hargreaves Lansdown
James Hay

Novia Financial
Nucleus Financial
SEI Investments
Transact

Risk Warnings

This factsheet is issued by Downing LLP, which is authorised and regulated by the Financial Conduct Authority. The value of your investment is not guaranteed and may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the markets in which the Fund invests. As a result of the initial charge, should you sell after a short period, you may not get back the amount invested, irrespective of market movements. You should regard your investments as long term. A dilution levy may be applied to the share price whenever the Fund is expanding or contracting. Should you buy when the Fund is expanding and sell when the Fund is contracting, this will have an adverse impact on the return from your investment. Further information regarding the dilution levy and cancellation rights (if any) may be found in the KIID and Supplementary Information Documents respectively. Investment in smaller companies can be higher risk than investment in well established blue chip companies. Funds investing significantly in smaller companies can be subject to more volatility due to the limited marketability of the underlying assets. Tax rates, as well as the treatment of OEICs, could change at any time. This factsheet does not provide you with all the facts that you would need to make an informed decision about investing in the Fund. You should read the associated KIID and Supplementary Information Document and decide whether to contact an authorised intermediary. If you do not already have a copy of the KIID and Supplementary Information Document contact Phoenix Fund Services (UK) Ltd, Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW, tel 0845 305 4215 or email downing@phoenixfundservices.com. The KIID shows you how charges and expenses might affect your investment.