

Monthly Fact Sheet 31 March 2017

Launch Date	12 May 1999
Gross Assets	£ 50.98 m
Net Assets	£ 38.76 m*
Bank Debt	£ nil
Dividend Yield	4.16%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	136.00p	229.50p
NAV (price per share)	130.67p	230.74p*
Premium/ (Discount) to NAV	4.08%	(10.54%)
Share Capital	9,349,000***	16,800,000

*includes unaudited revenue reserve to 31/03/2017

**calculation includes last four dividends and special dividend

***redeemed at 136.70p - 08/01/2018

Fund Managers



David Horner

qualified as a chartered accountant in 1984 with Deloitte before joining 3i Corporate Finance Limited in 1986. 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 June 1997 he left to set up Chelverton Asset Management Limited and, in May 1999, he launched the Small Companies Dividend Trust, which he still co-manages. He has also co-managed the Chelverton UK Equity Income Fund since launch. In 2013 he resigned his membership of the Institute of Chartered Accountants in England and Wales, as his career is now fully involved in fund management.



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.

Chelverton Small Companies Dividend Trust PLC

Investment Objective and Policy

The investment objective of the Company is to provide Ordinary shareholders with a high income and opportunity for capital growth.

The Trust's funds will be invested principally in companies with a market capitalisation of up to £500 million; a maximum of 20 per cent of the Group's portfolio may be invested in companies without reference to their market capitalisation at the discretion of the Investment Manager. The Trust's portfolio will comprise companies listed on the Official List and companies admitted to trading on AIM. The Trust will not invest in preference shares, loan stock or notes, convertible securities or fixed interest securities or any similar securities convertible into shares. The Trust will not invest in other investment trusts or unquoted companies.

Monthly Manager Commentary

In the month in which Article 50 was finally triggered we remain positively surprised by the continued confidence of 'corporate UK', tangible evidence of which can regularly be seen in better than expected dividend increases. It will be some time yet before the posturing ends and we get any substantive indication as to the 'costs' or otherwise of leaving and this uncertainty will remain a headwind, although hopefully a diminishing one, to capital investment. Given the relatively high domestic focus of our small and mid-cap investment universe it is interesting to note an increasing number of commentators now expecting Sterling to start appreciating against major currencies by the end of the year, a view we have had for some time. In itself this may translate into a small tailwind for UK earnings but importantly it could precipitate a sentiment shift amongst investors back towards UK earnings, and those sectors such as housebuilding and retail that have been under pressure recently. Our domestic economy remains broadly supportive of small and mid-cap performance and valuations with fears over falling real wages on one hand being countered by supportive monetary policy, good export performance and the resilience of the services sector on the other. One note of caution is that the recent uptick in IPO's and equity placings amongst small and mid-caps will inevitably lead to a brief period of 'equity indigestion' in the short term, although we are not there yet.

In the last month we sold one of our holdings, Bioventix, after a period of strong performance and we recycled funds into two new holdings, Anglo African Oil and Gas and UP Global Sourcing which were bought on dividend yields in excess of four percent, in line with our investment process. They were both purchased as IPO's, and we continue to expect new issues to provide some interesting investment opportunities in the next few months. We added to holdings in Acal, Statpro, Braemar, Personnal Group Gattaca and Ramsden. In terms of performance, Cape bounced strongly after ring fencing potential legal compensation, McColl's responded well to results, Low&Bonar attracted strong buying as a result of good presentations after last months results and Games Workshop announced another dividend payment after the series of recent earnings upgrades. Centaur Media, Epwin and Go Ahead all detracted from fund performance.

Annual Returns % (GBP)

31/03/2017

	2017	2016	2015	2014	2013	2012	2011	2010
Share Price Ordinary Shares	-2.68	13.81	29.36	-4.26	79.11	19.72	2.82	40.87
Share Price Morningstar Investment Trust UK Equity Income	3.04	5.02	24.80	4.82	56.76	38.34	-10.09	48.64
NAV	3.37	-2.25	23.05	-4.58	54.62	36.46	-13.94	38.86
NAV Morningstar Investment Trust UK Equity Income	3.17	7.41	16.06	-1.11	43.43	28.41	-10.65	35.37

Source: Chelverton Asset Management Limited and Morningstar
Past performance is not a guide to future results.

Dividend History

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
	p	p	p	p	p	p
First interim	1.85	1.70	1.575	1.475	1.40	1.35
Second interim	1.85	1.70	1.575	1.475	1.40	1.35
Third interim	1.85	1.70	1.575	1.475	1.40	1.35
Fourth interim	-	2.40	2.40	2.40	2.40	2.35
Subtotal	5.55	7.50	7.125	6.825	6.60	6.40
Special dividend	-	1.60	0.300	2.750	N/A	N/A
TOTAL	5.55	9.10	7.425	9.575	6.60	6.40

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31 March 2017

Directors

The Rt Hon. the Lord Lamont of Lerwick
Chairman

David Harris

William van Heesewijk

Howard Myles

Calendar

Year End	30 April
AGM	September
Dividends (Declared)	March, June, September, December

Management Fee	1% pa.
Charge to Capital	Management Fee and Bank Interest (75% to Capital: 25% to Revenue)

Price Information

	ZDP	ORDS
Reuters	SDVZ.L	SDV.L
SEDOL	88fj5797	0661582
Market Makers	Canacord, JP Morgan, N1+ Singer, Numis, Winterflood	

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Chelverton Small Companies Dividend Trust PLC

Top Twenty Holdings

Holding	Sector	% of portfolio
Games Workshop Group	Leisure, Entertainment & Hotels	2.38
Curtis Banks Group	Investment Companies	2.34
Belvoir Lettings	Real Estate	2.33
Amino Technologies	Information Technology Hardware	2.32
Personal Group Holdings	Health	2.30
McColl's Retail Group	General Retailers	2.24
Galliford Try	Construction & Building Materials	2.17
Alumasc Group (The)	Construction & Building Materials	2.04
Gattaca Common	Support Services	2.02
Moss Bros Group	Housing Goods & Textiles	1.97
Acal	Electronic & Electrical Equipment	1.93
Mucklow (A&J) Group	Investment Companies	1.92
Diversified Gas & Oil	Oil and Gas	1.91
Kier Group	Leisure, Entertainment & Hotels	1.88
Jarvis Securities	Speciality & Other Finance	1.86
StatPro Group	Support Services	1.86
Marston's	Leisure, Entertainment & Hotels	1.84
Connect Group	Industrials	1.83
Braemar Shipping Services	Support Services	1.74
Shoe Zone (Holdings)	General Retailers	1.72
Total		40.59

Sector Breakdown

Sector	% of portfolio
Financials	18.45
Construction & Building Materials	13.20
Support Services	10.53
General Retailers	8.58
Real Estate	5.13
Leisure, Entertainment & Hotels	4.29
Technology	5.25
Insurance	3.87
Media & Photography	3.98
Industrials	4.29
Electronic & Electrical Equipment	4.39
Housing Goods & Textiles	3.44
Pharmaceuticals	3.67
Food Producers & Processors	2.05
Transport	1.61
Consumer Goods	1.65
Packaging	1.24
Telecommunications Services	1.07
Oil & Gas	3.31
Total	100.00

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	5
£500m-£1bn	8
£250m-£500m	13
£100m-£250m	18
Below £100m	25
Cash and Income	0
Total	69

Source: Chelverton Asset Management Limited

Risk Factors
The value of investments and the income from them may go down as well as up and you may not get back your original investment. Investment trusts can borrow money to make additional investments on top of shareholders funds (gearing). If the value of these investments fall in value, gearing will magnify the negative impact on performance. Particular share classes may also be structurally geared by other share classes that have earlier entitlement to the Company's assets up to a predetermined limit. If an investment trust incorporates a large amount of gearing the value of its shares may be subject to sudden and large falls in value and you could get back nothing at all. Some split capital shares have higher risk characteristics than conventional equities which can result in capital erosion. An investor could lose all of their capital. Smaller companies are riskier and less liquid than larger companies which means their share price may be more volatile. Some of the annual management fee is currently charged to the capital of the Fund. Whilst this increases the yield, it will restrict the potential for capital growth. The level of yield may be subject to fluctuation and is not guaranteed. Net Asset Value ("NAV") performance is not the same as share price performance and investors may not realise returns the same as NAV performance.

Risk Rating of Shares

Zero Dividend Preference shares	Medium
Ordinary shares	High

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