

Monthly Fact Sheet
30 April 2017

Launch Date	12 May 1999
Gross Assets	£ 54.03 m
Net Assets	£ 41.76 m*
Bank Debt	£ nil
Dividend Yield	4.16%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	136.00p	230.00p
NAV (price per share)	131.29p	242.04p*
Premium/ (Discount) to NAV	3.58%	(7.46%)
Share Capital	9,349,000***	16,800,000

*includes unaudited revenue reserve to 30/04/2017

**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

A month of strong relative performance was the result of a number of contributory factors. 'Top down' the UK general election announcement and reduced fears over the outcome of the French election served to reduce political uncertainty despite a more aggressive tone emanating from the EU with respect to Brexit talks. Whilst politicians and the media continue to be fixated with the potential problems with Brexit the fact is that in the short term in the absence of any concrete proposals corporate UK continues to trade with little disruption. In fact manufacturing companies that export are benefiting from a weakened currency and are underpinning a series of generally robust business confidence and growth surveys. Falling equity risk premiums present an accommodating environment for UK small and mid caps who have done their bit by continuing to deliver an improving 'bottom up' earnings story. Recent share price rises will as ever be tested in May as there are relatively few corporate results to grab investor attention but we are reassured that our underlying income will continue to prove attractive in the current interest rate environment.

At the stock level Braemar and Acal bounced from oversold levels as investor sentiment improved and stocks such as N.Brown, Epwin, Hilton Foods and XP Power attracted buyers after good results or trading statements. We top sliced a number of holdings that had performed well including Amino, Bioventix and Statpro and we added to Centaur and Huntsworth amongst others. We added one new holding, DFS, the Sofa retailer. Looking forward the main area of concern for domestic investors in the short term is the consumer as a combination of rising costs and falling real incomes have led to falling consumer confidence figures. On the positive side however now that we have the benefit of analysing all of the December year end results the consensus has seen a relatively positive series of earnings upgrades for UK small and mid caps. We shall wait and see if this is sufficient to maintain investor enthusiasm but continued positive UK equity fund flows bode reasonably well.

Annual Returns % (GBP)

30/04/2017

	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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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
StatPro Group	Support Services	2.44
Amino Technologies	Information Technology Hardware	2.31
McColl's Retail Group	General Retailers	2.28
Games Workshop Group	Leisure, Entertainment & Hotels	2.26
Belvoir Lettings	Real Estate	2.18
Acal	Electronic & Electrical Equipment	2.09
Curtis Banks Group	Investment Companies	2.06
Braemar Shipping Services	Support Services	2.04
Galliford Try	Construction & Building Materials	1.99
Connect Group	Industrials	1.98
Gattaca	Support Services	1.90
Jarvis Securities	Speciality & Other Finance	1.87
Moss Bros Group	Housing Goods & Textiles	1.85
Marston's	Leisure, Entertainment & Hotels	1.85
Numis Corporation	Insurance	1.80
Diversified Gas & Oil	Oil and Gas	1.78
Mucklow (A&J) Group	Investment Companies	1.78
Brown (N) Group	General Retailers	1.76
Polar Capital Holdings	Investment Companies	1.74
Shoe Zone (Holdings)	General Retailers	1.72
Total		40.04

Sector Breakdown

Sector	% of portfolio
Financials	17.46
Construction & Building Materials	12.70
Support Services	11.49
General Retailers	8.66
Technology	5.22
Real Estate	4.80
Industrials	4.68
Housing Goods & Textiles	4.46
Electronic & Electrical Equipment	4.43
Leisure, Entertainment & Hotels	4.08
Media & Photography	4.08
Insurance	3.77
Pharmaceuticals	3.64
Oil & Gas	3.10
Food Producers & Processors	2.09
Transport	1.60
Consumer Goods	1.59
Packaging	1.19
Telecommunications Services	0.97
Total	100.00

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	5
£500m-£1bn	12
£250m-£500m	12
£100m-£250m	15
Below £100m	27
Cash and Income	0
Total	71

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

The information contained in this document has been obtained from sources that Chelverton Asset Management ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy and completeness of the information provided, and therefore no investment decision should be based solely on this data.

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