

Monthly Fact Sheet
30 November 2017

Launch Date	12 May 1999
Gross Assets	£ 59.16 m
Net Assets	£ 46.46 m*
Bank Debt	£ nil
Dividend Yield	3.74%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	138.50p	258.00p
NAV (price per share)	135.91p	261.36p*
Premium/ (Discount) to NAV	1.91%	(1.28)%
Share Capital	9,349,000***	17,775,000

*includes unaudited revenue reserve to 30/11/2017

**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

Whilst the gloomy UK macro news continues to provide a minor headwind, there does appear to be some slightly better news on the horizon, notwithstanding the recent headline 'agreement' with Europe which has had a very mixed reception. Firstly, the recent strength of Sterling should provide a small boost to the relative attraction of small and mid caps versus their more Global orientated larger counterparts, although thankfully the days of 'knee-jerk' reaction to currency moves appear to be over. Secondly, there is a growing feeling amongst commentators that inflation may have peaked. This is potentially significant for domestic consumer cyclical such as retailers, restaurant groups and pubcos who have recently suffered from rising costs because, if it helps the prospect of real wage growth, it should be a positive for consumer sentiment. We expect increased share price volatility in these last months of the year as December year-end companies fine tune earnings expectations.

November was a quiet month for trading, with the Fund trimming some of our better performing holdings such as Hilton, McColl's and Ramsdens. The only new holding was UP Global Sourcing, the designer and distributor of consumer products. We participated in its IPO in March, but sold out of our position on valuation grounds. After a tough start to its current financial year, we have invested again at a more attractive valuation and yield. With regards to performance, Personal Group, Bloomsbury and Severfield all had a strong month after positive trading updates at the end of October and in November. From a negative perspective, Go Ahead and Centaur drifted on a lack of newsflow and Belvoir was weak amid uncertainty about a potential merger with Property Franchise Group.

Annual Returns % (GBP)

30/11/2017

	2017	2016	2015	2014	2013	2012	2011	2010
Share Price Ordinary Shares	24.36	13.81	29.36	-4.26	79.11	19.72	2.82	40.87
Share Price Morningstar Investment Trust UK Equity Income	9.05	4.96	24.80	4.82	56.76	38.34	-10.09	48.64
NAV	23.56	6.78	23.05	-4.58	54.62	36.46	-13.94	38.86
NAV Morningstar Investment Trust UK Equity Income	8.46	10.18	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

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
	p	p	p	p	p	p	p
First interim	2.02	1.85	1.70	1.575	1.475	1.40	1.35
Second interim	2.02	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	2.40	2.35
Subtotal	4.04	7.95	7.50	7.125	6.825	6.60	6.40
Special dividend		1.86	1.60	0.300	2.750	N/A	N/A
TOTAL	4.04	9.81	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	Canaccord, JP Morgan, N1+ Singer, Numis, Winterflood, Stockdale	

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Chelverton Small Companies Dividend Trust PLC

Top Twenty Holdings

Holding	Sector	% of portfolio
Diversified Gas & Oil	Oil and Gas	2.84%
Jarvis Securities	Speciality & Other Finance	2.32%
StatPro Group	Support Services	2.26%
DiscoverIE Group	Electronic & Electrical Equipment	2.26%
Alumasc Group (The)	Construction & Building Materials	2.15%
McColl's Retail Group	General Retailers	2.15%
Personal Group Holdings	Health	2.02%
Galliford Try	Construction & Building Materials	2.02%
Belvoir Lettings	Real Estate	1.95%
Gattaca Common	Support Services	1.95%
Marston's	Leisure, Entertainment & Hotels	1.94%
Ramsdens Holdings	General Retailers	1.91%
Amino Technologies	Information Technology Hardware	1.90%
Numis Corporation	Insurance	1.85%
Connect Group	Industrials	1.83%
Braemar Shipping Services	Support Services	1.80%
Curtis Banks Group	Investment Companies	1.77%
Mucklow (A&J) Group (REIT)	Investment Companies	1.71%
Brown (N) Group	General Retailers	1.69%
Strix Group	Diversified Industrials	1.65%
Total		39.97%

Sector Breakdown

Sector	% of portfolio
Financials	18.25%
Support Services	14.07%
Construction & Building Materials	11.14%
General Retailers	8.53%
Industrials	5.36%
Electronic & Electrical Equipment	4.74%
Technology	4.56%
Media & Photography	4.38%
Real Estate	4.02%
Insurance	3.91%
Leisure, Entertainment & Hotels	3.72%
Oil & Gas	3.48%
Housing Goods & Textiles	3.39%
Food Producers & Processors	2.37%
Health	1.93%
Transport	1.69%
Packaging	1.30%
Consumer Goods	1.18%
Telecommunications Services	1.00%
Restaurant Pubs & Breweries	0.98%
	100.00%

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	4
£500m-£1bn	15
£250m-£500m	9
£100m-£250m	20
Below £100m	26
Cash and Income	0
Total	74

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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