

Monthly Fact Sheet  
28 February 2018

<b>Launch Date</b>	12 May 1999	
<b>Gross Assets</b>	£ 63.29 m	
<b>Net Assets</b>	£ 50.44 m*	
<b>Bank Debt</b>	£ nil	
<b>Dividend Yield</b>	4.12%**	
	<i>Zero Dividend Preference Shares</i>	<i>Ordinary Shares</i>
<b>Share Price</b> (price per share)	106.50p	246.00p
<b>NAV</b> (price per share)	100.55p	246.05p*
<b>Premium/ (Discount) to NAV</b>	5.92%	(0.02)%
<b>Share Capital</b>	12,780,083***	20,500,000

\*includes unaudited revenue reserve to 28/02/2018

\*\*calculation includes last four dividends and special dividend

\*\*\*redeemed at 133.18p - 30/04/2025

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

Markets responded adversely to uncertainty over the scale of the anticipated Fed tightening and then, latterly, over fears of the US becoming more protectionist as the rhetoric over trade wars was stepped up. At home, the results season gathered pace and generally underlined the resilience of corporate earnings, although it was noticeable that there was a bias in downgrades towards domestic consumer and retail stocks. The key to any potential upgrades here remains the prospect of growth in real wages as we move through the year. One potential source of volatility, the Italian election, had little impact largely as the result was within the predicted range of outcomes according to the polls. The recent increased level of market volatility continues to present us with new opportunities within the remit of our investment process.

At the stock level, our best performer was Diversified Gas and Oil, who announced a share placing at 80p to purchase Alliance Petroleum and some additional wells in the Appalachian region. These acquisitions are co-located to Diversified's existing assets, will more than double their production and are in-line with their stated objective to acquire additional low-cost production assets. On the downside, Galliford Try fell after announcing a capital raising which was needed as a result of a JV with Carillion. This was particularly unfortunate as their underlying housebuilding business performed very well. UP Global Sourcing was weak as it announced ongoing challenges in the general merchandise retail market, combined with a change of terms with one of its key customers. Finally, Gattaca released a profit warning due to continued challenges in its UK Technology business. We added to a number of our holdings including BCA Marketplace, N Brown, DFS, Go-Ahead, Marston's and Saga.

## Annual Returns % (GBP)

28/02/2018

	2018	2017	2016	2015	2014	2013	2012	2011
<b>Share Price</b> Ordinary Shares	-6.33	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
<b>Share Price</b> Morningstar Investment Trust UK Equity Income	-6.17	24.41	4.96	24.80	4.82	56.76	38.34	-10.09
<b>NAV</b>	-5.13	12.65	6.78	23.05	-4.58	54.62	36.46	-13.94
<b>NAV</b> Morningstar Investment Trust UK Equity Income	-5.65	12.80	10.18	16.06	-1.11	43.43	28.41	-10.65

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
<b>Subtotal</b>	<b>4.04</b>	<b>7.95</b>	<b>7.50</b>	<b>7.125</b>	<b>6.825</b>	<b>6.60</b>	<b>6.40</b>
% increase		6.0	5.3	4.4	3.4	3.1	3.2
Special dividend		1.86	1.60	0.300	2.750	N/A	N/A
<b>TOTAL</b>	<b>4.04</b>	<b>9.81</b>	<b>9.10</b>	<b>7.425</b>	<b>9.575</b>	<b>6.60</b>	<b>6.40</b>

The Key Information Document ("KID") is available on the Chelverton website - [www.chelvertonam.com](http://www.chelvertonam.com)

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**Directors**

**The Rt Hon. the Lord Lamont of Lerwick**  
Chairman

**David Harris**

**William van Heesewijk**

**Howard Myles**

**Calendar**

<b>Year End</b>	30 April
<b>AGM</b>	September
<b>Dividends (Declared)</b>	March, June, September, December

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

**Price Information**

	ZDP	ORDS
<b>Reuters</b>	SDVP.L	SDV.L
<b>SEDOL</b>	BZ7MQD8	0661582
<b>Market Makers</b>	Canaccord, 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	2.80%
StatPro Group	Support Services	2.54%
DiscoverIE Group	Electronic & Electrical Equipment	2.41%
Marston's	Leisure, Entertainment & Hotels	2.05%
Alumasc Group (The)	Construction & Building Materials	2.03%
De La Rue	Support Services	1.95%
McColl's Retail	General Retailers	1.93%
Randall & Quilter	Insurance	1.91%
Jarvis Securities	Speciality & Other Finance	1.88%
Belvoir Lettings	Real Estate	1.85%
Amino Technologies	Information Technology Hardware	1.82%
Mucklow (A&J) Group	Real Estate	1.81%
Curtis Banks Group	Financials	1.78%
Dairy Crest Group	Consumer Goods	1.75%
Ramsdens Holdings	General Retailers	1.70%
Numis Corporation	Financials	1.67%
Kier Group	Industrials	1.64%
BCA Marketplace	Industrials	1.57%
Shoe Zone	General Retailers	1.54%
Braemar Shipping Services	Support Services	1.53%
<b>Total</b>		<b>38.16%</b>

**Sector Breakdown**

Sector	% of portfolio
Financials	18.51%
Support Services	15.29%
Construction & Building Materials	11.09%
General Retailers	7.59%
Industrials	4.35%
Electronic & Electrical Equipment	4.62%
Technology	4.46%
Insurance	4.02%
Media & Photography	3.94%
Leisure, Entertainment & Hotels	3.86%
Real Estate	3.79%
Housing Goods & Textiles	3.76%
Oil & Gas	3.27%
Food Producers & Processors	2.22%
Consumer Goods	1.75%
Transport	1.80%
Health	1.33%
Packaging	1.32%
Automobiles	1.04%
Telecommunications Services	1.22%
Restaurant Pubs & Breweries	0.77%
	100.00%

**Market Cap Breakdown**

% of portfolio	No of stocks
Above £1bn	4
£500m-£1bn	15
£250m-£500m	12
£100m-£250m	19
Below £100m	26
Cash and Income	0
<b>Total</b>	<b>76</b>

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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