

Monthly Fact Sheet
31 January 2019

Launch Date	12 May 1999
Gross Assets	£ 57.59 m
Net Assets	£ 42.44 m*
Bank Debt	£ nil
Dividend Yield	4.93%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	109.50p	192.00p
NAV (price per share)	104.49p	203.56p*
Premium/ (Discount) to NAV	4.80%	(5.68)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 31/01/2019

**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 Chelverton UK 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 UK Dividend Trust PLC

(Formerly 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, having provided a capital return sufficient to repay the full final capital entitlement of the Zero Dividend Preference shares issued by the wholly owned subsidiary company SDV ZDP 2025 PLC.

The Company's investment policy is that:

- The Company will invest in equities in order to achieve its investment objectives, which are to provide both income and capital growth, predominantly through investment in mid and smaller capitalised UK companies admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange Main Market or traded on AIM.
- The Company will not invest in preference shares, loan stock or notes, convertible securities or fixed interest securities or any similar securities convertible into shares; nor will it invest in the securities of other investment trusts or in unquoted companies.

Monthly Manager Commentary

After a particularly difficult few months, we started the new year on a more positive note. In the US, the Fed appeared to adopt a more 'dovish' stance which helped market sentiment although at the same time there were increased fears with respect to a slowing Eurozone economy. At home, high employment levels and rising real wages underpinned a resilient economy but both business and consumer confidence indicators were in decline. The raft of UK Christmas retail trading statements were generally poor with the blame being apportioned between the 'Brexit' effect, the weather and rising costs. Ironically, two of our best contributors to performance in the month were DFS and Shoe Zone, both domestic retailers. Commentators are starting to highlight the relatively attractive valuations of a wide range of UK equities based on historic comparisons and the fact that fund managers are believed to be generally underweight in UK equities as an asset class. Whilst this should provide some support, it is still the case that at the margin corporate earnings downgrades outnumber upgrades across all market cap size bands which is acting as a headwind with respect to short term momentum.

The best performers in the fund in the last month were skewed towards our domestic earners and included UP Global Sourcing, Dairy Crest, Crest Nicholson and Go-Ahead. Kier also bounced after its recent rights issue. On the negative side, Personal Group fell as it highlighted a cautious outlook for the coming year.

Interestingly, it is noticeable within our small and mid-cap universe that we can now access non-UK earnings at similar levels of valuation to domestic earners which has not been the case for some time. We will inevitably remain predominantly a UK centric portfolio with respect to underlying corporate earnings, but we believe it to be in our best long-term interest to have the opportunity to add some geographic diversity to our underlying cash flows where we can and will continue to evaluate these opportunities.

Annual Returns % (GBP)

31/01/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	12.45	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	7.13	-24.50	24.41	4.96	24.80	4.82	56.76	38.34	-10.09
NAV	5.56	-10.16	12.65	6.78	23.05	-4.58	54.62	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	5.35	-11.92	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

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
	p	p	p	p	p	p	p
First interim	2.19	2.02	1.85	1.70	1.575	1.475	1.40
Second interim	2.19	2.02	1.85	1.70	1.575	1.475	1.40
Third interim	-	2.02	1.85	1.70	1.575	1.475	1.40
Fourth interim	-	2.40	2.40	2.40	2.40	2.40	2.40
Subtotal	4.38	8.46	7.95	7.50	7.125	6.825	6.60
% increase	-	6.4	6.0	5.3	4.4	3.4	3.1
Special dividend	-	0.66	1.86	1.60	0.300	2.750	N/A
TOTAL	4.38	9.12	9.81	9.10	7.425	9.575	6.60

The Key Information Document ("KID") is available on the Chelverton website - www.chelvertonam.com

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Directors

The Rt Hon. the Lord Lamont of Lerwick
Chairman

Andrew Watkins

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

	<i>ZDP</i>	<i>ORDS</i>
Reuters	SDVP.L	SDV.L
SEDOL	BZ7MQD8	0661582
Market Makers	Canaccord, Numis, Winterflood, Stockdale	

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Chelverton UK Dividend Trust PLC

(Formerly Chelverton Small Companies Dividend Trust plc)

Top Twenty Holdings

Holding	Sector	% of portfolio
Diversified Gas & Oil	Oil and Gas	3.62%
UP Global Sourcing Holdings	Support Services	2.53%
Shoe Zone (Holdings)	General Retailers	2.41%
Randall & Quilter Investment	Insurance	2.35%
Dairy Crest Group	Consumer Goods	2.32%
Marston's	Leisure, Entertainment & Hotels	2.30%
Kier Group	Leisure, Entertainment & Hotels	2.23%
Mucklow (A&J) Group	Investment Companies	2.16%
DFS Furniture	Housing Goods & Textiles	2.02%
Belvoir Lettings	Real Estate	1.99%
Bloomsbury Publishing	Media & Photography	1.92%
Restaurant Group	Restaurants, Bars and Breweries	1.90%
Galliford Try	Construction & Building Materials	1.85%
De La Rue	Support Services	1.84%
Castings	Construction & Building Materials	1.83%
Crest Nicholson	Construction & Building Materials	1.81%
BCA Marketplace	Speciality & Other Finance	1.75%
Jarvis Securities	Speciality & Other Finance	1.74%
Strix Group	Diversified Industrials	1.72%
Alumasc Group (The)	Construction & Building Materials	1.67%
Total		41.97%

% Income of Top Ten Holdings

24.08%

Sector Breakdown%

Sector%	% of portfolio
Construction & Building Materials	18.31%
Financials	14.22%
Industrials	10.92%
Support Services	8.66%
General Retailers	7.64%
Insurance	6.29%
Real Estate	6.24%
Oil & Gas	4.68%
Technology	3.27%
Media & Photography	3.26%
Leisure, Entertainment & Hotels	3.03%
Transport	2.96%
Housing Goods & Textiles	2.66%
Consumer Goods	2.32%
Restaurant Pubs & Breweries	1.90%
Automobiles	1.29%
Telecommunications Services	0.90%
Packaging	0.75%
Electronic & Electrical Equipment	0.70%
	100.00%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	3.98%	3
£500m-£1bn	24.66%	14
£250m-£500m	17.15%	12
£100m-£250m	20.52%	14
Below £100m	33.34%	32
Cash and Income	0.35%	0
Total	100.00%	75

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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