

Monthly Fact Sheet
28 February 2019

Launch Date	12 May 1999
Gross Assets	£ 58.0 m
Net Assets	£ 42.8 m*
Bank Debt	£ nil
Dividend Yield	4.7%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	110.00p	178.00p
NAV (price per share)	104.80p	205.19p*
Premium/ (Discount) to NAV	4.96%	(10.82)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 28/02/2019

**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

More of the same last month as stock markets continued to be subject to short term swings in investor sentiment which were driven by 'noise' surrounding the two major macro issues of tariff wars on a global basis and Brexit on a domestic one. For a brief moment the threat of a Euro zone recession threatened to add to investors concerns but it appears that a change of direction by the ECB has prevented this and on a positive note the domestic economy continues to be resilient. At the time of writing we appear to be no nearer to getting clarity on the outcome of Brexit and this continues to weigh on the valuations of UK centric equities and small and mid-caps generally. The raft of corporate results has in aggregate, we believe, been supportive of current valuations but for a sustained improvement in ratings we need to see a sensible outcome with respect to Brexit or corporate earnings upgrades. The former should help to deliver the latter.

In terms of performance last month, the most significant contributor was Dairy Crest which was subject to an agreed cash offer from Canadian dairy company Saputo and we have since sold part of our holding. Other strong performers included Go Ahead and RPS. On the downside, Restaurant Group reacted poorly to news of the CEO's departure, and Amino sold off after reporting challenging macro headwinds for its IPTV solutions. We took some profit in BCA Marketplace and UP Global Sourcing and supported the fund raising in Low and Bonar and Randall and Quilter, and added to our XP Power holding on weakness. For our portfolio, corporate results so far have generally been in line with expectations although it is noticeable that where they have come up short valuations still tend to overreact on the downside. Pleasingly dividend payments remain robust.

Annual Returns % (GBP)

28/02/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	7.17	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	7.99	-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	8.58	-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	2.19	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	6.57	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	6.57	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	3.50%
Dairy Crest	Consumer Goods	3.01%
Marston's	Leisure, Entertainment & Hotels	2.40%
Kier Group	Leisure, Entertainment & Hotels	2.26%
Shoe Zone	General Retailers	2.22%
Mucklow (A&J) Group	Investment Companies	2.13%
UP Global Sourcing	Support Services	2.11%
Randall & Quilter Investment	Insurance	2.09%
Belvoir Lettings	Real Estate	2.02%
DFS Furniture	Housing Goods & Textiles	1.98%
Galliford Try	Construction & Building Materials	1.93%
Strix Group	Diversified Industrials	1.91%
Crest Nicholson	Construction & Building Materials	1.87%
De La Rue	Support Services	1.84%
Bloomsbury Publishing	Media & Photography	1.80%
Jarvis Securities	Speciality & Other Finance	1.80%
Go-Ahead Group	Transport	1.77%
Castings	Construction & Building Materials	1.69%
Alumasc	Construction & Building Materials	1.64%
T Clarke	Electronic & Electrical Equipment	1.63%
Total		41.59%

% Income of Top Ten Holdings

24%

Sector Breakdown%

Sector%	% of portfolio
Support Services	14.6%
Construction & Building Materials	13.9%
Investment Companies	8.1%
Speciality & Other Finance	7.2%
Insurance	5.8%
General Retailers	5.6%
Leisure, Entertainment & Hotels	5.3%
Media & Photography	4.7%
Oil and Gas	4.5%
Housing Goods & Textiles	4.0%
Real Estate	3.7%
Consumer Goods	3.0%
Electronic & Electrical Equipment	2.7%
Transport	2.3%
Software & Computer Services	2.2%
Engineering & Machinery	1.9%
Diversified Industrials	1.9%
Restaurants, Bars and Breweries	1.6%
Automobiles	1.3%
Health	1.1%
Food Producers & Processors	1.1%
Telecommunications Services	0.9%
Industrials	0.8%
Information Technology Hardware	0.8%
Packaging	0.8%
	100.00%

Source: Chelverton Asset Management Limited

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	4
£500m-£1bn	12
£250m-£500m	14
£100m-£250m	15
Below £100m	28
Cash and Income	0
Total	73

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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