

Monthly Fact Sheet 31 March 2019

Launch Date	12 May 1999
Gross Assets	£ 57.4 m
Net Assets	£ 42.2 m*
Bank Debt	£ nil
Dividend Yield	4.8%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	109.50p	178.50p
NAV (price per share)	105.15p	202.20p*
Premium/ (Discount) to NAV	4.14%	(11.72)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 31/03/2019

**calculation includes last four dividends and special dividend divided by the NAV per share

***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

The good news since the turn of the year is that the UK equity market has started to recover despite the outcome of Brexit still being unclear, although the balance of probability is now for a 'softer' outcome. The domestic economy has remained resilient as real wages rise and household spending holds up well, but it is fair to note that company investment has been adversely impacted by the prolonged political uncertainty. More importantly for us, corporate earnings have remained robust throughout the busy first quarter reporting season and this has helped to focus investors' attention on the value inherent in some UK centric equities. Global asset allocators, however, still appear to continue to lack enthusiasm for our market and we believe that we need a combination of 'top down' calm and 'bottom up' earnings growth for a more sustained rally in share prices.

Interestingly, our top contributor in the first quarter was Dairy Crest, which was the subject of an agreed cash offer, suggesting that corporate activity may be about to pick up. Other top performers included UP Global Sourcing, T Clarke and DFS which are all predominantly domestic earners and RPS and Diversified Gas and Oil, which are substantial overseas earners. On the downside, the fund suffered from a profit warning from Coral Products as they saw reduced automotive business and delayed deliveries to a major client and a warning from Chamberlin, on tougher trading conditions. Other fallers included Restaurant Group and Kier, which continued to fall after recent fund raisings, and Amino Technologies and Braemar Shipping. Overall in Q1 2019, small caps have underperformed both mid caps and FTSE 100 companies. Within our universe we have continued to add to both domestic and overseas earners as we see value in both at current levels, and have continued to trim the holdings of some of our better performers.

Annual Returns % (GBP)

31/03/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	5.76	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	7.55	-24.50	24.41	4.96	24.80	4.82	56.76	38.34	-10.09
NAV	7.60	-10.16	12.65	6.78	23.05	-4.58	54.62	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	10.87	-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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31 March 2019

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

<i> Holding </i>	<i> Sector </i>	<i> % of portfolio </i>
Diversified Gas & Oil	Oil and Gas	4.06%
Marston's	Leisure, Entertainment & Hotels	2.51%
Randall & Quilter	Insurance	2.31%
Shoe Zone	General Retailers	2.23%
Mucklow (A&J)	Investment Companies	2.21%
DFS Furniture	Housing Goods & Textiles	2.19%
Dairy Crest	Consumer Goods	2.17%
UP Global Sourcing	Support Services	2.16%
Belvoir Lettings	Real Estate	2.10%
Strix Group	Diversified Industrials	1.94%
T Clarke	Electronic & Electrical Equipment	1.89%
Bloomsbury Publishing	Media & Photography	1.80%
Crest Nicholson	Construction & Building Materials	1.78%
Galliford Try	Construction & Building Materials	1.75%
Go-Ahead	Transport	1.71%
De La Rue	Support Services	1.69%
Park Group	Speciality & Other Finance	1.66%
Castings	Construction & Building Materials	1.65%
Jarvis Securities	Speciality & Other Finance	1.65%
Essentra	Construction & Building Materials	1.63%
Total		41.08%

% Income of Top Ten Holdings

24%

Sector Breakdown%

<i> Sector% </i>	<i> % of portfolio </i>
Support Services	14.5%
Construction & Building Materials	13.1%
Investment Companies	8.4%
Speciality & Other Finance	7.1%
Insurance	6.1%
General Retailers	6.0%
Oil and Gas	5.2%
Leisure, Entertainment & Hotels	4.7%
Media & Photography	4.7%
Real Estate	4.1%
Housing Goods & Textiles	4.1%
Electronic & Electrical Equipment	3.2%
Transport	2.4%
Consumer Goods	2.2%
Software & Computer Services	2.1%
Diversified Industrials	1.9%
Engineering & Machinery	1.7%
Restaurants, Bars and Breweries	1.5%
Health	1.4%
Automobiles	1.3%
Food Producers & Processors	1.1%
Telecommunications Services	0.9%
Information Technology Hardware	0.8%
Industrials	0.8%
Packaging	0.6%
	100.00%

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	<i> % of portfolio </i>	<i> No of stocks </i>
Above £1bn	5.32%	4
£500m-£1bn	23.22%	13
£250m-£500m	20.73%	14
£100m-£250m	19.61%	14
Below £100m	31.13%	28
Cash and Income	0.00%	0
Total	100.00%	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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