

Monthly Fact Sheet 30 April 2019

Launch Date	12 May 1999
Gross Assets	£ 59.9 m
Net Assets	£ 44.6 m*
Bank Debt	£ nil
Dividend Yield	4.5%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	110.00p	173.50p
NAV (price per share)	105.48p	214.14p*
Premium/ (Discount) to NAV	4.28%	(18.98)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 30/04/2019

**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

Against a daily diet of confusion over Brexit, worries over domestic politics and bearish rhetoric with respect to global trade, 'bottom up' corporate news has remained robust. It is generally accepted that UK plc has had the benefit of a short-term inventory build ahead of the original Brexit date and companies that we speak to are currently in the process of deciding whether to run stock levels down or stay as they are. It is fair to say that the jury is currently out on this subject. One other tangible effect of Brexit, deferred corporate spending, shows no sign of being reversed, although as already noted we have seen a pick up in corporate activity. The outperformance of small and mid-cap in the month was partly a result of the underperformance of some of the more defensive large cap sectors. More importantly, however, it does appear that one consequence of the large drawdown at the end of last year is that analyst forecasts for domestic small and mid caps are now generally at realistic levels which leave scope for outperformance.

Our best performer in the last month was UP Global Sourcing, which showed a strong recovery in trading in its first half results. KCOM also performed well, as it was the subject of an agreed cash offer, our second of the year. There was also a strong performance from Randall and Quilter, Flowtech Fluidpower and Restaurant Group. With the funds raised from the Dairy Crest takeover, we started 3 new positions: Babcock, the engineering support services company, Devro, the collagen product specialist, and STV, the Scottish broadcaster. On the downside, we had a profit warning and dividend cut from Saga and Galliford Try continued to suffer problems in its contracting business, this time on a contract for the Queensferry Crossing. Interestingly, despite the resilience of markets, after the recent results season we currently have more potential new holdings that meet our investment and yield criteria than for some time.

Annual Returns % (GBP)

30/04/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	2.80	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	13.90	-24.50	24.41	4.96	24.80	4.82	56.76	38.34	-10.09
NAV	11.15	-10.16	12.65	6.78	23.05	-4.58	54.62	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	14.92	-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

Monthly Fact Sheet
30 April 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	

Contact Us

T	020 7222 8989
E	cam@chelvertonam.com
A	Chelverton Asset Management Limited 20 Ironmonger Lane London EC2V 8EP
W	www.chelvertonam.com

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	3.71%
Randall & Quilter Investment	Insurance	2.60%
Marston's	Leisure, Entertainment & Hotels	2.37%
UP Global Sourcing	Support Services	2.28%
Mucklow (A&J) Group	Investment Companies	2.25%
Belvoir Lettings	Real Estate	2.24%
DFS Furniture	Housing Goods & Textiles	2.10%
Shoe Zone	General Retailers	2.08%
Strix Group	Diversified Industrials	1.99%
De La Rue	Support Services	1.84%
T Clarke	Electronic & Electrical Equipment	1.79%
Bloomsbury Publishing	Media & Photography	1.78%
Crest Nicholson	Construction & Building Materials	1.77%
Restaurant Group	Restaurants, Bars and Breweries	1.76%
Polar Capital	Investment Companies	1.75%
Park Group	Speciality & Other Finance	1.72%
Flowtech Fluidpower	Engineering & Machinery	1.70%
StatPro Group	Support Services	1.70%
Castings	Construction & Building Materials	1.62%
Go-Ahead Group	Transport	1.61%
Total		40.64%

% Income of Top Ten Holdings

24%

Sector Breakdown%

<i> Sector%</i>	<i> % of portfolio</i>
Support Services	15.6%
Construction & Building Materials	12.7%
Investment Companies	8.3%
Speciality & Other Finance	7.0%
Insurance	6.2%
General Retailers	5.9%
Media & Photography	5.4%
Oil and Gas	4.7%
Leisure, Entertainment & Hotels	4.5%
Real Estate	4.3%
Housing Goods & Textiles	3.8%
Electronic & Electrical Equipment	3.1%
Software & Computer Services	2.3%
Transport	2.3%
Engineering & Machinery	2.0%
Diversified Industrials	2.0%
Restaurants, Bars and Breweries	1.8%
Food Producers & Processors	1.7%
Health	1.5%
Automobiles	1.2%
Telecommunications Services	1.2%
Packaging	1.1%
Industrials	0.8%
Information Technology Hardware	0.7%
	100.00%

Market Cap Breakdown

	<i> % of portfolio</i>	<i> No of stocks</i>
Above £1bn	4.77%	4
£500m-£1bn	25.46%	16
£250m-£500m	18.18%	12
£100m-£250m	20.12%	15
Below £100m	31.46%	28
Cash and Income	0.00%	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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