

Monthly Fact Sheet 31 July 2019

Launch Date	12 May 1999
Gross Assets	£ 56.4 m
Net Assets	£ 41.0 m*
Bank Debt	£ nil
Dividend Yield	5.8%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	112.50p	171.00p
NAV (price per share)	106.52p	196.57p*
Premium/ (Discount) to NAV	5.61%	(13.01)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 31/07/2019

**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 announcement that Boris Johnson was to become the next Prime Minister at the end of last month contributed to a sharp fall in Sterling and underperformance of our small and mid cap portfolio compared to large cap peers. Whilst this reflects a well-worn short-term knee jerk reaction that then tends to be gradually reversed, the belief that there is now an increased likelihood of a No Deal Brexit provides further headwinds for our asset class. Commentators are increasingly worrying over the exact mechanism of Brexit, the nature of future trade deals, and the chances of an early General Election with little consensus amongst any of them. Although the 'macro' feels very uncertain, the companies that we invest in have all, in some way or another, shown their ability to adapt to changing surroundings when they have had to. The extent and speed with which they are able to do so obviously differs and this is something that we try to assess. As a generalisation, however, going into a period of potential change with a strong balance sheet and a business that is inherently cash generative should help greatly. Arguably, this is not currently reflected in the gulf in valuation between 'value' and 'growth'.

At the stock level, our poorest performer was De La Rue, after they announced they were the subject of an investigation by the SFO, regarding business conducted in South Sudan. Marston's also detracted from performance as they announced weaker than expected Q3 trading. On a positive note, Shoe Zone, Restaurant Group, Strix, Statpro and Amino all performed well, with no discernible correlation or 'theme' between any of these highlighted stocks. From a trading perspective, we topped up our holdings in Devro, McColl's and Vertu and started a new holding in XPS Pensions, the UK specialist pensions business.

Annual Returns % (GBP)

31/07/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	4.05	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	11.14	-10.20	12.65	6.78	23.05	-4.58	54.62	38.34	-10.09
NAV	4.50	-24.50	4.41	4.96	24.79	4.82	56.76	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	19.45	-1.96	10.86	8.39	8.60	-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	2.40
Subtotal	8.97	8.46	7.95	7.50	7.125	6.825	6.60
% increase	0.06	6.4	6.0	5.3	4.4	3.4	3.1
Special dividend	2.50	0.66	1.86	1.60	0.300	2.750	N/A
TOTAL	11.47	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 July 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 & Gas	3.41%
Marston's	Leisure, Entertainment & Hotels	2.66%
Randall & Quilter Investment	Insurance	2.55%
Belvoir Lettings	Real Estate	2.41%
Shoe Zone	General Retailers	2.20%
Strix Group	Diversified Industrials	2.17%
UP Global Sourcing	General Retailers	2.11%
DFS Furniture	Housing Goods & Textiles	2.11%
StatPro Group	Support Services	2.06%
Restaurant Group	Restaurants, Pubs & Breweries	1.99%
Castings	Engineering & Machinery	1.96%
BCA Marketplace	Industrials	1.93%
Go-Ahead Group	Transport	1.90%
Bloomsbury Publishing	Media & Photography	1.86%
Polar Capital	Investment Companies	1.83%
Crest Nicholson	Construction & Building Materials	1.80%
Flowtech Fluidpower	Industrials	1.79%
Photo-Me International	Support Services	1.78%
Northgate	Automobiles	1.75%
Ramsdens Holdings	Financial Services	1.72%
Total		41.98%

% Income of Top Ten Holdings

23%

Sector Breakdown%

<i> Sector%</i>	<i> % of portfolio</i>
Construction & Building Materials	13.3%
Support Services	10.9%
Speciality & Other Finance	8.6%
General Retailers	7.7%
Real Estate	7.0%
Insurance	6.6%
Industrials	6.6%
Media & Photography	4.5%
Oil & Gas	3.9%
Software & Computer Services	3.6%
Investment Companies	3.4%
Transport	3.3%
Leisure, Entertainment & Hotels	3.2%
Housing Goods & Textiles	2.6%
Automobiles	2.4%
Financial Services	2.3%
Engineering & Machinery	2.3%
Diversified Industrials	2.2%
Restaurants, Pubs & Breweries	2.0%
Electronic & Electrical Equipment	1.1%
Food Producers & Processors	1.1%
Packaging	0.9%
Distributors	0.7%
	100.0%

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	<i> % of portfolio</i>	<i> No of stocks</i>
Above £1bn	5.64%	4
£500m-£1bn	20.19%	11
£250m-£500m	18.21%	13
£100m-£250m	22.67%	17
Below £100m	33.29%	30
Cash and Income	0.00%	0
Total	100.00%	75

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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