

Monthly Fact Sheet
31 August 2019

Launch Date	12 May 1999
Gross Assets	£ 54.1 m
Net Assets	£ 38.6 m*
Bank Debt	£ nil
Dividend Yield	6.3%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	109.00p	163.50p
NAV (price per share)	106.87p	185.31p*
Premium/ (Discount) to NAV	1.99%	(11.77)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 31/08/2019

**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

There was some good news on the domestic front as announcements of increases in public spending and a better than expected July GDP number, led by the services sector, dispelled fears of a UK recession. Brexit continued to dominate the news headlines however and all possible outcomes still appear to be open. This uncertainty continues to influence investor sentiment and short-term share prices and, as a small and mid-cap 'value' fund, we remain firmly in the eye of the storm, almost slavishly following the daily movements in Sterling up or down. We remain convinced however that almost irrespective of the outcome, the companies that we invest in are largely resilient and will be able to adapt to the new threats and opportunities as we finally reach a resolution. A more long-term concern would be a protracted Global trade war that undermined economic growth, and some of the more bearish commentators are now starting to build this into forecasts. The good news remains the level of dividend that our investments are consistently able to pay us in a world where it is proving increasingly difficult to find positive real yields.

At the stock level our best performer was Marston's, impacted by corporate activity in the sector. Another strong performer was Sanderson, subject to a recommended cash offer. There continues to be a trend of private equity or overseas investors buying undervalued UK small and mid-cap assets, as prices are depressed by Brexit worries and Sterling is relatively weak. History suggests that if the corporate activity continues, as we believe it will, acquisition valuations will rise as investors have a growing tendency to hold out for higher prices. Kier and XP Power also performed well in the month. On the downside, Shoe Zone had an earnings downgrade and the fact that the shares fell by substantially more than the downgrade serves to highlight the volatility of domestic earners at the moment. Other fallers included McColl's, UP Global Sourcing and Kin and Carta. We raised money by selling some of our Sanderson holding, using the funds raised to add to STV, GVC, Essentra and Crest Nicholson.

Annual Returns % (GBP)

31/08/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	-0.52	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	6.44	-10.20	12.65	6.78	23.05	-4.58	54.62	38.34	-10.09
NAV	1.00	-24.50	4.41	4.96	24.79	4.82	56.76	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	14.67	-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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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	3.44%
Marston's	Leisure, Entertainment & Hotels	3.30%
Randall & Quilter Investment	Insurance	2.42%
Belvoir Lettings	Real Estate	2.38%
StatPro Group	Support Services	2.23%
Strix Group	Diversified Industrials	2.11%
Restaurant Group	Restaurants, Pubs & Breweries	2.08%
DFS Furniture	Housing Goods & Textiles	2.01%
BCA Marketplace	Industrials	2.01%
Bloomsbury Publishing	Media & Photography	1.94%
Crest Nicholson	Construction & Building Materials	1.93%
Go-Ahead Group	Transport	1.92%
Castings	Engineering & Machinery	1.91%
UP Global Sourcing	General Retailers	1.89%
Essentra	Construction & Building Materials	1.86%
Photo-Me International	Support Services	1.85%
Northgate	Automobiles	1.79%
Ramsdens Holdings	Financial Services	1.76%
Jarvis Securities	Speciality & Other Finance	1.73%
Flowtech Fluidpower	Industrials	1.72%
Total		42.29%

Income of the Top Ten Holdings

22%

Price Earnings Ratio of the Portfolio as at 30/06/2019

9.5

Sector Breakdown%

<i> Sector%</i>	<i> % of portfolio</i>
Construction & Building Materials	14.0%
Support Services	11.1%
Speciality & Other Finance	8.6%
Real Estate	6.9%
Industrials	6.4%
Insurance	6.3%
General Retailers	6.3%
Media & Photography	4.8%
Leisure, Entertainment & Hotels	3.9%
Oil & Gas	3.9%
Software & Computer Services	3.5%
Transport	3.4%
Investment Companies	3.3%
Housing Goods & Textiles	2.5%
Automobiles	2.4%
Financial Services	2.3%
Engineering & Machinery	2.2%
Diversified Industrials	2.1%
Restaurants, Pubs & Breweries	2.1%
Electronic & Electrical Equipment	1.3%
Food Producers & Processors	1.1%
Packaging	1.0%
Distributors	0.6%
	100.0%

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	<i> % of portfolio</i>	<i> No of stocks</i>
Above £1bn	6.32%	4
£500m-£1bn	17.32%	9
£250m-£500m	20.80%	14
£100m-£250m	20.98%	17
Below £100m	34.59%	31
Cash and Income	0.00%	0
Total	100.00%	

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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