

Monthly Fact Sheet 30 September 2019

Launch Date	12 May 1999
Gross Assets	£ 56.0 m
Net Assets	£ 40.4 m*
Bank Debt	£ nil
Dividend Yield	6.0%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	108.50p	171.50p
NAV (price per share)	107.21p	193.84p*
Premium/ (Discount) to NAV	1.20%	(11.52)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 30/09/2019

**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 relative performance of our UK facing investments continues to be largely driven by an almost slavish adherence to Brexit sentiment and short term movements in Sterling. Hopefully, however, the current state of uncertainty will soon be addressed, at which point investors and the companies that we invest in can start to take a longer term view of corporate prospects. However, never has the phrase 'a day is a long time in politics' seemed more apposite. Consensus at the moment seems to be that we will leave with some sort of deal which would be good for Sterling and the UK centric stocks that we invest in and should start a period of capital investment 'catch up'. Whatever the Brexit outcome, Global trade remains a formidable short-term headwind and we expect a raft of earnings downgrades, particularly from industrials, as we get closer to the year end. As ever we expect this to present a number of attractive opportunities to add good quality stocks to our portfolio.

At the stock level, the uptick in corporate activity continued with an agreed cash offer for Low & Bonar and Statpro, which were our best performing stocks this month as a result. We sold our Statpro holding post-offer, and received the proceeds from the Sanderson bid. We then reinvested the proceeds into Devro, Chesnara, Shoe Zone and McColl's, amongst others. We also started a new position in Close Brothers. Flowtech Fluidpower and Coral Products detracted from performance in the month.

We expect the widely reported increase in overseas and private equity corporate activity to continue as UK companies remain attractive on a cash flow basis. We reiterate our hope that take-over valuations start to increase and ultimately more fully reflect long term prospects rather than short term disinterest.

Annual Returns % (GBP)

30/09/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	5.85	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	10.44	-10.20	12.65	6.78	23.05	-4.58	54.62	38.34	-10.09
NAV	6.98	-24.50	4.41	4.96	24.79	4.82	56.76	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	18.58	-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

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
	p	p	p	p	p	p	p	p
First interim	2.40	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	2.40	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	2.40	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

Monthly Fact Sheet
30 September 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 & Gas	3.60%
Marston's	Leisure, Entertainment & Hotels	3.16%
Randall & Quilter Investment	Insurance	2.80%
Belvoir Lettings	Real Estate	2.30%
Strix Group	Diversified Industrials	2.18%
Crest Nicholson	Construction & Building Materials	2.08%
DFS Furniture	Housing Goods & Textiles	2.02%
Bloomsbury Publishing	Media & Photography	1.98%
Essentra	Construction & Building Materials	1.95%
BCA Marketplace	Industrials	1.93%
UP Global Sourcing	General Retailers	1.90%
Restaurant Group	Restaurants, Pubs & Breweries	1.90%
Castings	Engineering & Machinery	1.87%
Go-Ahead Group	Transport	1.84%
Galliford Try	Construction & Building Materials	1.84%
Northgate	Automobiles	1.81%
Jarvis Securities	Speciality & Other Finance	1.81%
Polar Capital	Investment Companies	1.79%
Photo-Me International	Support Services	1.76%
Ramsdens Holdings	Financial Services	1.74%
Total		42.26%

Income of the Top Ten Holdings

25%

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	14.4%
Speciality & Other Finance	10.8%
Support Services	9.2%
Insurance	7.1%
Real Estate	6.7%
Industrials	6.1%
General Retailers	5.5%
Media & Photography	4.9%
Oil & Gas	3.9%
Leisure, Entertainment & Hotels	3.8%
Investment Companies	3.4%
Transport	3.3%
Financial Services	3.2%
Housing Goods & Textiles	3.1%
Automobiles	2.6%
Software & Computer Services	2.5%
Diversified Industrials	2.2%
Engineering & Machinery	2.1%
Restaurants, Pubs & Breweries	1.9%
Food Producers & Processors	1.4%
Electronic & Electrical Equipment	1.3%
Distributors	0.7%
	100.0%

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	<i> % of portfolio</i>	<i> No of stocks</i>
Above £1bn	7.40%	5
£500m-£1bn	20.18%	11
£250m-£500m	19.71%	12
£100m-£250m	21.16%	17
Below £100m	31.54%	29
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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