

Monthly Fact Sheet
30 November 2019

Launch Date	12 May 1999
Gross Assets	£ 58.1 m
Net Assets	£ 42.4 m*
Bank Debt	£ nil
Dividend Yield	5.8%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	108.00p	190.50p
NAV (price per share)	107.91p	203.45p*
Premium/ (Discount) to NAV	0.08%	(6.37)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 30/11/2019

**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 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

Another unexpected election result, but one which this time has largely been treated with a combination of relief and enthusiasm by the market. It should, for the first time since the Brexit referendum, enable the companies that we hold in the Fund to do what they do best i.e. invest for the future as there is no doubt that Brexit uncertainty has held back corporate spending. For corporate UK, the real frustration of the last couple of years has not been 'leave' or 'remain' but an inability to plan ahead with any certainty. Although negotiations with our European partners will not be plain sailing, importantly the direction of travel is now clear. Consensus estimates suggest a pick-up in overseas investment into the UK, a stronger Sterling helping to mitigate inflation rises and the recent improving trend for real wage growth to continue, all of which should be reflected in improving business and consumer confidence. With the attraction of the UK to global investors increasing, attention will now shift more firmly towards the US and the global trade issues which coincidentally appear to have improved as well.

We have seen the inevitable post-election bounce in UK equities as investors have chased the domestic earners in particular, which is a relative strength of our fund. Time will tell us how sustainable this new-found investment is but the attraction of UK equities has certainly increased since last week, and we believe that we will continue to see bids for UK companies from both overseas competitors and private equity for the foreseeable future. Looking forward to next year, the IPO market should pick up dramatically in the first quarter which has historically provided our fund with some attractive opportunities. In the last month we received the monies from the takeover of BCA and have topped up our holdings in Chesnara, Headlam and Tyman with the proceeds. Looking forward to next year whilst we expect to see continued earnings downgrades through the next few months, the hope is that increased domestic private and public activity can translate into a period of sustained UK GDP and corporate profit upgrades.

Annual Returns % (GBP)

30/11/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	17.57	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	14.78	-10.20	12.65	6.78	23.05	-4.58	54.62	38.34	-10.09
NAV	12.28	-24.50	4.41	4.96	24.79	4.82	56.76	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	20.14	-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	2.40	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	4.80	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	4.80	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	3.16%
Marston's	Leisure, Entertainment & Hotels	3.13%
Randall & Quilter	Insurance	2.75%
Belvoir Lettings	Real Estate	2.58%
Strix Group	Diversified Industrials	2.25%
UP Global Sourcing	General Retailers	2.23%
Bloomsbury Publishing	Media & Photography	2.12%
DFS Furniture	Housing Goods & Textiles	2.06%
Crest Nicholson	Construction & Building Materials	2.02%
Galliford Try	Construction & Building Materials	1.92%
Go-Ahead Group	Transport	1.91%
Restaurant Group	Restaurants, Pubs & Breweries	1.90%
Castings	Engineering & Machinery	1.89%
Essentra	Construction & Building Materials	1.84%
Murgitroyd Group	Industrials	1.74%
Polar Capital	Investment Companies	1.72%
Jarvis Securities	Speciality & Other Finance	1.69%
Ramsdens Holdings	Financial Services	1.69%
STV	Media & Photography	1.68%
Shoe Zone	General Retailers	1.66%
Total		41.93%

Income of the Top Ten Holdings

26%

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	16.2%
Support Services	8.7%
Speciality & Other Finance	8.4%
Real Estate	7.6%
Insurance	7.1%
General Retailers	7.0%
Media & Photography	4.8%
Industrials	4.0%
Financial Services	3.9%
Leisure, Entertainment & Hotels	3.7%
Oil & Gas	3.4%
Investment Companies	3.2%
Transport	3.2%
Housing Goods & Textiles	3.0%
Automobiles	2.7%
Software & Computer Services	2.5%
Diversified Industrials	2.2%
Engineering & Machinery	2.1%
Restaurants, Pubs & Breweries	1.9%
Electronic & Electrical Equipment	1.5%
Food Producers & Processors	1.1%
Packaging	1.1%
Distributors	0.6%
	100.0%

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	<i> % of portfolio</i>	<i> No of stocks</i>
Above £1bn	7.54%	5
£500m-£1bn	22.11%	12
£250m-£500m	20.20%	13
£100m-£250m	19.35%	15
Below £100m	30.80%	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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