

Monthly Fact Sheet
29 February 2020

Launch Date	12 May 1999
Gross Assets	£ 53.6 m
Net Assets	£ 37.8 m*
Bank Debt	£ nil
Dividend Yield	6.6%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	111.50p	160.00p
NAV (price per share)	108.96p	181.18p*
Premium/ (Discount) to NAV	2.33%	(11.69)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 29/02/2020

**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

At the time of writing events are moving very fast and the environment for both the market and real economy is extremely unpredictable. I will therefore highlight those stocks which have fallen in excess of 20% through February and early March.

As a generalisation, our slightly more indebted mid-caps appear to have been in the firing line. Many of our UK centric consumer stocks fell as feedback from the high street in February and into March was increasingly poor and investors worried about pubs and restaurants being forced to close, whilst the poor weather was a further adverse influence. Saga and Go Ahead were impacted as travel has been restricted both on a domestic and an international level.

In specific holdings, N. Brown warned on an FCA ruling with respect to its credit book and Restaurant Group decided to suspend its dividend. Fund management groups (including Polar and Premier Miton) fell given their market exposure. Amongst Industrials, Essentra, Flowtech Fluidpower and Tyman fell as investors were concerned about indebtedness and the potential for a global recession. While the majority of our companies which have reported so far have been in-line with expectations, Boards and management teams are struggling to accurately quantify the potential impact from the COVID-19 virus. Given this backdrop we have seen a growing trend for companies to suspend dividend payments in order to conserve cash through the crisis.

Developments in early March have been considerably worse. Very substantial market falls have been seen, initially reacting to the rapid fall in the oil price, but more recently driven further downwards by the escalation of the virus. With governments closing borders and putting citizens into lockdown the probability of a global economic recession increases daily. As in all times of great uncertainty, share prices have gravitated to the worst bear case and we have seen this in most of the holdings in our fund. Our response is to try to forecast three months ahead assuming no one drinks in pubs, goes to restaurants, travels on buses etc. and determine worst case outcomes for individual companies. The unknown is whether banks will then call in loans that may be in short term breach and a number of stocks are currently being priced as though they will. The one positive note out of this whole dreadful situation is the determination of Governments to avoid recession and to keep economies and companies afloat.

Annual Returns % (GBP)

29/02/2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	-25.06	33.39	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	-13.38	22.53	-10.20	12.65	6.78	23.05	-4.58	54.62	38.34	-10.09
NAV	-19.26	25.31	-24.50	4.41	4.96	24.79	4.82	56.76	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	-10.35	26.02	-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		6.00	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

Monthly Fact Sheet
29 February 2020

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>
Belvoir Lettings	Real Estate	2.75%
Diversified Gas & Oil	Oil & Gas	2.71%
Crest Nicholson	Construction & Building Materials	2.57%
Randall & Quilter Investment	Insurance	2.39%
Marston's	Leisure, Entertainment & Hotels	2.39%
Vistry	Construction & Building Materials	2.08%
DFS Furniture	Housing Goods & Textiles	2.07%
Castings	Engineering & Machinery	2.07%
STV	Media & Photography	1.99%
Flowtech Fluidpower	Engineering & Machinery	1.98%
Severfield	Construction & Building Materials	1.96%
Alumasc	Construction & Building Materials	1.95%
Strix Group	Diversified Industrials	1.92%
Shoe Zone	General Retailers	1.91%
Headlam Group	Construction & Building Materials	1.91%
Go-Ahead Group	Transport	1.84%
Bloomsbury Publishing	Media & Photography	1.83%
UP Global Sourcing	General Retailers	1.79%
Ramsdens Holdings	Financial Services	1.77%
Jarvis Securities	Speciality & Other Finance	1.77%
Total		41.65%

Income of the Top Ten Holdings

27%

Price Earnings Ratio of the Portfolio as at 02/01/2020

11.5

Sector Breakdown%

<i> Sector%</i>	<i> % of portfolio</i>
Construction & Building Materials	18.6%
Speciality & Other Finance	9.5%
Support Services	8.9%
Insurance	7.0%
Real Estate	7.0%
Media & Photography	5.0%
General Retailers	4.5%
Investment Companies	4.3%
Engineering & Machinery	4.2%
Financial Services	3.9%
Housing Goods & Textiles	3.9%
Software & Computer Services	3.1%
Transport	3.0%
Leisure, Entertainment & Hotels	3.0%
Oil & Gas	2.7%
Automobiles	2.6%
Electronic & Electrical Equipment	2.0%
Diversified Industrials	1.9%
Food Producers & Processors	1.7%
Restaurants, Pubs & Breweries	1.5%
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	8.47%	5
£500m-£1bn	18.55%	11
£250m-£500m	21.87%	14
£100m-£250m	20.65%	16
Below £100m	30.46%	30
Cash and Income	0.00%	0
Total	100.00%	76

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

The information contained in this document has been obtained from sources that Chelverton Asset Management ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy and completeness of the information provided, and therefore no investment decision should be based solely on this data.

This document is issued by CAM, authorised and regulated by the Financial Conduct Authority (FCA). This document does not represent a recommendation by CAM to purchase shares in this Trust. We recommend private investors seek the services of a Financial Adviser.