

Monthly Factsheet
31 January 2021

Launch Date	12 May 1999
Gross Assets	£52.2m
Net Assets	£35.9m*
Bank Debt	£nil
Core Dividend Yield	5.7%**
Yield incl Special	5.7%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	112.50p	166.50p
NAV (Price per share)	112.94p	172.05p*
Premium / (Discount to NAV)	(0.39)%	(3.23)%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 31/01/2021

**calculation includes last four dividends divided by the NAV per share

***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.



Oliver Knott joined Chelverton Asset Management in January 2020 as an Assistant Fund Manager. He has extensive experience in UK small and mid cap equities having joined Brewin Dolphin as a generalist salesman after graduating from the University of Essex with a 1st class honours degree in Politics, Philosophy and Economics. Prior to joining Chelverton, he worked

as an equity analyst for N+1 Singer, in their highly respected technology research franchise. Oliver is a CFA Charterholder.

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

After a positive first week, the market gave up its early gains as the rest of the month was dominated by the vaccine row with the EU and increased fears over mutant virus strains culminating in the adoption of a new UK quarantine regime. The relative success of the domestic vaccine roll-out continues to underpin recovery hopes for our UK centric stocks although the lack of a roadmap out of the current lockdown continues to cause uncertainty as to timing. As a result, analysts attention continues to focus on monthly cash burn for those stocks most affected by the lockdown such as pub groups and restaurants. The bulls are hopeful that there has been a shift by the government towards a policy of under promise and over deliver, something that we always encourage in the companies we invest in. Whilst the relaxation of restrictions remains a moveable feast, the market still appears to be happy to look through the short-term issues to a more normalised future. With the resolution of the trade deal with the EU and the relatively poor performance of the domestic equity market last year, UK analysts are increasingly highlighting the scope for corporate activity and it is interesting to note that towards month end we had an approach for our holding in Marston's from private equity. We expect to see more of this as the year progresses.

Our top positive contributors to performance last month were spread across a wide range of industries but the common theme running through most was a recovery in trading. Devro and Headlam announced that figures would come in at the top end of expectations and Headlam also confirmed that they would resume dividend payments earlier than forecast. STV, Bloomsbury and Belvoir released trading statements guiding to numbers ahead of market estimates with Belvoir demonstrating the resilience of its franchise model and Bloomsbury benefitting from the growth in reading of printed books through the pandemic. We believe that this combination of positive earnings momentum alongside reinstatement of dividends will be a powerful driver of performance for those companies that can achieve it. The negative contributors in the month were a bit of a mixed bag and included Shoe Zone, Revolution Bars, Redde Northgate on increased lockdown fears and Polar Capital, over worries about the earnings exposure to its technology funds.

Annual Returns % GBP

31/01/2021

	2021*	2020*	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price											
Ordinary Shares	3.42	-16.50	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	-2.22	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
NAV	2.56	-15.97	25.31	-24.50	24.37	4.96	24.79	4.82	56.76	36.46	-13.94
NAV											
Morningstar Investment Trust UK Equity Income	-1.08	-7.78	25.75	-5.81	11.15	8.39	8.60	3.66	30.61	17.30	-2.30

Source: Chelverton Asset Management Limited and Morningstar

Past performance is not a guide to future results

*Year to date

Dividend History

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
	P	P	P	P	P	P	P	P	P
First interim	2.50	2.40	2.19	2.02	1.85	1.70	1.575	1.475	1.40
Second interim	2.50	2.40	2.19	2.02	1.85	1.70	1.575	1.475	1.40
Third interim		2.40	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	2.40
Subtotal	5.00	9.60	8.97	8.46	7.95	7.50	7.125	6.825	6.60
% increase		7.0	6.00	6.40	6.00	5.30	4.40	3.40	3.10
Special dividend		N/A	2.50	0.66	1.86	1.60	0.30	2.75	N/A
TOTAL	5.00	9.60	11.47	9.12	9.81	9.10	7.425	9.575	6.60

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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%

Charge to Capital Management Fee and Bank Interest (75% to Capital; 25% to Revenue)

Price Information

	ZDP	ORDS
Reuters	SDVP.L	SDV.L
SEDOL	BZ7MQD8	0661582
Market Makers	Canaccord Numis Shore Capital Winterflood	

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Chelverton UK Dividend Trust plc

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Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	3.62%
Diversified Gas & Oil	Oil & Gas	3.31%
UP Global Sourcing	Personal & Household Goods	3.04%
Randall & Quilter	Insurance	2.96%
Marston's	Travel & Leisure	2.76%
MTI Wireless Edge	Technology	2.66%
Alumasc	Construction & Materials	2.44%
STV	Media	2.25%
Tyman	Construction & Materials	1.99%
Devro	Food & Beverage	1.96%
Flowtech Fluidpower	Industrial Goods & Services	1.95%
Jarvis Securities	Financial Services	1.92%
Crest Nicholson	Personal & Household Goods	1.86%
DFS Furniture	Retail	1.86%
N Brown Group	Retail	1.78%
Castings	Industrial Goods & Services	1.75%
Bloomsbury Publishing	Media	1.72%
Chesnara	Insurance	1.72%
Epwin Group	Construction & Materials	1.71%
Brewin Dolphin Holdings	Financial Services	1.69%
Total		44.95%

Income of the Top Ten Holdings

30%

Sector Breakdown %

Sector %	% of Portfolio
Industrial Goods & Services	18.2%
Financial Services	15.6%
Personal & Household Goods	9.6%
Construction & Materials	8.0%
Insurance	8.0%
Real Estate	7.7%
Retail	7.0%
Travel & Leisure	6.3%
Media	6.1%
Technology	4.3%
Food & Beverage	3.7%
Oil & Gas	3.3%
Banks	1.4%
Utilities	1.0%
Total	100.0%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	4.60%	4
£500m - £1bn	20.09%	11
£250m - £500m	18.45%	13
£100m - £250m	20.25%	15
Below £100m	36.61%	32
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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