

Monthly Factsheet  
31 March 2021

<b>Launch Date</b>	12 May 1999
<b>Gross Assets</b>	£59.8m
<b>Net Assets</b>	£43.3m*
<b>Bank Debt</b>	£nil
<b>Core Dividend Yield</b>	4.8%**
<b>Yield incl Special</b>	4.8%***

	Zero Dividend Preference Shares	Ordinary Shares
<b>Share Price</b> (price per share)	114.00p	212.00p
<b>NAV</b> (Price per share)	113.65p	207.64p*
<b>Premium / (Discount to NAV)</b>	0.31%	2.10%
<b>Share Capital</b>	14,500,000 <sup>^</sup>	20,850,000

\*includes unaudited revenue reserve to 31/03/2021

\*\*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

<sup>^</sup>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 1<sup>st</sup> 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

Results season went into full swing in March and in general companies were able to meet or beat expectations. This was undoubtedly aided by the fact that forecasts were heavily cut at the height of the pandemic and had been upgraded more gradually, however it was enough to maintain the positive momentum in the market. The budget was largely a non-event from an investment point of view, with most of the important announcements well flagged in the press beforehand. Domestically all eyes remain fixed on the re-opening of the economy and the market seems content to look through any hiccoughs in the vaccine rollout, with a general belief that the government will largely stick to its roadmap out of lockdown. The UK is also looking increasingly attractive when compared to other global economies given the expected pace of recovery and the receding uncertainty around post-Brexit trading. This has helped fuel continued demand for UK cyclical with small caps also outperforming large caps, both positives for our portfolio. The continued rise in the US long bond yield has put inflation firmly on the radar for investors, adding more momentum to the value rotation and leading to increased investor interest in our investable universe. With the much talked about unwind in the domestic savings ratio expected over the next few months, we are optimistic that this increased appetite will continue.

Our top performers in the month were a diverse group, but the common denominator was increased confidence as the UK economy re-opens. Our top performer was Finncap which rose strongly on the back of its year end trading update. The housebuilders also performed well on the back of the strong housing market and the launch of a Mortgage Guarantee Scheme in the budget. DFS was a beneficiary of the re-open trade, as was Redde Northgate whose Redde business has been suffering from a lack of cars on the road during lockdown. There was no real theme to our negative contributors on the month with Babcock falling on fears of an upcoming equity raise, which have since been rebuffed by the company, and Diversified Gas & Oil and Saga giving up some of their recent gains.

## Annual Returns % GBP

31/03/2021

	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Share Price</b> Ordinary Shares	31.68	-16.50	33.39	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
<b>Share Price</b> Morningstar Investment Trust UK Equity Income	6.14	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
<b>NAV</b>	23.83	-15.97	25.31	-24.50	24.37	4.96	24.79	4.82	56.76	36.46	-13.94
<b>NAV</b> Morningstar Investment Trust UK Equity Income	6.75	-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	2.50	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
<b>Subtotal</b>	<b>7.50</b>	<b>9.60</b>	<b>8.97</b>	<b>8.46</b>	<b>7.95</b>	<b>7.50</b>	<b>7.125</b>	<b>6.825</b>	<b>6.60</b>
% 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
<b>TOTAL</b>	<b>7.50</b>	<b>9.60</b>	<b>11.47</b>	<b>9.12</b>	<b>9.81</b>	<b>9.10</b>	<b>7.425</b>	<b>9.575</b>	<b>6.60</b>

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**31 March 2021**

**Directors**

**The Rt Hon the Lord Lamont of Lerwick**  
Chairman

**Andrew Watkins**

**William van Heeswijk**

**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
<b>Reuters</b>	SDVP.L	SDV.L
<b>SEDOL</b>	BZ7MQD8	0661582
<b>Market Makers</b>	Canaccord Numis Shore Capital Winterflood	

**Contact Us**

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# Chelverton UK Dividend Trust plc

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**Top Twenty Holdings**

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	3.73%
Diversified Gas & Oil	Oil & Gas	2.85%
UP Global Sourcing	Personal & Household Goods	2.69%
Alumasc	Construction & Materials	2.59%
MTI Wireless Edge	Technology	2.41%
Randall & Quilter	Insurance	2.33%
Jarvis Securities	Financial Services	2.16%
DFS Furniture	Retail	2.09%
STV	Media	2.05%
Devro	Food & Beverage	1.98%
Tyman	Construction & Materials	1.91%
Flowtech Fluidpower	Industrial Goods & Services	1.79%
Chesnara	Insurance	1.71%
N Brown Group	Retail	1.69%
Severfield	Industrial Goods & Services	1.68%
Marston's	Travel & Leisure	1.68%
Amino Technologies	Technology	1.68%
Numis Corporation	Financial Services	1.61%
Vistry	Personal & Household Goods	1.61%
Epwin Group	Construction & Materials	1.61%
<b>Total</b>		<b>41.84%</b>

**Income of the Top Ten Holdings**

**33%**

**Sector Breakdown %**

Sector %	% of Portfolio
Industrial Goods & Services	18.7%
Financial Services	15.2%
Personal & Household Goods	9.0%
Construction & Materials	8.1%
Retail	7.8%
Insurance	7.3%
Real Estate	7.0%
Travel & Leisure	6.1%
Media	5.8%
Food & Beverage	4.6%
Technology	4.1%
Oil & Gas	2.9%
Banks	1.3%
Basic Resources	1.1%
Utilities	1.0%
<b>Total</b>	<b>100.0%</b>

**Market Cap Breakdown**

% of portfolio	No of stocks	
Above £1bn	6.17%	5
£500m - £1bn	20.91%	14
£250m - £500m	16.42%	11
£100m - £250m	23.53%	17
Below £100m	32.97%	26
Cash and Income	0.00%	0
<b>Total</b>	<b>100.00%</b>	<b>73</b>

**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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