

Monthly Factsheet
30 April 2021

Launch Date	12 May 1999
Gross Assets	£63.9m
Net Assets	£47.4m*
Bank Debt	£nil
Core Dividend Yield	4.4%***
Yield incl Special	4.4%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	116.00p	220.00p
NAV (Price per share)	114.01p	227.13p*
Premium / (Discount to NAV)	1.74%	(3.14)%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 30/04/2021

**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

Confirmation the UK would begin re-opening the economy on schedule saw the market push higher in the early weeks of April, with Consumer stocks particularly benefiting but broad-based optimism creating a rising tide for all ships. A steady trickle of positive Q1 updates towards the end of the month kept the momentum going, although earnings upgrades tended not to result in commensurate share price rises. While this suggests some expectation has started to creep into current valuations we believe that companies are keen to keep some powder dry for later in the year which will support continued improvement in investor sentiment towards the UK. This should in turn underpin asset prices. As the global economy restarts, investor attention has turned towards inflation, with the rise in commodity prices and the US long bond yield seen as an early warning sign, although central banks seem content that the upward pressures on CPI are transitory for the moment. A modest level of inflation has historically been a positive for value investors and we are continuing to see increased interest in our investable universe as the market moves into the next phase of the recovery.

In the last month at the stock level there was no discernible theme to either our best or worst performers. The positive market conditions resulted in strong performance from our diversified financial stocks with FinnCap, Jarvis Securities and Premier Miton all in our top performers. Alumasc rose on the back of widely cited strength in its end markets (new build housing and RMI). The group subsequently released a positive trading update in May. Diversified Energy Company (previously Diversified Gas and Oil) continues to prove out its business model, making its first acquisition outside of the Appalachia region. The deal resulted in double digit upgrades to estimates, which we expect to flow through to increased dividends in due course. Our poorer performers were also a mixed bunch. RPS is exposed to end markets which are attractive in the medium term but are going to be slower to recover post pandemic. MTI Wireless Edge gave up some of its recent strong performance after a secondary share placing at 80p while more uncorrelated names such as Chesnara and Randall & Quilter did not participate in the wider market rally.

Annual Returns % GBP 30/04/2021

	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	38.27	-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	12.18	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
NAV	37.00	-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	11.12	-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
Subtotal	7.50	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	7.50	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	

Contact Us

T	020 7222 8989
E	info@chelvertonam.com
A	Chelverton Asset Management Limited 20 Ironmonger Lane London EC2V 8EP
W	www.chelvertonam.com

Chelverton UK Dividend Trust plc

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Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	3.43%
Diversified Gas & Oil	Energy	2.91%
Alumasc	Construction and Materials	2.73%
UP Global Sourcing	Consumer Products and Services	2.57%
Jarvis Securities	Financial Services	2.39%
Finncap Group	Financial Services	2.10%
Randall & Quilter	Insurance	2.10%
Flowtech Fluidpower	Industrial Goods and Services	2.02%
Devro	Food, Beverage and Tobacco	1.96%
STV	Media	1.94%
MTI Wireless Edge	Telecommunications	1.92%
DFS Furniture	Retail	1.91%
Redde Northgate	Industrial Goods and Services	1.74%
Vistry	Consumer Products and Services	1.70%
Tyman	Construction and Materials	1.68%
Epwin Group	Construction and Materials	1.66%
Premier Miton Group	Financial Services	1.64%
Coral Products	Industrial Goods and Services	1.62%
Brewin Dolphin Holdings	Financial Services	1.62%
T Clarke	Construction and Materials	1.59%
Total		41.22%

Income of the Top Ten Holdings

31%

Sector Breakdown %

Sector %	% of Portfolio
Financial Services	17.2%
Industrial Goods and Services	16.7%
Construction and Materials	9.6%
Consumer Products and	8.9%
Retail	7.1%
Insurance	6.9%
Real Estate	6.7%
Travel and Leisure	5.6%
Media	5.6%
Food, Beverage and Tobacco	4.6%
Telecommunications	3.5%
Energy	2.9%
Basic Resources	2.0%
Banks	1.3%
Utilities	1.0%
Personal Care, Drug and Grocery Stores	0.7%
Total	100.0%

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	6
£500m - £1bn	14
£250m - £500m	11
£100m - £250m	17
Below £100m	26
Cash and Income	0
Total	74

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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