

Monthly Factsheet
31 May 2021

Launch Date	12 May 1999
Gross Assets	£65.9m
Net Assets	£49.3m*
Bank Debt	£nil
Core Dividend Yield	4.2%**
Yield incl Special	4.2%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	116.00p	227.50p
NAV (Price per share)	114.39p	236.61p*
Premium / (Discount to NAV)	1.41%	(3.85)%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 31/05/2021

**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 – 31/05/2025

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

A relatively quiet month in terms of corporate results and news flow was dominated by Q1 trading updates. Pleasingly these were generally positive and have served to underpin the 'recovery' trade in a wide range of our holdings. Having been overly pessimistic a year or so ago analysts are firmly in 'upgrade' mode as profit expectations are being revised upwards generating positive share price momentum. We hope to see this bounce in current earnings gradually start to be reflected in improving dividend payments as Boards' confidence in their trading outlook starts to improve. For the moment investors are happy to look through any potential changes in the governments roadmap back to normality and appear sanguine about any short term volatility in domestic macro numbers. The consensus is still that any pick-up in inflation will only be temporary although we are less convinced on this front and will be looking for any signs of sustained wage inflation which may undermine this view.

Once again there was no discernible theme or trend in our best and worst performers over the month. Alumasc and Tyman continued their recent good run on the back of high RMI spend. The strong housing market resulted in good returns from the housebuilders and Belvoir while high levels of consumer spending drove UP Global Sourcing and TheWorks.co.uk to new highs. On the downside Diversified Energy and Jarvis Securities detracted from performance alongside Amino and Rev Bars which both undertook discounted share placings. The new issue market has been extremely active over the past few months but has been focussed on 'growth' stocks. In the last month however we added Kitwave, our first IPO since the start of the pandemic, to our portfolio. It is a delivered wholesale business with 26 UK depots that specialises in selling impulse products such as confectionary, soft drinks and snacks to independent retailers. We expect to see more IPO activity in our investible universe as funds are starting to flow from relatively highly valued 'growth' stocks into cyclical and 'value' type opportunities.

Annual Returns % GBP

31/05/2021

	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	42.99	-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	13.36	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
NAV Ordinary Shares	43.77	-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	14.58	-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	2.50	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Subtotal	10.00	9.60	8.97	8.46	7.95	7.50	7.125	6.825	6.60
% increase	4.17	7.02	6.00	6.40	6.00	5.30	4.40	3.40	3.10
Special dividend	0.27	N/A	2.50	0.66	1.86	1.60	0.30	2.75	N/A
TOTAL	10.27	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%

Ongoing Fee 2.33%*

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

* As at 30/04/21, calculated in accordance with AIC guidelines. Please see annual report for more details

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

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Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	3.73%
UP Global Sourcing	Consumer Products and Services	3.30%
Alumasc	Construction and Materials	2.98%
Diversified Energy	Energy	2.41%
DFS Furniture	Retail	1.95%
Flowtech Fluidpower	Industrial Goods and Services	1.94%
Devro	Food, Beverage and Tobacco	1.92%
Randall & Quilter	Insurance	1.91%
Jarvis Securities	Financial Services	1.88%
STV	Media	1.82%
Redde Northgate	Industrial Goods and Services	1.78%
Vistry	Consumer Products and Services	1.75%
Finncap Group	Financial Services	1.75%
MTI Wireless Edge	Telecommunications	1.72%
T Clarke	Construction and Materials	1.68%
Epwin Group	Construction and Materials	1.64%
Premier Miton Group	Financial Services	1.59%
Kitwave	Personal Care, Drug and Grocery Stores	1.58%
Brewin Dolphin Holdings	Financial Services	1.57%
Polar Capital	Financial Services	1.56%
Total		40.46%

Income of the Top Ten Holdings

29%

Sector Breakdown %

Sector %	% of Portfolio
Industrial Goods and Services	16.7%
Financial Services	16.4%
Construction and Materials	10.2%
Consumer Products and	9.8%
Real Estate	6.9%
Insurance	6.7%
Retail	6.2%
Media	5.4%
Travel and Leisure	5.2%
Food, Beverage and Tobacco	4.5%
Telecommunications	3.1%
Energy	2.4%
Personal Care, Drug and Grocery Stores	2.2%
Basic Resources	2.0%
Banks	1.3%
Utilities	1.0%
Total	100.0%

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	6
£500m - £1bn	14
£250m - £500m	14
£100m - £250m	15
Below £100m	25
Cash and Income	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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