

Monthly Factsheet  
**30 June 2021**

<b>Launch Date</b>	12 May 1999
<b>Gross Assets</b>	£66.5m
<b>Net Assets</b>	£49.9m*
<b>Bank Debt</b>	£nil
<b>Core Dividend Yield</b>	4.2%**
<b>Yield incl Special</b>	4.3%***

	Zero Dividend Preference Shares	Ordinary Shares
<b>Share Price</b> (price per share)	115.50p	232.00p
<b>NAV</b> (Price per share)	114.75p	239.17p*
<b>Premium / (Discount to NAV)</b>	0.65%	(3.00)%
<b>Share Capital</b>	14,500,000 <sup>^</sup>	20,850,000

\*includes unaudited revenue reserve to 30/06/2021

\*\*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 -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 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

Although the positive combination of central bank stimulus and the vaccine rollout continue, the absence of any new positive news has meant that the domestic equity market has paused for breath. To borrow the old stock market adage that you are 'better off travelling than arriving' we have travelled a long way in share price terms since the start of the recovery, and company earnings need a bit of time to catch up. Importantly, in a relatively quiet month for results, we believe that corporate updates remain broadly supportive of underlying valuations as investors continue to look through any short-term disappointments such as the recent delay in lifting restrictions. We expect the economic recovery to continue to provide upwards earnings momentum to the stocks that we invest in as we move through the year, although as we have said before investor enthusiasm may be dampened by the prospect of a pick up in inflation. We also continue to believe that a wide range of our holdings could trade at higher ratings than their historic averages as they are now inherently better businesses as a result of management action taken in the past twelve months or so.

In terms of fund performance our biggest gains in the month came from some of our smaller companies, with Gattaca, Braemar Shipping and Hargreaves Services all performing well. Bloomsbury also contributed positively after a good set of results and the unexpected announcement of a special dividend. A number of domestic cyclical detracted from performance in the month including Crest Nicholson and Vistry ahead of the end of the stamp duty holiday and N.Brown and Headlam. TheWorks also gave up some of its recent gains. We are hopeful of seeing improving confidence from the corporate world as economic activity appears to be recovering at a faster rate than expected. This is important as it will provide the next step in the road back to getting more and more companies to paying good levels of dividends and widening our investible universe.

## Annual Returns % GBP

30/06/2021

	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Share Price</b> Ordinary Shares	45.81	-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	11.94	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
<b>NAV</b> Ordinary Shares	44.26	-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	14.48	-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
<b>Subtotal</b>	<b>10.00</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	4.17	7.02	6.00	6.40	6.00	5.30	4.40	3.40	3.10
Special dividend	0.272	N/A	2.50	0.66	1.86	1.60	0.30	2.75	N/A
<b>TOTAL</b>	<b>10.272</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>

# Chelverton UK Dividend Trust plc

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**30 June 2021**

## 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
<b>Reuters</b>	SDVP.L	SDV.L
<b>SEDOL</b>	BZ7MQD8	0661582

**Market Makers** Canaccord Numis Shore Capital Winterflood

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## Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	3.66%
Alumasc	Construction and Materials	3.17%
UP Global Sourcing	Consumer Products and Services	3.09%
Diversified Energy	Energy	2.40%
Randall & Quilter	Insurance	1.95%
Flowtech Fluidpower	Industrial Goods and Services	1.94%
DFS Furniture	Retail	1.92%
Jarvis Securities	Financial Services	1.89%
Finncap Group	Financial Services	1.88%
MTI Wireless Edge	Telecommunications	1.87%
Redde Northgate	Industrial Goods and Services	1.82%
STV	Media	1.80%
Devro	Food, Beverage and Tobacco	1.76%
Kitwave	Personal Care, Drug and Grocery Stores	1.66%
Braemar Shipping Services	Industrial Goods and Services	1.60%
Epwin Group	Construction and Materials	1.60%
Brewin Dolphin Holdings	Financial Services	1.59%
Polar Capital	Financial Services	1.58%
Bloomsbury Publishing	Media	1.57%
T Clarke	Construction and Materials	1.56%
<b>Total</b>		<b>40.33%</b>

## Income of the Top Ten Holdings

**27%**

## Sector Breakdown %

Sector %	% of Portfolio
Industrial Goods and Services	17.1%
Financial Services	16.9%
Construction and Materials	10.8%
Consumer Products and Services	9.2%
Real Estate	6.9%
Insurance	6.5%
Retail	5.8%
Media	5.5%
Travel and Leisure	5.1%
Food, Beverage and Tobacco	4.2%
Telecommunications	3.3%
Energy	2.4%
Personal Care, Drug and Grocery Stores	2.3%
Basic Resources	1.9%
Banks	1.2%
Utilities	1.0%
<b>Total</b>	<b>100.0%</b>

## Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	7.48%	6
£500m - £1bn	18.77%	13
£250m - £500m	18.53%	14
£100m - £250m	22.58%	15
Below £100m	32.65%	25
Cash and Income	0.00%	0
<b>Total</b>	<b>100.00%</b>	<b>74</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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