

Monthly Factsheet
31 July 2021

Launch Date	12 May 1999
Gross Assets	£66.4m
Net Assets	£49.7m*
Bank Debt	£nil
Core Dividend Yield	4.2%**
Yield incl Special	4.3%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	115.00p	233.00p
NAV (Price per share)	115.13p	238.29p*
Premium / (Discount to NAV)	(0.11)%	(2.22)%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 31/07/2021

**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. 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

In a month when the message from the top-down macro indicators was more mixed than the relentless good news of late, valuation support was provided by a wide range of good bottom-up trading updates and results. Pleasingly earnings 'beats' and upgrades remain widespread and the number of companies indicating a return to 'proper' levels of dividend payments, albeit from next year, is tangible evidence of confidence in an improving outlook. The press has recently highlighted a number of large caps with excess cash flows and potentially large dividend payouts and we welcome this increased focus on the attraction of dividends to investors. As ever, the key for us remains the ability of a company to pay good levels of dividends that can grow over time. Supply chain interruption, labour shortages, rising wage inflation and increased freight costs have been a consistent theme in many of the recent company announcements and are obviously all being factored into analyst forecasts. These are all inputs that we will need to keep a keen eye on over the next few months, but to date a combination of price increases and good management have nullified the worst of the effects.

Amongst our top performers in the month were Belvoir and Headlam, benefitting from the current strength in the housing market and RMI markets respectively. Devro and Hargreaves Services also performed well in response to reassuring results. On the downside UP Global Sourcing gave up some of its recent gains and Sabre Insurance fell after results which investors deemed to be rather pedestrian. We topped up our holding in the latter on the share price weakness. We also started a position in Topps Tiles, which we believe is well placed to benefit from the increased consumer confidence and strength in the RMI market.

Annual Returns % GBP

31/07/2021

	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	48.21	-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	12.88	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
NAV Ordinary Shares	45.40	-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	15.94	-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	0.272	N/A	2.50	0.66	1.86	1.60	0.30	2.75	N/A
TOTAL	10.272	9.60	11.47	9.12	9.81	9.10	7.425	9.575	6.60

Chelverton UK Dividend Trust plc

(Formerly Chelverton Small Companies Dividend Trust plc)

Monthly Factsheet
31 July 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
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

Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	4.24%
Alumasc	Construction and Materials	2.97%
UP Global Sourcing	Consumer Products and Services	2.59%
Jarvis Securities	Financial Services	2.46%
Diversified Energy	Energy	2.39%
Devro	Food, Beverage and Tobacco	2.01%
Randall & Quilter	Insurance	2.00%
STV	Media	1.93%
Redde Northgate	Industrial Goods and Services	1.92%
Flowtech Fluidpower	Industrial Goods and Services	1.85%
MTI Wireless Edge	Telecommunications	1.83%
DFS Furniture	Retail	1.81%
Finncap Group	Financial Services	1.68%
Polar Capital	Financial Services	1.66%
T Clarke	Construction and Materials	1.66%
Brewin Dolphin Holdings	Financial Services	1.63%
Bloomsbury Publishing	Media	1.60%
Vistry	Consumer Products and Services	1.56%
Premier Miton Group	Financial Services	1.55%
Kitwave	Personal Care, Drug and Grocery Stores	1.54%
Total		40.88%

Income of the Top Ten Holdings

27%

Sector Breakdown %

Sector %	% of Portfolio
Financial Services	17.4%
Industrial Goods and Services	16.4%
Construction and Materials	10.4%
Consumer Products and Services	8.6%
Real Estate	7.5%
Insurance	6.7%
Retail	6.3%
Media	5.9%
Travel and Leisure	4.7%
Food, Beverage and Tobacco	4.4%
Telecommunications	3.2%
Energy	2.4%
Personal Care, Drug and Grocery Stores	2.2%
Basic Resources	1.8%
Banks	1.2%
Utilities	1.0%
Total	100.0%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	9.35%	7
£500m - £1bn	15.30%	11
£250m - £500m	18.50%	14
£100m - £250m	28.60%	18
Below £100m	28.25%	23
Cash and Income	0.00%	0
Total	100.00%	73

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

This document is provided for information purposes only and should not be interpreted as investment advice. If you have any doubts as to the suitability of an investment, please consult your financial adviser. The information contained in this document has been obtained from sources that Chelverton Asset Management Limited ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy or completeness of the information provided, and therefore no investment decision should be based solely on this data. Past performance is not a guide to future performance. This document is issued by CAM, authorised and regulated by the Financial Conduct Authority. This document does not represent a recommendation by CAM to purchase shares in this Fund. The contents of this document are intended for Professional Investors and Eligible Counterparties only. We recommend private investors seek the services of a Financial Adviser.