

Monthly Factsheet
31 August 2021

Launch Date	12 May 1999
Gross Assets	£67.9m
Net Assets	£51.2m*
Bank Debt	£nil
Core Dividend Yield	4.2%**
Yield incl Special	4.3%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	113.50p	237.00p
NAV (Price per share)	115.51p	245.35p*
Premium / (Discount to NAV)	(1.74)%	(3.40)%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 31/08/2021

**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 Brevin 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

An interesting feature of the last month has been the increased divergence between 'bottom up' inflation anecdotes and the perceived need for any 'top down' policy response. HGV driver shortages have hit the headlines and, as has been widely reported, a range of our holdings have highlighted signs of staff shortages and supply side interruptions, which are beginning to lead to increased wages and prices. From an earnings perspective the companies that we invest in have generally been resilient to these issues, but we continue to monitor the situation closely. At the same time the macro news has started to disappoint with the recent release of the July domestic GDP data being a good example as numbers came in below consensus expectations, especially in the services sector. Undoubtedly the 'pingdemic' will have been a short term headwind for domestic growth expectations but it is noticeable that activity has temporarily slowed across most geographic regions. At the moment then it seems that monetary authorities appear content to ignore the increased cost of living inflationary pressures reported in the press and retain the status quo in the face of weaker than expected macro economic data.

In the last month three of our top performers released strong results, MTI Wireless, Belvoir and Chesnara while a further two, Vertu and UP Global released positive trading updates. Babcock responded well to the sale of its Frazer Nash consultancy business for £293 million, which goes a long way towards fulfilling management's cash raising targets for the year. There was no discernible theme to the underperformers which included Bakkavor, Go-Ahead and McColls, which completed a discounted placing to fund to rollout of Morrisons Daily stores. From a trading perspective our focus continues to be recycling funds from lower dividend payers into those with better yields. We reduced our exposure to Flowtech Fluidpower and Aferian while on the buy tack we added Hansard Global, Sabre Insurance and Topps Tiles.

Annual Returns % GBP

31/08/2021

	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	50.76	-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	16.47	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
NAV	49.71	-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	19.12	-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

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
	p	p	p	p	p	p	p	p	p
First interim	2.75	2.50	2.40	2.19	2.02	1.85	1.70	1.575	1.475
Second interim		2.50	2.40	2.19	2.02	1.85	1.70	1.575	1.475
Third interim		2.50	2.40	2.19	2.02	1.85	1.70	1.575	1.475
Fourth interim		2.50	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
% increase	10.0	4.17	7.02	6.00	6.40	6.00	5.30	4.40	3.40
Special dividend		0.272	N/A	2.50	0.66	1.86	1.60	0.30	2.75
TOTAL	2.750	10.272	9.60	11.47	9.12	9.81	9.10	7.425	9.575

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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

Chelverton UK Dividend Trust plc

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Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	4.60%
Alumasc	Construction and Materials	2.77%
UP Global Sourcing	Consumer Products and Services	2.77%
Diversified Energy	Energy	2.46%
MTI Wireless Edge	Telecommunications	2.28%
Jarvis Securities	Financial Services	2.25%
Devro	Food, Beverage and Tobacco	1.98%
Redde Northgate	Industrial Goods and Services	1.93%
Randall & Quilter	Insurance	1.89%
STV	Media	1.87%
DFS Furniture	Retail	1.78%
Brewin Dolphin Holdings	Financial Services	1.76%
Flowtech Fluidpower	Industrial Goods and Services	1.67%
Polar Capital	Financial Services	1.62%
Finncap Group	Financial Services	1.59%
Vertu	Retail	1.59%
Premier Miton Group	Financial Services	1.59%
Bloomsbury Publishing	Media	1.56%
T Clarke	Construction and Materials	1.56%
Chesnara	Insurance	1.55%
Total		41.06%

Income of the Top Ten Holdings

27%

Sector Breakdown %

Sector %	% of Portfolio
Financial Services	17.4%
Industrial Goods and Services	16.5%
Construction and Materials	10.0%
Consumer Products and Services	8.6%
Real Estate	7.7%
Insurance	6.8%
Retail	6.2%
Media	5.8%
Travel and Leisure	4.6%
Food, Beverage and Tobacco	4.2%
Telecommunications	3.5%
Energy	2.5%
Personal Care, Drug and Grocery Stores	2.4%
Basic Resources	1.7%
Banks	1.1%
Utilities	1.0%
Total	100.0%

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	7
£500m - £1bn	11
£250m - £500m	14
£100m - £250m	17
Below £100m	24
Cash and Income	0
Total	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

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