

Monthly Factsheet  
**30 September 2021**

<b>Launch Date</b>	12 May 1999
<b>Gross Assets</b>	£64.9m
<b>Net Assets</b>	£48.1m*
<b>Bank Debt</b>	£nil
<b>Core Dividend Yield</b>	4.4%**
<b>Yield incl Special</b>	4.6%***

	Zero Dividend Preference Shares	Ordinary Shares
<b>Share Price</b> (price per share)	114.00p	223.00p
<b>NAV</b> (Price per share)	115.88p	230.49p*
<b>Premium / (Discount to NAV)</b>	(1.62)%	(3.25)%
<b>Share Capital</b>	14,500,000 <sup>^</sup>	20,850,000

\*includes unaudited revenue reserve to 30/09/2021

\*\*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. 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

After a summer when earnings upgrades were broadly positive across the market, the latter part of the month saw a slowdown in the recovery trade in UK facing equities as earnings momentum stalled. As companies reported 'in line' numbers and upgrades were put on hold, investors started to bank profits. This has since been accentuated by increased macro worries. Whilst the issues of labour shortages, supply constraints and rising energy prices are global, the sight of queues at the petrol pumps appears to have put valuations of domestic facing equities temporarily on the back foot. As fears of 'stagflation' have been mentioned in the press, i.e. rising inflation with little economic growth, it is important to note that the current economic travails appear to be short term supply side related and the demand side of the equation still appears to be holding up well. One logical extension of the current price rises however is that most commentators are now moving their expectations of interest rate rises to the left.

In terms of performance, MP Evans and Portmeirion rose in response to strong sets of interim results while renewed investor interest in T Clarke prompted a strong rise in the share price. Bakkavor also reassured that current supply chain challenges could be managed at its interim results, helping the shares rebound after recent weakness. On the downside, Belvoir's interims, while well ahead of original expectations, did not deliver further upgrades, resulting in some profit taking. UP Global Sourcing and MTI Wireless also gave up some of their recent gains. Given the recent high-profile logistics and staffing issues within the economy it is important to note that whilst we are small and mid-cap investors, the companies that we invest in are actually quite sophisticated in the industries in which they operate. Whilst they are not immune from the well documented short term problems, they do tend to have the strength and depth of management and technical resource and ability to deal with the worst effects of the issues.

## Annual Returns % GBP 30/09/2021

	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Share Price</b> Ordinary Shares	43.52	-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	13.66	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
<b>NAV</b>	42.27	-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	16.87	-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
<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>
% increase	10.00	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
<b>TOTAL</b>	<b>2.75</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>

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**30 September 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**

	<i>ZDP</i>	<i>ORDS</i>
<b>Reuters</b>	SDVP.L	SDV.L
<b>SEDOL</b>	BZ7MQD8	0661582

**Market Makers** Canaccord Numis Shore Capital Winterflood

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# Chelverton UK Dividend Trust plc

(Formerly Chelverton Small Companies Dividend Trust plc)

**Top Twenty Holdings**

<i> Holding </i>	<i> Sector </i>	<i> % of Portfolio </i>
Belvoir Lettings	Real Estate	3.80%
Diversified Energy	Energy	2.76%
Alumasc	Construction and Materials	2.73%
UP Global Sourcing	Consumer Products and Services	2.47%
Jarvis Securities	Financial Services	2.21%
Randall & Quilter	Insurance	2.17%
MTI Wireless Edge	Telecommunications	2.04%
STV	Media	2.03%
DFS Furniture	Retail	1.81%
Brewin Dolphin Holdings	Financial Services	1.77%
Premier Miton Group	Financial Services	1.66%
Devro	Food, Beverage and Tobacco	1.66%
Vistry	Consumer Products and Services	1.63%
Redde Northgate	Industrial Goods and Services	1.60%
Finncap Group	Financial Services	1.58%
Vertu	Retail	1.56%
Polar Capital	Financial Services	1.56%
Chesnara	Insurance	1.54%
Bloomsbury Publishing	Media	1.54%
MP Evans	Food, Beverage and Tobacco	1.54%
<b>Total</b>		<b>39.65%</b>

**Income of the Top Ten Holdings**

**28%**

**Sector Breakdown %**

<i> Sector % </i>	<i> % of Portfolio </i>
Financial Services	18.9%
Industrial Goods and Services	15.5%
Construction and Materials	9.8%
Consumer Products and Services	8.4%
Insurance	7.1%
Real Estate	7.0%
Retail	6.1%
Media	6.1%
Travel and Leisure	4.5%
Food, Beverage and Tobacco	4.3%
Telecommunications	3.1%
Energy	2.8%
Personal Care, Drug and Grocery Stores	2.4%
Basic Resources	1.8%
Banks	1.2%
Utilities	1.0%
<b>Total</b>	<b>100.0%</b>

**Market Cap Breakdown**

	<i> % of portfolio </i>	<i> No of stocks </i>
Above £1bn	10.65%	7
£500m - £1bn	15.45%	12
£250m - £500m	17.52%	13
£100m - £250m	23.83%	17
Below £100m	32.55%	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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