

Monthly Factsheet
31 December 2021

Launch Date	12 May 1999
Gross Assets	£63.5m
Net Assets	£46.5m*
Bank Debt	£nil
Core Dividend Yield	4.7%**
Yield incl Special	4.8%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	117.50p	208.00p
NAV (Price per share)	117.02p	223.24p*
Premium / (Discount to NAV)	0.41%	(6.83)%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 31/12/2021

**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 – 30/04/2025

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

At the end of a quarter that was overshadowed by fears over supply shortages, rising inflation and latterly the new Covid variant, there was some last minute relief for investors as the government in England appeared to be content with a relatively low level of new restrictions. Despite the mostly modest restrictions imposed under Plan B, the re-emergence of Covid as headline news has undoubtedly affected both consumer and business confidence in the short term. The market was surprised as domestic interest rates were raised in the UK, albeit only by 15bp to 25bp. Perhaps more significantly for investors the mood from the Fed in the US appears to have shifted to being more 'hawkish' than for some time, and commentators now expect US rates to rise more quickly than was previously expected in the face of increased inflationary pressures. The policy makers do however appear to be happy to look at the recent surge in Covid cases as fundamentally a short term issue and seem to be looking through to a good increase in economic growth moving through next year. In this respect with the high vaccination rates and the apparent desire to return to normality as soon as possible, the domestic economy looks well placed for a relatively early recovery.

In terms of performance TP ICAP and Belvoir were our top contributors over the month. Belvoir released a strong trading update at the beginning of the month, upgrading full year expectations and TP ICAP bounced strongly from recent lows. We took advantage of attractive prices in Bloomsbury and Vertu Motors to top-slice our holdings, and topped up our position in FinnCap. On the downside Jarvis Securities and Portmeirion were both weak in the period, although the latter has since bounced on the back of a positive trading update. As we enter the new year NIC increases and energy price rises could dampen consumer spending, but the strong savings ratio and continued high levels of employment and record vacancies provide some comfort. It appears that supply issues are beginning to ease, increases in wage rates have started to slow, demand remains strong and inventory levels appears to be low. All of which offer companies strong gearing into a post pandemic economic recovery. At the same time rising inflation has historically led to periods of relative outperformance for the types of 'value' stocks that we invest in. Last year dividend payments returned slightly faster than expected and we look for this positive trend to continue. As an income fund we continue to look for companies that can grow dividends faster than the market as this should ultimately be reflected in positive share price performance in a low interest rate environment.

Annual Returns % GBP 31/12/2021

	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	35.61	-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	20.55	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
NAV Ordinary Shares	39.52	-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	23.17	-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	2.75	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	5.50	10.00	9.60	8.97	8.46	7.95	7.50	7.125	6.825
% 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
TOTAL	5.50	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

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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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CHELVERTON UK DIVIDEND TRUST PLC IS REGISTERED IN ENGLAND. COMPANY NUMBER: 3749536

Chelverton UK Dividend Trust plc

(Formerly Chelverton Small Companies Dividend Trust plc)

Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	4.06%
Alumasc	Construction and Materials	2.90%
UP Global Sourcing	Consumer Products and Services	2.68%
Diversified Energy	Energy	2.47%
MTI Wireless Edge	Telecommunications	2.13%
Jarvis Securities	Financial Services	2.11%
STV	Media	1.87%
Premier Miton Group	Financial Services	1.83%
DFS Furniture	Retail	1.81%
Redde Northgate	Industrial Goods and Services	1.77%
Brewin Dolphin Holdings	Financial Services	1.74%
iEnergizer	Industrial Goods and Services	1.67%
Finncap Group	Financial Services	1.66%
MP Evans	Food, Beverage and Tobacco	1.65%
Randall & Quilter	Insurance	1.63%
Vertu	Retail	1.62%
Devro	Food, Beverage and Tobacco	1.61%
Vistry	Consumer Products and Services	1.61%
Coral Products	Industrial Goods and Services	1.60%
Polar Capital	Financial Services	1.56%
Total		39.99%

Income of the Top Ten Holdings

27%

Sector Breakdown %

Sector %	% of Portfolio
Financial Services	19.9%
Industrial Goods and Services	15.6%
Construction and Materials	9.6%
Consumer Products and Services	9.0%
Real Estate	7.5%
Insurance	6.6%
Retail	6.5%
Media	5.2%
Food, Beverage and Tobacco	4.4%
Travel and Leisure	4.1%
Telecommunications	3.1%
Energy	2.5%
Personal Care, Drug and Grocery Stores	2.0%
Basic Resources	1.8%
Banks	1.1%
Utilities	1.0%
Total	100.0%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	10.46%	8
£500m - £1bn	11.94%	8
£250m - £500m	19.98%	16
£100m - £250m	23.01%	17
Below £100m	34.60%	27
Cash and Income	0.00%	0
Total	100.00%	76