

Monthly Factsheet
31 January 2022

Launch Date	12 May 1999
Gross Assets	£62.1m
Net Assets	£45.1m*
Bank Debt	£nil
Core Dividend Yield	4.9%**
Yield incl Special	5.0%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	117.50p	203.50p
NAV (Price per share)	117.41p	216.24p*
Premium / (Discount to NAV)	0.08%	(5.89)%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 31/01/2022

**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 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

The last month has seen a sell-off in equity markets as interest rates have started to rise and inflation expectations are for a more sustained increase rather than just a transitory reaction to recovery from the pandemic. As expected we have seen the first signs of a style shift from growth into value with large cap banks, oil and gas, telco and mining companies being amongst the first to benefit. Whilst our investible universe is relatively underweight these sectors the style drift to value should ultimately benefit a number of our cash generative 'dull but worthy' stocks. Historically in times like this we look to add a number of good growth stocks to our portfolio as they temporarily fall out of favour and the price move brings the dividend yield to our target level. As the anticipated cost of living increases make headline news in the UK, the savings ratio still remains robust and we will be keeping a keen eye on confidence indicators and consumer spending over the next few quarters.

One of our best performing stocks in the month was Sabre Insurance, which rose as the outlook for motor insurance pricing improved. At the same time Sabre announced an exclusive underwriting deal to grow their taxi book which comes hard on the heels of a similar deal with respect to motorcycle insurance that was announced towards the end of last year. Hargreaves Services was also strong on the back of Interim Results which showed good momentum across each of its business lines and Photo -Me rose in response to a mandatory offer for the Company at 75p. Despite wide spread negative top down sentiment corporate trading remains resilient and a key performance indicator will be the balance between forward looking earnings upgrades and downgrades as we move through the busy results season over the next couple of months. On the downside our housebuilding holdings came under pressure after the much publicised move by the government to get the sector to pay for cladding problems. Other poor performers included Polar Capital as investors worried about the short term valuation of their large tech fund and Gattaca on the back of a negative trading update. We exited Babcock in the month and added to our positions in Hargreaves Services, i-Energizer and Vector Capital.

Annual Returns % GBP 31/01/2022

	2022*	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	-2.16	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	-0.23	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	-3.14	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	-1.42	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

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

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Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	4.13%
Alumasc	Construction and Materials	2.72%
UP Global Sourcing	Consumer Products and Services	2.58%
Diversified Energy	Energy	2.58%
Jarvis Securities	Financial Services	2.10%
iEnergizer	Industrial Goods and Services	1.99%
STV	Media	1.99%
MTI Wireless Edge	Telecommunications	1.89%
Devro	Food, Beverage and Tobacco	1.80%
DFS Furniture	Retail	1.72%
Personal Group	Insurance	1.71%
Randall & Quilter	Insurance	1.65%
MP Evans	Food, Beverage and Tobacco	1.64%
Finncap Group	Financial Services	1.63%
Premier Miton Group	Financial Services	1.61%
Chesnara	Insurance	1.60%
Vertu	Retail	1.60%
Brewin Dolphin Holdings	Financial Services	1.59%
Coral Products	Industrial Goods and Services	1.59%
Redde Northgate	Industrial Goods and Services	1.55%
Total		39.65%

Income of the Top Ten Holdings 26%

Sector Breakdown %

Sector %	% of Portfolio
Financial Services	19.3%
Industrial Goods and Services	15.2%
Consumer Products and Services	9.4%
Construction and Materials	9.2%
Real Estate	7.8%
Insurance	7.2%
Retail	6.5%
Media	5.5%
Food, Beverage and Tobacco	4.5%
Travel and Leisure	4.3%
Telecommunications	2.8%
Energy	2.6%
Personal Care, Drug and Grocery	1.8%
Basic Resources	1.8%
Utilities	1.1%
Banks	1.0%
Total	100.0%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	6.14%	5
£500m - £1bn	17.52%	12
£250m - £500m	18.98%	15
£100m - £250m	24.72%	17
Below £100m	32.64%	26
Cash and Income	0.00%	0
Total	100.00%	75

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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