

**Monthly Factsheet**  
**31 March 2022**

<b>Launch Date</b>	12 May 1999
<b>Gross Assets</b>	£59.5m
<b>Net Assets</b>	£42.4m*
<b>Bank Debt</b>	£nil
<b>Core Dividend Yield</b>	5.3%**
<b>Yield incl Special</b>	5.4%***

	Zero Dividend Preference Shares	Ordinary Shares
<b>Share Price</b> (price per share)	118.50p	190.00p
<b>NAV</b> (Price per share)	118.15p	203.44p*
<b>Premium / (Discount to NAV)</b>	0.30%	(6.61)%
<b>Share Capital</b>	14,500,000 <sup>^</sup>	20,850,000

\*includes unaudited revenue reserve to 31/03/2022

\*\*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

<sup>^</sup>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 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**

Analysts continued to focus on a wide range of negative variables through the month as the continuing conflict in Ukraine, rising energy prices, and inflation dominated headlines. These worries have recently been joined by additional supply chain problems caused by further lockdowns in China and increasing uncertainties over the result of the French election. March is a busy month for UK company reporting and against such a gloomy backdrop the good news is that, for the moment at least, corporate UK is in pretty good health. Generally speaking trading was at least in line with expectations and balance sheets and cash flows were strong. This was evidenced by dividends that continued to exceed our expectations while Headlam and DFS announced special dividends. They also announced share buyback schemes as part of their strategy to return surplus capital to shareholders in a timely manner and we have seen a number of other companies doing the same. The combination of buying back shares, assuming they are then cancelled, and growing dividends should ultimately be a positive contributor to share price performance. The bad news on the corporate front is that there will inevitably be some earnings downgrades in the short term as the full effects of inflationary price rises take their toll. To date however the general feedback is that our companies have managed to pass through price increases albeit with varying levels of delay.

Our best performer in the month was Brewin Dolphin which received an agreed cash offer at a healthy premium to the prevailing market price. We sold our holding into the price rise as there are currently a good number of attractive valuations amongst our investible universe that offer our required dividend yield and stronger prospects for capital growth. As we have said before, we believe that we will see an increase in corporate activity as a result of the attractive cash flow yields and strong balance sheets of a wide range of our holdings. Good performers over the month also included MP Evans, which released another strong set of results and pointed to buoyant current trading and TP ICAP which is usually a beneficiary of market volatility. On the downside a number of our consumer facing stocks, including UP Global Sourcing, Restaurant Group and TheWorks underperformed on fears over the cost of living squeeze.

**Annual Returns % GBP**  
**31/03/2022**

	2022*	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Share Price</b> Ordinary Shares	-8.65	35.61	-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	-1.54	20.55	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
<b>NAV</b> Ordinary Shares	-10.04	39.52	-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	-2.37	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
<b>Subtotal</b>	<b>5.50</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>5.50</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>

Monthly Factsheet  
**31 March 2022**

**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
<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**

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	4.47%
Diversified Energy	Energy	2.91%
Alumasc	Construction and Materials	2.81%
iEnergizer	Industrial Goods and Services	2.36%
MP Evans	Food, Beverage and Tobacco	2.30%
Jarvis Securities	Financial Services	1.91%
Redde Northgate	Industrial Goods and Services	1.90%
STV	Media	1.89%
UP Global Sourcing	Consumer Products and Services	1.88%
Chesnara	Insurance	1.85%
Devro	Food, Beverage and Tobacco	1.83%
MTI Wireless Edge	Telecommunications	1.80%
Hargreaves Services	Industrial Goods and Services	1.73%
Vertu	Retail	1.71%
Personal Group	Insurance	1.68%
Coral Products	Industrial Goods and Services	1.66%
Finncap Group	Financial Services	1.65%
Vistry	Consumer Products and Services	1.65%
Kitwave	Personal Care, Drug and Grocery Stores	1.64%
DFS Furniture	Retail	1.64%
<b>Total</b>		<b>41.38%</b>

**Income of the Top Ten Holdings**

**28%**

**Sector Breakdown %**

Sector %	% of Portfolio
Financial Services	18.5%
Industrial Goods and Services	15.1%
Construction and Materials	9.2%
Consumer Products and Services	8.8%
Real Estate	8.5%
Insurance	7.5%
Retail	6.1%
Media	5.8%
Food, Beverage and Tobacco	5.2%
Travel and Leisure	3.4%
Energy	2.9%
Telecommunications	2.7%
Basic Resources	2.3%
Personal Care, Drug and Grocery	1.7%
Utilities	1.2%
Banks	1.0%
<b>Total</b>	<b>100.0%</b>

**Market Cap Breakdown**

% of portfolio	No of stocks
Above £1bn	6
£500m - £1bn	10
£250m - £500m	13
£100m - £250m	17
Below £100m	27
Cash and Income	0
<b>Total</b>	<b>75</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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