

Monthly Factsheet
30 April 2022

Launch Date	12 May 1999
Gross Assets	£58.6m
Net Assets	£41.4m*
Bank Debt	£nil
Core Dividend Yield	5.4%**
Yield incl Special	5.6%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	118.50p	192.50p
NAV (Price per share)	118.52p	198.46p*
Premium / (Discount to NAV)	(0.02)%	(3.00)%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 30/04/2022

**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

Investor sentiment became more bearish through the month as inflation worries, reductions in GDP forecasts and fears of a looming recession dominated headlines. The recent central bank policy of raising interest rates here and in the US has led to short term strength in the US\$, which tends to be a relative negative for the stocks that we invest in and has contributed to a fall in equity prices since the month end. Supply disruption as a result of continued Chinese lockdowns and the rising domestic cost of living are not new news but contributed to the overall feeling of gloom. As always in these situations the bad news eventually gets priced into valuations and investors start to 'bargain' hunt. The lead indicator of this tends to be a pick-up in corporate activity as companies and private equity seek to take advantage of the reduced valuations in the public market. For the companies that we invest in we would expect there to be some downward pressure on forward earnings estimates but note that there were relatively few meaningful upgrades through the recent results season as company directors were obviously aware of a lot of the headwinds and sought to keep a lid on expectations.

At the portfolio level UP Global performed well on the back of reassuring interim results while Ramsdens, Breamar Shipping and iNergizer were all positive contributors to performance in the month. We took advantage of the pullback in the market to add one new name to the portfolio, and buy back into another old favourite which we had previously sold on yield grounds. We started a position in speciality chemicals company Synthomer as we believe concerns over new capacity entering the market were fully priced in and the shares offer a c.9% yield over the next 12 months. We also started a new position in kettle controls manufacturer Strix, which had fallen back to attractive levels on general macro and China lockdown concerns. On the downside, consumer exposed names such as Vertu Motors and DFS detracted from performance in the month while MP Evans was also weak due to Indonesia imposing export restrictions on Palm Oil. We believe these are short term restrictions in response to the Russia/Ukraine situation rather than a fundamental change to the business model. Company dividend announcements continue to come in at least in-line with expectations and we continue to believe that dividends and underlying balance sheet strength should ultimately provide some valuation support in the current turbulent times.

Annual Returns % GBP 30/04/2022

	2022*	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price												
Ordinary Shares	-6.10	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	-1.70	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	-9.87	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	-1.15	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	2.75	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	8.25	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	8.25	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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Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	4.16%
Diversified Energy	Energy	2.93%
iEnergizer	Industrial Goods and Services	2.50%
Alumasc	Construction and Materials	2.49%
UP Global Sourcing	Consumer Products and Services	2.22%
MP Evans	Food, Beverage and Tobacco	2.03%
STV	Media	1.98%
Jarvis Securities	Financial Services	1.85%
MTI Wireless Edge	Telecommunications	1.84%
Coral Products	Industrial Goods and Services	1.82%
Devro	Food, Beverage and Tobacco	1.80%
Hargreaves Services	Industrial Goods and Services	1.77%
Chesnara	Insurance	1.74%
Redde Northgate	Industrial Goods and Services	1.72%
Ramsdens Holdings	Financial Services	1.69%
Kitwave	Personal Care, Drug and Grocery Stores	1.69%
Vector Capital	Financial Services	1.65%
Personal Group	Insurance	1.58%
Anglo Pacific	Basic Resources	1.56%
Randall & Quilter	Insurance	1.56%
Total		41.38%

Income of the Top Ten Holdings

27%

Sector Breakdown %

Sector %	% of Portfolio
Financial Services	18.1%
Industrial Goods and Services	16.8%
Consumer Products and Services	8.8%
Construction and Materials	8.7%
Real Estate	8.1%
Insurance	7.2%
Media	5.7%
Retail	5.6%
Food, Beverage and Tobacco	4.9%
Travel and Leisure	3.2%
Energy	2.9%
Telecommunications	2.8%
Basic Resources	2.3%
Personal Care, Drug and Grocery	1.7%
Utilities	1.2%
Chemicals	1.1%
Banks	1.0%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	8.92%	6
£500m - £1bn	12.98%	9
£250m - £500m	19.94%	16
£100m - £250m	23.99%	17
Below £100m	34.17%	26
Cash and Income	0.00%	0
Total	100.00%	74

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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