

Monthly Factsheet
30 June 2022

Launch Date	12 May 1999
Gross Assets	£53.6m
Net Assets	£36.3m*
Bank Debt	£nil
Core Dividend Yield	6.3%**
Yield incl Special	6.3%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	118.50p	165.50p
NAV (Price per share)	119.30p	173.94p*
Premium / (Discount to NAV)	(0.67)%	(4.85)%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 30/06/2022

**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 headwinds for relative UK small and mid-cap performance that we highlighted last month, namely rising inflation and a strengthening US\$ intensified in June. Commentators are increasingly talking about a UK recession and 'stagflation', ie rising inflation and stagnation of domestic output, adding to the overall feeling of gloom. At the same time there has been an almost inevitable fall in consumer confidence as the cost of living crisis remains firmly in the headlines. Consumer spending is an important component of domestic GDP and we have already seen a dramatic sell off in the share prices of a wide range of consumer facing small and mid-cap stocks in anticipation of earnings downgrades. We see some respite in the strength of company balance sheets which should prevent the need for a widespread issue of equity to shore up finances and we believe that the outlook for dividends remains resilient as company boards can essentially let the cover take the strain of short term earnings volatility.

At the stock level iEnergizer was our top performer after the Directors launched a formal sale process in response to an approach from private equity. Appreciate and Photo-Me also responded well to positive updates. Some of our more cyclical stocks, Essentra, Synthomer and Polar Capital detracted from performance. Despite the gloom company profits for this calendar year appear to be holding up reasonably well backed up by strong order books but investors are now looking through to next year where uncertainty persists and where widespread downgrades are deemed inevitable. As ever in these situations the question is whether or not these are already priced into market expectations and company valuations. Essentially this point is reached when share prices fall by less than the quantum of earnings downgrades or even start to rise as the worst is deemed to have past and there is a belief that growth will resume looking forward eighteen months or so.

Annual Returns % GBP 30/06/2022

	2022*	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price												
Ordinary Shares	-17.93	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	-7.23	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	-19.77	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	-6.62	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	2.75	2.50	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Subtotal	11.00	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	N/A	0.272	N/A	2.50	0.66	1.86	1.60	0.30	2.75
TOTAL	11.000	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

Denise Hadgill

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	3.37%
iEnergizer	Industrial Goods and Services	3.00%
Diversified Energy	Energy	2.92%
Alumasc	Construction and Materials	2.34%
UP Global Sourcing	Consumer Products and Services	2.21%
MP Evans	Food, Beverage and Tobacco	2.06%
MTI Wireless Edge	Telecommunications	2.06%
Jarvis Securities	Financial Services	2.04%
Randall & Quilter	Insurance	1.99%
STV	Media	1.97%
Coral Products	Industrial Goods and Services	1.90%
Chesnara	Insurance	1.84%
Curtis Banks	Financial Services	1.81%
Ramsdens Holdings	Financial Services	1.78%
Duke Royalty	Financial Services	1.78%
Kitwave	Personal Care, Drug and Grocery Stores	1.73%
T Clarke	Construction and Materials	1.72%
Devro	Food, Beverage and Tobacco	1.72%
Appreciate Group	Financial Services	1.63%
Hargreaves Services	Industrial Goods and Services	1.61%
Total		41.47%

Income of the Top Ten Holdings

24%

Sector Breakdown %

Sector %	% of Portfolio
Financial Services	19.4%
Industrial Goods and Services	18.1%
Consumer Products and Services	8.8%
Construction and Materials	8.7%
Insurance	7.6%
Real Estate	7.2%
Media	5.8%
Retail	5.3%
Food, Beverage and Tobacco	4.9%
Telecommunications	3.0%
Energy	2.9%
Travel and Leisure	2.6%
Basic Resources	2.1%
Personal Care, Drug and Grocery	1.7%
Banks	1.0%
Chemicals	0.8%

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	3
£500m - £1bn	10
£250m - £500m	16
£100m - £250m	18
Below £100m	28
Cash and Income	0
Total	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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