

Monthly Factsheet
31 August 2022

Launch Date	12 May 1999
Gross Assets	£52.4m
Net Assets	£35.0m*
Bank Debt	£nil
Core Dividend Yield	6.7%**
Yield incl Special	6.7%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	118.50p	165.50p
NAV (Price per share)	120.08p	167.63p*
Premium / (Discount to NAV)	(1.32)%	(1.27)%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 31/08/2022

**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

In a particularly difficult period for our investible universe the key macro feature of the month was the increasingly hawkish rhetoric from the Fed with respect to US rate rises, ie higher interest rates for longer. This had the inevitable negative effect on stock markets and further strengthened the US\$ with some commentators now forecasting parity with Sterling, which was already under downward pressure from a worsening domestic macro outlook. Small and mid-cap equities sold off as the headlines were dominated by the escalating cost of living crisis and particularly the rising energy bills for both the consumer and business. Whilst other European countries appear to have plans in place to mitigate the worst of the energy price increases, the UK response was delayed due to the timing of the Tory leadership race. New Prime Minister Liz Truss has now been appointed however and the plan announced to freeze energy bills has the potential to improve the outlook for the UK consumer.

We have said for some time that the underperformance of UK small and mid-caps leaves companies vulnerable to takeover and in the last month RPS has agreed a deal with WSP at a significant premium to the share price prior to the announcement. Interestingly as private equity sits on the side-lines for a period until the interest rate environment stabilises, the baton has been taken up by corporates themselves and we expect this to be the case for the foreseeable future. At the stock level analysts continue to downgrade expectations and price targets for a wide range of companies and those stocks that are consumer facing have been amongst the hardest hit in the short term. Despite this historic numbers continue to hold up reasonably well across our investments but share prices continue to fall as the outlook remains so uncertain. There was little correlation between either our best performers in the month including TP ICAP and Braemar Shipping and our worst including iEnergizer and TheWorks.co.uk. Robust dividend payments and continued share buybacks continue to be a small positive influence within our portfolio.

Annual Returns % GBP 31/08/2022

	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	29.3 6	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	-3.16	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	-22.68	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	-2.89	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

	2022- 23	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	P
First interim	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575	1.475
Second interim		2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575	1.475
Third interim		2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575	1.475
Fourth interim		2.750	2.500	2.400	2.400	2.400	2.400	2.400	2.400	2.400
Subtotal	2.943	11.000	10.000	9.600	8.970	8.460	7.950	7.500	7.125	6.825
% increase	7.000	10.000	4.170	7.020	6.000	6.400	6.000	5.300	4.400	3.400
Special dividend		N/A	0.272	N/A	2.500	0.660	1.860	1.600	0.300	2.750
TOTAL	2.943	11.000	10.272	9.600	11.470	9.120	9.810	9.100	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 2.03%*

Charge to Capital Management Fee and
Bank Interest
(75% to Capital;
25% to Revenue)

* As at 30/04/22, 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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Chelverton UK Dividend Trust plc

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Top Twenty Holdings

Holding	Sector	% of Portfolio
Diversified Energy	Energy	3.57%
Belvoir Lettings	Real Estate	3.39%
iEnergizer	Industrial Goods and Services	2.80%
UP Global Sourcing	Consumer Products and Services	2.27%
Alumasc	Construction and Materials	2.23%
Chesnara	Insurance	2.15%
Kitwave	Personal Care, Drug and Grocery Stores	2.08%
MTI Wireless Edge	Telecommunications	1.94%
MP Evans	Food, Beverage and Tobacco	1.94%
Ramsdens Holdings	Financial Services	1.93%
Randall & Quilter	Insurance	1.93%
STV	Media	1.85%
Devro	Food, Beverage and Tobacco	1.79%
TP ICAP	Financial Services	1.77%
Coral Products	Industrial Goods and Services	1.75%
Curtis Banks	Financial Services	1.73%
ME Group International	Consumer Products and Services	1.68%
Appreciate Group	Financial Services	1.66%
Redde Northgate	Industrial Goods and Services	1.65%
Wilmington	Media	1.64%
Total		41.76%

Income of the Top Ten Holdings

27%

Sector Breakdown %

Sector %	% of Portfolio
Financial Services	19.2%
Industrial Goods and Services	18.3%
Consumer Products and Services	8.9%
Real Estate	7.4%
Construction and Materials	8.5%
Insurance	7.0%
Media	6.2%
Retail	5.0%
Food, Beverage and Tobacco	4.7%
Telecommunications	3.0%
Energy	3.6%
Basic Resources	2.4%
Travel and Leisure	2.1%
Personal Care, Drug and Grocery	2.1%
Banks	1.0%
Chemicals	0.8%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	7.81%	4
£500m - £1bn	8.73%	7
£250m - £500m	22.65%	17
£100m - £250m	29.67%	21
Below £100m	31.14%	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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