

Monthly Factsheet
30 November 2022

Launch Date	12 May 1999
Gross Assets	£53.0m
Net Assets	£35.4m*
Bank Debt	£nil
Core Dividend Yield	6.7%**
Yield incl Special	6.7%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	118.00p	173.00p
NAV (Price per share)	121.25p	169.74p*
Premium / (Discount to NAV)	(2.68)%	1.92%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 30/11/2022

**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

After months of upheaval, the UK enjoyed a month of relative stability in November. The reward was a continued reduction in gilt yields and a Sterling rebound, with GBP/USD breaking the 1.22 mark at the beginning of December, a remarkable recovery from the lows of around 1.04 seen at the end of September. The injection of investor confidence spilled over into equity markets as well, with both the FTSE 100 and FTSE 250 bouncing off recent lows. We continue to see mixed data from across the pond however, which tends to set the scene for global equity markets. The beginning of the month saw a CPI print lower than expected, fostering hopes that US inflation was stabilising and giving the Fed room to slow down their steep interest-rate hikes. Since then however, the November jobs report showed monthly wage growth equal to highest level of the year, leading to a return of the "higher for longer" narrative. While cash flows yields remain highly attractive within our investable universe, we continue to view an end to US rate rises as a leading indicator for a more sustained equity rally.

At the stock level our companies largely continue to deliver resilient trading statements, and where there are pockets of weakness, share prices seem to be quicker to recover, offering some optimism that tougher trading conditions are priced into stocks at these levels. M&A continues to be a prevalent theme, with trade buyers taking over the mantle from private equity in recent months. Our top performers in the period were Devro and Appreciate, both of which received recommended offers. Devro is an all cash offer from a rival sausage skin manufacturer while Appreciate is a cash and shares offer from UK listed Paypal Plc. A possible offer for Curtis Banks from Nucleus Financial Platforms also emerged in the period. We have held Devro in the fund since April 2019 and while it has been a strong source of income throughout that period, and we felt the shares were well-set going into 2023, the offer represents an attractive 65% premium to the previous share price, and there is no shortage of attractive opportunities for us to recycle the cash into. Appreciate has been a staple of the fund for even longer, with our initial purchase dating back to December 2009. While the offer represents c.20% upside to our average purchase price, and we have received a steady flow of dividends over the years, we felt that recent improvements in business were not reflected in the share price. If the deal completes, we will be sorry to see it go. On the downside, Strix delivered a disappointing update, falling victim to continued lockdowns in China which have prevented its customers from getting stock out into the market. On the trading front we have exited our position in Braemar Shipping and started a new holding in Conduit Re, a pure-play global reinsurance business.

Annual Returns % GBP

30/11/2022

	2022*	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	-12.21	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	2.86	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	-16.48	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	1.13	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	2.943	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	5.885	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

Howard Myles
Chairman

Andrew Watkins

Denise Hadgill

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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Top Twenty Holdings

Holding	Sector	% of Portfolio
Diversified Energy	Energy	3.37%
iEnergizer	Industrial Goods and Services	3.11%
Belvoir Lettings	Real Estate	2.81%
Devro	Food, Beverage and Tobacco	2.72%
UP Global Sourcing	Consumer Products and Services	2.60%
Appreciate Group	Financial Services	2.37%
Alumasc	Construction and Materials	2.34%
Kitwave	Personal Care, Drug and Grocery Stores	2.17%
MP Evans	Food, Beverage and Tobacco	2.11%
Chesnara	Insurance	2.06%
Coral Products	Industrial Goods and Services	1.99%
ME Group International	Consumer Products and Services	1.97%
Smiths News	Industrial Goods and Services	1.91%
Ramsdens Holdings	Financial Services	1.85%
MTI Wireless Edge	Telecommunications	1.81%
Redde Northgate	Industrial Goods and Services	1.79%
Duke Royalty	Financial Services	1.78%
STV	Media	1.73%
Castings	Industrial Goods and Services	1.62%
Wilmington	Media	1.60%
Total		43.72%

Income of the Top Ten Holdings

27%

Sector Breakdown %

Sector %	% of Portfolio
Financial Services	18.7%
Industrial Goods and Services	16.8%
Construction and Materials	9.6%
Consumer Products and Services	9.2%
Insurance	6.1%
Food, Beverage and Tobacco	6.0%
Real Estate	6.2%
Retail	5.4%
Media	5.3%
Energy	3.4%
Telecommunications	2.5%
Personal Care, Drug and Grocery	2.2%
Basic Resources	2.1%
Travel and Leisure	1.7%
Banks	1.2%
Health Care	1.1%
Chemicals	0.5%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	6.76%	4
£500m - £1bn	14.97%	11
£250m - £500m	17.35%	13
£100m - £250m	26.07%	21
Below £100m	34.84%	29
Cash and Income	0.00%	0
Total	100.00%	78

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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