

Monthly Factsheet
31 December 2022

Launch Date	12 May 1999
Gross Assets	£53.1m
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)	117.50p	176.75p
NAV (Price per share)	121.65p	169.85p*
Premium / (Discount to NAV)	(3.41)%	4.06%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 31/12/2022

**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

Despite a difficult month in domestic equity markets, the macro outlook appears to be gradually improving as falling energy prices have reduced inflation expectations for the coming year, and there are signs that the gloom around consumer spending may be overdone. Investors also appear to be looking to a shorter and more shallow recession than before. Whilst central bank rhetoric continues to urge caution, consensus forecasts are now expecting interest rates to peak at lower levels than previously anticipated both here and in the US. After the short sharp sell-off resulting from the Truss mini budget, the ship has steadied somewhat and some sense of normality has started to return to valuations in our investible universe. Investors are looking for a catalyst for some of the substantial fund flows out of UK centric funds in the past year to reverse and a shift from negative to positive corporate earnings momentum should go a long way to providing this. Whilst it still feels too early for this, as we move through this calendar year, analysts forecasts a year or so out should start to trend upwards. There was a relatively large gap last year between the performance of large caps and small and mid caps as we were underweight the sectors that performed best, particularly energy. We will however benefit as the prospects for the economy finally start to improve, as we have a very broadly based exposure to general economic activity, and investor sentiment becomes more 'risk on'.

We are at a stage in the cycle where analyst driven profit downgrades outnumber upgrades within our universe and despite the short term pain this always creates attractive investment opportunities. We expect to be active through the Q1 results season to take advantage of some of these opportunities and at the moment we are already busy adding a number of new names to the portfolio. In terms of performance there was no obvious link between our best performers which included UP Global Sourcing, Smiths News, ME Group and Kitwave. On the downside iEnergizer and Diversified Energy detracted from performance in the month. Interestingly though they were amongst our best performers over the year for calendar 2022.

Annual Returns % GBP

31/12/2022

	2022*	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	-9.35	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	0.08	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	-19.29	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	3.92	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	3.09%
UP Global Sourcing	Consumer Products and Services	3.09%
Belvoir Lettings	Real Estate	2.92%
iEnergizer	Industrial Goods and Services	2.67%
Kitwave	Personal Care, Drug and Grocery Stores	2.34%
Appreciate Group	Financial Services	2.30%
Alumasc	Construction and Materials	2.28%
Smiths News	Industrial Goods and Services	2.20%
ME Group International	Consumer Products and Services	2.15%
Coral Products	Industrial Goods and Services	2.13%
Chesnara	Insurance	2.02%
Redde Northgate	Industrial Goods and Services	1.96%
MP Evans	Food, Beverage and Tobacco	1.92%
Ramsdens Holdings	Financial Services	1.85%
STV	Media	1.82%
MTI Wireless Edge	Telecommunications	1.81%
Duke Royalty	Financial Services	1.78%
Wilmington	Media	1.72%
Castings	Industrial Goods and Services	1.64%
Fonix	Industrial Goods and Services	1.63%
Total		43.33%

Income of the Top Ten Holdings

29%

Sector Breakdown %

Sector %	% of Portfolio
Financial Services	18.5%
Industrial Goods and Services	17.5%
Consumer Products and Services	10.2%
Construction and Materials	9.8%
Insurance	7.6%
Real Estate	6.2%
Retail	5.7%
Media	5.4%
Food, Beverage and Tobacco	4.4%
Energy	3.1%
Telecommunications	2.6%
Personal Care, Drug and Grocery	2.3%
Basic Resources	2.0%
Travel and Leisure	1.8%
Banks	1.2%
Health Care	1.2%
Chemicals	0.5%

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	3
£500m - £1bn	11
£250m - £500m	14
£100m - £250m	20
Below £100m	29
Cash and Income	0
Total	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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