

Monthly Factsheet
28 February 2023

Launch Date	12 May 1999
Gross Assets	£56.1m
Net Assets	£38.3m*
Bank Debt	£nil
Core Dividend Yield	6.3%**
Yield incl Special	6.3%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	117.50p	184.50p
NAV (Price per share)	122.42p	183.36p*
Premium / (Discount to NAV)	(4.02)%	0.62%
Share Capital	14,500,000 [^]	20,900,000

*includes unaudited revenue reserve to 28/02/2022

**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, traded on AIM or traded on other qualifying UK marketplaces.
- 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

Monthly Manager Commentary

The global macro outlook continues to be dominated by the determination of the US Fed to reduce inflation, although there does now seem to be an end in sight for rate rises and the debate in markets is gradually moving to when we can expect the first cuts. In the UK the public finance data looks better than expected as borrowings are set to be below OBR forecasts due to a lower need for the energy support scheme and a higher tax take. Whether or not this will translate into fiscal support in the forthcoming budget remains to be seen but the 'mood music' is not promising in this respect. In the corporate world the results season has started reassuringly with the majority of numbers coming in at least in line with market estimates. Analysts, who tend to err on the side of caution in risk-off markets are generally tweaking numbers a bit lower for this year and next, increased interest charges being one common reason. Interestingly though share prices have held up reasonably well suggesting that the sell off seen last year has led to a wide range of valuations that are supportive of current news flow. The better news for us is that so far dividends have come in slightly ahead of our expectations.

We started a new holding last month in concrete-levelling equipment company, Somero, and are actively considering a relatively large number of potential new holdings as we can access our minimum four percent dividend yield requirement across numerous stocks and sectors at the moment. Whilst there was little in common between the underlying activities of our best performing shares over the past month, Kitwave and Alumasc both released good results and Fonix continued to rise after a positive trading update at the end of January. In difficult markets it is often the case that decent results can provide the catalyst to some positive short term performance as they provide a real time tangible basis for valuation to investors. On the downside UP Global and iEnergizer gave up some of their recent gains while Diversified Energy underperformed after an equity issue.

Annual Returns % GBP 28/02/2023

	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	6.36	-9.35	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	3.69	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	7.15	-19.29	39.52	-15.97	25.31	-24.50	24.37	4.96	24.79	4.82	56.76	36.4 6	- 13.94
NAV Morningstar Investment Trust UK Equity Income	5.09	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	5.885	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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Chelverton UK Dividend Trust plc

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Top Twenty Holdings

Holding	Sector	% of Portfolio
Diversified Energy	Energy	2.63%
Alumasc	Construction and Materials	2.59%
Belvoir Lettings	Real Estate	2.49%
UP Global Sourcing	Consumer Products and Services	2.43%
ME Group International	Consumer Products and Services	2.28%
iEnergizer	Industrial Goods and Services	2.25%
Smiths News	Industrial Goods and Services	2.19%
Kitwave	Personal Care, Drug and Grocery Stores	2.08%
Chesnara	Insurance	2.03%
STV	Media	1.95%
Coral Products	Industrial Goods and Services	1.89%
MP Evans	Food, Beverage and Tobacco	1.82%
Redde Northgate	Industrial Goods and Services	1.82%
Conduit	Insurance	1.78%
Ramsdens Holdings	Financial Services	1.73%
Fonix	Industrial Goods and Services	1.69%
Duke Royalty	Financial Services	1.66%
Castings	Industrial Goods and Services	1.61%
Hilton Food	Food, Beverage and Tobacco	1.61%
MTI Wireless Edge	Telecommunications	1.59%
Total		40.10%

Income of the Top Ten Holdings

28%

Sector Breakdown %

Sector %	% of Portfolio
Industrial Goods and Services	18.0%
Financial Services	17.0%
Consumer Products and Services	11.6%
Construction and Materials	11.2%
Insurance	8.3%
Real Estate	5.9%
Retail	5.3%
Food, Beverage and Tobacco	4.7%
Media	4.5%
Energy	2.6%
Telecommunications	2.2%
Personal Care, Drug and Grocery	2.1%
Travel and Leisure	1.9%
Basic Resources	1.8%
Banks	1.3%
Health Care	1.1%
Chemicals	0.5%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	6.59%	4
£500m - £1bn	15.90%	12
£250m - £500m	19.64%	15
£100m - £250m	26.84%	19
Below £100m	31.03%	28
Cash and Income	0.00%	0
Total	100.00%	77

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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