

Monthly Factsheet  
31 January 2023

<b>Launch Date</b>	12 May 1999
<b>Gross Assets</b>	£55.6m
<b>Net Assets</b>	£37.9m*
<b>Bank Debt</b>	£nil
<b>Core Dividend Yield</b>	6.3%***
<b>Yield incl Special</b>	6.3%****

	Zero Dividend Preference Shares	Ordinary Shares
<b>Share Price</b> (price per share)	117.50p	188.00p
<b>NAV</b> (Price per share)	122.06p	182.00p*
<b>Premium / (Discount to NAV)</b>	(3.73)%	3.29%
<b>Share Capital</b>	14,500,000^	20,850,000

\*includes unaudited revenue reserve to 31/01/2022

\*\*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 1<sup>st</sup> 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.

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# 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

A brief 'risk on' start to the year as investors started to move back into equities. Consensus estimates amongst analysts now appear to be moving towards a feeling that the worst of the economic downturn fears will not materialise. Interest rates in the US and UK were raised in line with forecasts and the monetary authorities continued to play down expectations of economic recovery in their on-going battle with inflation. The IMF produced a very downbeat assessment of the prospects for the UK economy, which made widespread headlines but which was quickly overtaken by a more upbeat outlook from the Bank of England. Interestingly from a bottom up perspective there are now an increasing number of companies where 'in line' news and updates have led to small upticks in the share price and where it appears that any disappointing news is already priced in. The real test of whether or not prices in our universe are now essentially bumping along the bottom will be in the upcoming results season, but the prognosis now certainly feels a lot better than it did a few months ago. It is still too early however to expect widespread earnings upgrades and our best expectations for this remain towards the end of this year looking through into 2024.

Consumer cyclicals, industrials and financials all made positive contributions to performance in the last month as N Brown, Ramsdens, TClarke, Vistry, and Saga, amongst others, all started the year well. In terms of trading we added to positions in Regional REIT, Chesnara, Genuit and Epwin and exited our remaining position in Centaur Media once the shares had gone "ex" the recently announced special dividend. We also took advantage of recent share price weakness to start a new holding in Watkin Jones, a leading developer and manager of "built to rent" and student accommodation. We continue to have a good number of new investment opportunities i.e. stocks that yield over four percent, and are looking to improve the longer term dividend paying capabilities of our portfolio by adding companies with resilient and growing cash flows to the fund

## Annual Returns % GBP

31/01/2023

	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Share Price</b> 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
<b>Share Price</b> 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
<b>NAV</b> 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
<b>NAV</b> 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
<b>Subtotal</b>	<b>5.885</b>	<b>11.000</b>	<b>10.000</b>	<b>9.600</b>	<b>8.970</b>	<b>8.460</b>	<b>7.950</b>	<b>7.500</b>	<b>7.125</b>	<b>6.825</b>
% 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
<b>TOTAL</b>	<b>5.885</b>	<b>11.000</b>	<b>10.272</b>	<b>9.600</b>	<b>11.470</b>	<b>9.120</b>	<b>9.810</b>	<b>9.100</b>	<b>7.425</b>	<b>9.575</b>

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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
<b>Reuters</b>	SDVP.L	SDV.L
<b>SEDOL</b>	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
UP Global Sourcing	Consumer Products and Services	3.03%
Diversified Energy	Energy	2.80%
Belvoir Lettings	Real Estate	2.63%
iEnergizer	Industrial Goods and Services	2.63%
Alumasc	Construction and Materials	2.38%
ME Group International	Consumer Products and Services	2.31%
Appreciate Group	Financial Services	2.27%
Smiths News	Industrial Goods and Services	2.26%
Kitwave	Personal Care, Drug and Grocery Stores	2.11%
Chesnara	Insurance	2.06%
Ramsdens Holdings	Financial Services	2.03%
Redde Northgate	Industrial Goods and Services	1.96%
Coral Products	Industrial Goods and Services	1.89%
MP Evans	Food, Beverage and Tobacco	1.83%
Wilmington	Media	1.81%
Conduit	Insurance	1.68%
Duke Royalty	Financial Services	1.66%
STV	Media	1.66%
Castings	Industrial Goods and Services	1.61%
MTI Wireless Edge	Telecommunications	1.56%
<b>Total</b>		<b>42.17%</b>

## Income of the Top Ten Holdings

**29%**

## Sector Breakdown %

Sector %	% of Portfolio
Financial Services	18.0%
Industrial Goods and Services	17.1%
Consumer Products and Services	12.0%
Construction and Materials	10.8%
Insurance	7.8%
Real Estate	5.8%
Retail	5.3%
Media	4.7%
Food, Beverage and Tobacco	4.7%
Energy	2.8%
Telecommunications	2.3%
Personal Care, Drug and Grocery	2.1%
Travel and Leisure	2.0%
Basic Resources	1.9%
Banks	1.2%
Health Care	1.1%
Chemicals	0.6%

## Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	3.52%	3
£500m - £1bn	19.98%	14
£250m - £500m	19.98%	16
£100m - £250m	25.62%	17
Below £100m	30.90%	27
Cash and Income	0.00%	0
<b>Total</b>	<b>100.00%</b>	<b>77</b>

## 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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