

Monthly Factsheet
31 March 2023

Launch Date	12 May 1999
Gross Assets	£53.1m
Net Assets	£35.3m*
Bank Debt	£nil
Core Dividend Yield	6.9%**
Yield incl Special	6.9%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	117.50p	177.00p
NAV (Price per share)	122.82p	166.94p*
Premium / (Discount to NAV)	(4.33)%	6.03%
Share Capital	14,500,000 [^]	21,150,000

*includes unaudited revenue reserve to 31/03/2022

**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

Just as a consensus was starting to build amongst commentators about the outlook for the global economy, the high profile problems at SVB and Credit Suisse and their subsequent takeovers proved to be significant negative surprises for the markets. Despite the Bank of England saying that the UK banking system is well capitalised and remains safe and sound, fears over further contagion in the banking sector globally has increased equity risk premiums and, as we all know, financial markets hate uncertainty. Investors in the US are now starting to worry about a short term recession. Looking further out in our domestic market however the weight of expectations appear to be for inflation to fall to around three percent, interest rates to peak somewhere between four and five percent and then start to fall and the UK economy to start to grow. At the same time Sterling has started to appreciate against the US Dollar. If this outlook came to fruition we would argue that it provides an ideal backdrop for a sustained period of positive UK small and mid cap relative performance. This is particularly so as the reporting season continued throughout the last month and the majority of our holdings are trading at least in line with estimates, albeit downgraded from last years highs. In our investible universe corporate UK is alive and well and generating cash, as evidenced by dividend payments continuing to be better than our expectations.

At the portfolio level Belvoir was a positive contributor on the back of Final Results which indicated fears over the state of the UK housing market may have been overdone. Kitwave also continued its strong run after Final Results at the end of February. Aferian was a poor performer on the back of a weak trading update, highlighting the impact of destocking on its hardware business. Alumasc was also a detractor in the period, despite a dividend increase and resilient outlook statement at the Interim Results in February. We have exited our position in Curtis Banks, taking advantage of the increased share price on the back of the recommended bid from Nucleus, and started a new holding in Arbuthnot Banking Group. Arbuthnot is a full service Private and Commercial Bank which enjoys a resilient deposit franchise and has been a beneficiary of recent interest rate rises.

Annual Returns % GBP 31/03/2023

	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	4.38	-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	3.87	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	6.05	-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	5.56	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	2.943	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	8.828	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	8.828	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
Belvoir Lettings	Real Estate	3.20%
UP Global Sourcing	Consumer Products and Services	2.66%
Kitwave	Personal Care, Drug and Grocery Stores	2.55%
Diversified Energy	Energy	2.52%
ME Group International	Consumer Products and Services	2.39%
Chesnara	Insurance	2.28%
Alumasc	Construction and Materials	2.27%
Smiths News	Industrial Goods and Services	2.24%
Coral Products	Industrial Goods and Services	2.13%
iEnergizer	Industrial Goods and Services	2.13%
MP Evans	Food, Beverage and Tobacco	2.10%
Conduit	Insurance	1.86%
Ramsdens Holdings	Financial Services	1.84%
Somero	Industrial Goods and Services	1.76%
MTI Wireless Edge	Telecommunications	1.71%
STV	Media	1.67%
Duke Royalty	Financial Services	1.65%
Hilton Food	Food, Beverage and Tobacco	1.64%
Redde Northgate	Industrial Goods and Services	1.64%
T Clarke	Construction and Materials	1.62%
Total		41.88%

Income of the Top Ten Holdings 28%

Sector Breakdown %

Sector %	% of Portfolio
Industrial Goods and Services	18.7%
Financial Services	14.4%
Consumer Products and Services	12.1%
Construction and Materials	10.9%
Insurance	8.8%
Real Estate	6.6%
Retail	5.2%
Food, Beverage and Tobacco	5.0%
Media	4.2%
Personal Care, Drug and Grocery	2.6%
Energy	2.5%
Banks	2.0%
Telecommunications	1.9%
Travel and Leisure	1.8%
Basic Resources	1.7%
Health Care	1.2%
Chemicals	0.4%

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	4
£500m - £1bn	12
£250m - £500m	15
£100m - £250m	21
Below £100m	27
Cash and Income	0
Total	79

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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