

Monthly Factsheet
31 May 2023

Launch Date	12 May 1999
Gross Assets	£52.4m
Net Assets	£34.5m*
Bank Debt	£nil
Core Dividend Yield	7.2%**
Yield incl Special	7.2%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	117.50p	163.50p
NAV (Price per share)	123.62p	161.46p*
Premium / (Discount to NAV)	(4.95)%	1.26%
Share Capital	14,500,000 [^]	21,360,000

*includes unaudited revenue reserve to 31/05/2022

**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 securities of other investment trusts or in unquoted companies.

Monthly Manager Commentary

With Germany in a technical recession, indications of a slowdown in China and continued worries over the US debt ceiling, the last month was a relatively poor one for risk assets on a global basis. This was compounded at home as gilt yields continued to rise undermining the prospects for equity share prices which continued to suffer from fund outflows. At the heart of the problem for the UK is the recent inflation figures which have led a number of commentators to raise forecasts of peak interest rates. The timing of reaching the targeted 2% inflation rate has also moved firmly to the right and we appear to be in a world in which analysts are looking at the UK as an inflation outlier. Whilst fund managers remain cautious about the UK and private equity awaits more certainty over borrowing costs there is one group of buyers who are upping their investments in UK equities on almost a daily basis and that is the companies themselves. Each morning our screens highlight the sheer number of companies buying their own shares back into treasury and, to us, is tangible evidence of the disconnect between the rather confused and volatile top down view and the bottom up perception of value.

At the portfolio level we sold our holding in Numis after the bid and after we had taken the dividend. We started a new position in IT professional services provider FDM Group, taking advantage of recent weakness to add a high quality business and serial dividend payer to the portfolio. Watkin Jones detracted from value in the fund over the month. It develops student accommodation and build to rent properties which are sold to institutional investors. Both of these sectors have been 'hot' as demand for the underlying product remains strong but there is a temporary slow down in the sales pipeline as investors readjust in the face of volatile interest rates and funding costs. Headlam, a distributor of carpets also fell as it highlighted a slowdown in consumer demand. Sabre the motor insurer was a positive contributor as it now looks as though claims inflation is stable and premiums are rising while ME Group continued its recent strong momentum following a positive update and announcement of a special dividend at the end of

Annual Returns % GBP

31/05/2023

	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	-5.96	-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	-0.81	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	-7.30	-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	-0.55	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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Chelverton UK Dividend Trust plc

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Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	3.24%
Smiths News	Industrial Goods and Services	2.56%
Alumasc	Construction and Materials	2.55%
UP Global Sourcing	Consumer Products and Services	2.39%
Diversified Energy	Energy	2.30%
Kitwave	Personal Care, Drug and Grocery Stores	2.26%
Coral Products	Industrial Goods and Services	2.16%
Chesnara	Insurance	2.16%
ME Group International	Consumer Products and Services	1.99%
Ramsdens Holdings	Financial Services	1.96%
MP Evans	Food, Beverage and Tobacco	1.86%
T Clarke	Construction and Materials	1.85%
Castings	Industrial Goods and Services	1.82%
Redde Northgate	Industrial Goods and Services	1.80%
Hilton Food	Food, Beverage and Tobacco	1.76%
MTI Wireless Edge	Telecommunications	1.72%
STV	Media	1.68%
Conduit	Insurance	1.65%
Duke Royalty	Financial Services	1.59%
Fonix	Industrial Goods and Services	1.58%
Total		40.89%

Income of the Top Ten Holdings

27%

Sector Breakdown %

Sector %	% of Portfolio
Industrial Goods and Services	19.7%
Financial Services	13.6%
Construction and Materials	12.5%
Consumer Products and Services	11.4%
Insurance	8.5%
Real Estate	6.7%
Retail	5.2%
Food, Beverage and Tobacco	4.7%
Media	3.9%
Banks	2.4%
Energy	2.3%
Personal Care, Drug and Grocery	2.3%
Telecommunications	1.9%
Travel and Leisure	1.8%
Basic Resources	1.6%
Health Care	1.2%
Chemicals	0.3%

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	4
£500m - £1bn	14
£250m - £500m	12
£100m - £250m	24
Below £100m	26
Cash and Income	0
Total	80

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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