

Monthly Factsheet  
31 July 2023

<b>Launch Date</b>	12 May 1999
<b>Gross Assets</b>	£51.2m
<b>Net Assets</b>	£33.1m*
<b>Bank Debt</b>	£nil
<b>Core Dividend Yield</b>	7.6%**
<b>Yield incl Special</b>	7.6%***

	Zero Dividend Preference Shares	Ordinary Shares
<b>Share Price</b> (price per share)	116.00p	159.50p
<b>NAV</b> (Price per share)	124.43p	155.04p*
<b>Premium / (Discount to NAV)</b>	(6.77)%	2.88%
<b>Share Capital</b>	14,500,000 <sup>^</sup>	21,360,000

\*includes unaudited revenue reserve to 31/07/2022

\*\*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

<sup>^</sup>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.

# 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

After an extended period of unerringly disappointing news with regard to domestic inflation, last months data finally provided some respite as numbers came in below market expectations. Commentators immediately set about reducing their forecasts for peak UK interest rates which have now moved from above to below six per cent. This provided a boost to share prices which unfortunately proved to be rather short lived as Fitch, the rating agency, downgraded the US credit rating, undermining equity valuations globally. The real 'story' here is that our domestic equity market remains volatile and susceptible to shifts in investor sentiment resulting from any short term change in the perceived direction of macro data. The added complication currently is that whilst investors fret about interest rate increases, there is a growing body of opinion that even current levels could be enough to undermine economic recovery due to the time it takes for rate increases to be reflected in real time economic data. This risk of Central Bank "overtightening" is one which we remain alert to. We believe that UK equity valuations are testament to the fact that our asset class remain relatively out of favour to equity investors generally.

Interestingly, we have had updates from a large number of our investee companies in recent weeks. While there are individual instances where the current macro environment has resulted in a rebasing of full year expectations, in the main, current trading across the portfolio has remained robust. We had negative updates from Watkin Jones, OSB Group and Headlam, where the combination of rising interest rates and increased inflation have impacted the business model, or in the case of Headlam, reduced consumer demand. Portmeirion also detracted from performance as customer de-stocking in the US more than offset robust end customer sales. On the other hand, RTC was our top performer on the back of strong Interim Results and a return to dividend payments. Outside of RTC, our top performers were Tyman, Vistry, Somero, Hargreaves Services and Arbutnot Banking. These companies have a diverse range of end markets but all provided positive updates on current trading in the month.

## Annual Returns % GBP

31/07/2023

	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Share Price</b> Ordinary Shares	-13.54	-9.35	35.61	-16.50	33.39	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72
<b>Share Price</b> Morningstar Investment Trust UK Equity Income	-2.94	0.08	20.55	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75
<b>NAV</b> Ordinary Shares	-16.11	-19.29	39.52	-15.97	25.31	-24.50	24.37	4.96	24.79	4.82	56.76	36.46
<b>NAV</b> Morningstar Investment Trust UK Equity Income	-3.78	3.92	23.17	-7.78	25.75	-5.81	11.15	8.39	8.60	3.66	30.61	17.30

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	2.943	2.750	2.500	2.400	2.400	2.400	2.400	2.400	2.400	2.400
<b>Subtotal</b>	<b>11.770</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	N/A	0.272	N/A	2.500	0.660	1.860	1.600	0.300	2.750
<b>TOTAL</b>	<b>11.770</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>

Monthly Factsheet  
**31 July 2023**

**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

**Contact Us**

**T** 020 7222 8989

**E** info@chelvertonam.com

**A** Chelverton Asset Management Limited  
Basildon House  
7 Moorgate  
London EC2R 6AF

**W** www.chelvertonam.com

# Chelverton UK Dividend Trust plc

(Formerly Chelverton Small Companies Dividend Trust plc)

**Top Twenty Holdings**

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	3.01%
Diversified Energy	Energy	2.63%
UP Global Sourcing	Consumer Products and Services	2.48%
Alumasc	Construction and Materials	2.47%
Coral Products	Industrial Goods and Services	2.22%
Chesnara	Insurance	2.14%
Smiths News	Industrial Goods and Services	2.07%
ME Group International	Consumer Products and Services	2.01%
Ramsdens Holdings	Financial Services	2.00%
Castings	Industrial Goods and Services	1.94%
Kitwave	Personal Care, Drug and Grocery Stores	1.91%
Tyman	Construction and Materials	1.86%
Duke Royalty	Financial Services	1.85%
MP Evans	Food, Beverage and Tobacco	1.77%
Severfield	Construction and Materials	1.75%
Hargreaves Services	Industrial Goods and Services	1.71%
Redde Northgate	Industrial Goods and Services	1.70%
T Clarke	Construction and Materials	1.70%
Conduit	Insurance	1.68%
Hilton Food	Food, Beverage and Tobacco	1.59%
<b>Total</b>		<b>40.48%</b>

**Income of the Top Ten Holdings** 26%

**Sector Breakdown %**

Sector %	% of Portfolio
Industrial Goods and Services	20.2%
Financial Services	13.9%
Construction and Materials	12.8%
Consumer Products and Services	10.9%
Insurance	8.0%
Real Estate	6.3%
Retail	5.2%
Food, Beverage and Tobacco	4.7%
Media	3.9%
Banks	2.8%
Energy	2.6%
Personal Care, Drug and Grocery	1.9%
Travel and Leisure	1.8%
Telecommunications	1.8%
Basic Resources	1.6%
Health Care	1.2%
Chemicals	0.3%

**Market Cap Breakdown**

	% of portfolio	No of stocks
Above £1bn	6.24%	5
£500m - £1bn	17.68%	11
£250m - £500m	14.81%	14
£100m - £250m	27.68%	21
Below £100m	33.59%	29
Cash and Income	0.00%	0
<b>Total</b>	<b>100.00%</b>	<b>80</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

This document is provided for information purposes only and should not be interpreted as investment advice. If you have any doubts as to the suitability of an investment, please consult your financial adviser. The information contained in this document has been obtained from sources that Chelverton Asset Management Limited ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy or completeness of the information provided, and therefore no investment decision should be based solely on this data. Past performance is not a guide to future performance. This document is issued by CAM, authorised and regulated by the Financial Conduct Authority. This document does not represent a recommendation by CAM to purchase shares in this Fund. The contents of this document are intended for Professional Investors and Eligible Counterparties only. We recommend private investors seek the services of a Financial Adviser.