

Monthly Fact Sheet 30 April 2018

Launch Date	12 May 1999	
Gross Assets	£ 66.1 m	
Net Assets	£ 51.7 m*	
Bank Debt	£ nil	
Dividend Yield	4.0%**	
	<i>Zero Dividend Preference Shares</i>	<i>Ordinary Shares</i>
Share Price (price per share)	105.50p	251.0p
NAV (price per share)	101.38p	249.16p*
Premium/ (Discount) to NAV	4.07%	0.74%
Share Capital	14,200,000***	20,750,000

*includes unaudited revenue reserve to 30/04/2018

**calculation includes last four dividends and special dividend

***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 Small Companies 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.



David Taylor began his career as an analyst in the research department at Wedd Durlacher and moved into fund management in 1987 with the Merchant Navy Officers Pension Fund. He joined Gartmore Investment Limited in 1991, during this time, he ran a combination of institutional funds and investment trusts, namely the Clydesdale Investment Trust

and London & Strathclyde Trust. In 1995, he moved to LGT to manage small cap retail funds and latterly spent nearly seven years as head of UK smaller companies at HSBC Asset Management. He joined Chelverton Asset Management in January 2006 and has co-managed the Chelverton UK Equity Income Fund since launch.

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.

The Trust's funds will be invested principally in companies with a market capitalisation of up to £500 million; a maximum of 20 per cent of the Group's portfolio may be invested in companies without reference to their market capitalisation at the discretion of the Investment Manager. The Trust's portfolio will comprise companies listed on the Official List and companies admitted to trading on AIM. The Trust will not invest in preference shares, loan stock or notes, convertible securities or fixed interest securities or any similar securities convertible into shares. The Trust will not invest in other investment trusts or unquoted companies.

Monthly Manager Commentary

The UK equity market recovered lost ground in the last month as investor risk appetite returned. At home this was driven in the first instance by weaker sterling as the US dollar recovered and by continued corporate activity. As a relatively UK-centric income fund, we were at a small disadvantage compared to the income sector as a whole but we welcome the shift in sentiment. We are also structurally underweight the oil sector which was a headwind in a month when the oil price recovered strongly. After the recent bounce we are back to where we were at the end of the third quarter last year when the majority of potential investments that fulfil our initial yield criteria are from a small number of domestic sectors. We are currently adopting a "one in, one out" policy in the retail sector, for example, as we want to retain a balanced portfolio. We fully expect our investable universe to increase significantly over the next few months, however, as the inevitable pre summer pick up in fund raisings leads to a short term 'price drift' across some UK small and mid cap stocks.

Interestingly, there appears to be an increasing number of commentators debating whether or not UK centric domestic stocks are 'cheap' given that it looks as though real wages may finally be starting to increase. We believe that we need to see this translate into improving consumer confidence before it can be reflected in share price rises. In the last month, we have added to a broad range of our existing holdings. We added a new position in Essentra, the supplier of plastic and fibre products, with over 85% of its revenue coming from overseas. At the same time, we added to UK earnings through Headlam (a new holding), Restaurant Group and Kier. We also took up our rights in Galliford Try. Our best performer in the month was DFS, who announced reassuring interims, taking effective management action to mitigate tough market conditions. Our worst performer was Gattaca, who cut profit expectations by 15% due to weakness in their UK technology business.

Annual Returns % (GBP)

30/04/2018

	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	-3.63	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	-4.08	24.41	4.96	24.80	4.82	56.76	38.34	-10.09
NAV	-1.05	12.65	6.78	23.05	-4.58	54.62	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	-1.36	12.80	10.18	16.06	-1.11	43.43	28.41	-10.65

Source: Chelverton Asset Management Limited and Morningstar
Past performance is not a guide to future results.

Dividend History

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
	p	p	p	p	p	p	p
First interim	2.02	1.85	1.70	1.575	1.475	1.40	1.35
Second interim	2.02	1.85	1.70	1.575	1.475	1.40	1.35
Third interim	2.02	1.85	1.70	1.575	1.475	1.40	1.35
Fourth interim		2.40	2.40	2.40	2.40	2.40	2.35
Subtotal	6.06	7.95	7.50	7.125	6.825	6.60	6.40
% increase		6.0	5.3	4.4	3.4	3.1	3.2
Special dividend		1.86	1.60	0.300	2.750	N/A	N/A
TOTAL	6.06	9.81	9.10	7.425	9.575	6.60	6.40

The Key Information Document ("KID") is available on the Chelverton website - www.chelvertonam.com

Monthly Fact Sheet
30 April 2018

Directors

The Rt Hon. the Lord Lamont of Lerwick
Chairman

David Harris

William van Heesewijk

Howard Myles

Calendar

Year End	30 April
AGM	September
Dividends (Declared)	March, June, September, December

Management Fee	1% pa.
Charge to Capital	Management Fee and Bank Interest (75% to Capital: 25% to Revenue)

Price Information

	ZDP	ORDS
Reuters	SDVP.L	SDV.L
SEDOL	BZ7MQD8	0661582
Market Makers	Canaccord, Numis, Winterflood, Stockdale	

Contact Us

T	020 7222 8989
E	cam@chelvertonam.com
A	Chelverton Asset Management Limited 20 Ironmonger Lane London EC2V 8EP
W	www.chelvertonam.com

Chelverton Small Companies Dividend Trust PLC

Top Twenty Holdings

Holding	Sector	% of portfolio
Diversified Gas & Oil	Oil and Gas	2.62%
Galliford Try	Construction & Building Materials	2.10%
Dairy Crest Group	Consumer Goods	2.07%
Marston's	Leisure, Entertainment & Hotels	2.06%
StatPro Group	Support Services	2.05%
Kier Group	Construction & Building Materials	2.05%
BCA Marketplace	Industrials	2.04%
De La Rue	Industrials	2.02%
Randall & Quilter	Insurance	2.01%
Belvoir Lettings	Real Estate	1.92%
Brown (N) Group	General Retailers	1.87%
McColl's Retail Group	General Retailers	1.87%
Numis Corporation	Speciality & Other Finance	1.84%
Mucklow (A&J) Group	Property	1.79%
Go-Ahead Group	Transport	1.78%
DFS Furniture	Housing Goods & Textiles	1.74%
Jarvis Securities	Speciality & Other Finance	1.72%
Alumasc Group (The)	Construction & Building Materials	1.69%
Amino Technologies	Information Technology Hardware	1.68%
Polar Capital Holdings	Investment Companies	1.63%
Total		38.55%

Sector Breakdown

Sector	% of portfolio
Financials	16.34%
Construction & Building Materials	12.50%
Industrials	9.67%
Support Services	9.25%
Insurance	5.51%
Real Estate	5.09%
General Retailers	4.98%
Technology	4.64%
Media & Photography	3.95%
Electronic & Electrical Equipment	3.75%
Consumer Goods	3.66%
Housing Goods & Textiles	3.46%
Transport	3.33%
Oil & Gas	3.04%
Leisure, Entertainment & Hotels	2.93%
Food Producers & Processors	2.19%
Health	1.34%
Packaging	1.28%
Telecommunications Services	1.13%
Automobiles	1.12%
Restaurant Pubs & Breweries	0.84%
Total	100.00%

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	7
£500m-£1bn	12
£250m-£500m	13
£100m-£250m	20
Below £100m	25
Cash and Income	0
Total	77

Source: Chelverton Asset Management Limited

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

The information contained in this document has been obtained from sources that Chelverton Asset Management ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy and completeness of the information provided, and therefore no investment decision should be based solely on this data.

This document is issued by CAM, authorised and regulated by the Financial Conduct Authority (FCA). This document does not represent a recommendation by CAM to purchase shares in this Trust. We recommend private investors seek the services of a Financial Adviser.