



Launch Date	12 May 1999
Gross Assets	£55.7m
Net Assets	£37.0m*
Bank Debt	£Nil
Core Dividend Yield	7.3%**
Yield including Special	7.3%***

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. The Company may retain investments in companies which cease to be listed after the initial investment was made, so long as the total is non-material in the context of the overall portfolio; however, the Company may not increase its exposure to such investments.

MONTHLY MANAGER COMMENTARY

July was a positive month for equities which was bookended by two key events in the UK. The General Election at the start of the month delivered the expected large majority for Labour, giving the new Government a strong mandate to pursue its stated growth agenda. The market largely shrugged off the new Chancellor's warnings of a £22 billion black hole in the public finances and focussed on the positive PMI data and GDP growth data for May, which was ahead of expectations. There was also further solid newsflow on inflation ahead of the Monetary Policy Committee meeting on 1st August. CPI remained at the target 2.0% in June, although some analysts had hoped for it to drop below 2%, with services prices remaining a little stickier than hoped. Despite this the MPC took the decision to reduce Interest Rates by 0.25% at the August meeting, the first cut since March 2020. The speed and timing of future interest rate cuts remains a subject of debate however the combination of positive UK GDP data and falling interest rates is supportive of an improving economic environment in 2025, which ought to provide a positive backdrop for UK equities.

At the portfolio level trading updates and dividends continue to be largely in-line, with good updates being rewarded with positive share price moves. Alumasc was the biggest positive contributor to performance in the month following a strong full year trading update, outperforming the subdued UK construction markets it operates in. Similarly Dunelm delivered a positive full year update, with PBT expected to be slightly ahead of expectations despite the challenging consumer environment. Kier's full year trading update was also very well received and Spectra Systems rallied on the announcement of a large sensor manufacturing contract. On the downside, Dowlais was weak on the back of poor automotive market data and Regional REIT was weak on the conclusion of its restructuring. August has begun with a sharp fall in global equity markets after weak US jobs data raised fears that the US has been too slow to lower interest rates, which could push the world's largest economy into recession territory. This has provided the opportunity to build positions in selected stocks which we feel are attractively priced on a medium term view.

ANNUAL RETURNS % GBP

31/07/2024

	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Share Price													
Ordinary Shares	17.97	-14.28	-9.35	35.61	-16.50	33.39	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72
Share Price													
Morningstar Investment Trust UK Equity Income	11.69	-1.96	0.08	20.55	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75
NAV													
Ordinary Shares	17.04	-18.19	-19.29	39.52	-15.97	25.31	-24.50	24.37	4.96	24.79	4.82	56.76	36.46
NAV													
Morningstar Investment Trust UK Equity Income	11.63	-0.50	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

	2023-24	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	P
First interim	3.150	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575	1.475
Second interim	3.150	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575	1.475
Third interim	3.150	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575	1.475
Fourth interim	3.150	2.943	2.750	2.500	2.400	2.400	2.400	2.400	2.400	2.400	2.400
Subtotal	12.600	11.770	11.000	10.000	9.600	8.970	8.460	7.950	7.500	7.125	6.825
% increase	7.100	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	N/A	0.272	N/A	2.500	0.660	1.860	1.600	0.300	2.750
TOTAL	12.600	11.770	11.000	10.272	9.600	11.470	9.120	9.810	9.100	7.425	9.575

FUND MANAGERS



DAVID HORNER

David qualified as a chartered accountant in 1984 with Deloitte before joining 3i Corporate Finance Limited in 1986. In 1993 he joined Strand Partners Limited, and was appointed a director in 1994, where he carried out a range of corporate finance assignments identifying, structuring and managing investments in quoted and unquoted companies. In 1997 he left to set up Chelverton Asset Management Limited and, in 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. He is Chairman of CEPS plc and Managing Director of Macaulay Capital plc.



OLIVER KNOTT

Oliver 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.

DIRECTORS

HOWARD MYLES
Non-Executive Chairman

ANDREW WATKINS
Non-Executive Director

DENISE HADGILL
Non-Executive Director

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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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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CHELVERTON UK DIVIDEND TRUST PLC IS REGISTERED IN ENGLAND. COMPANY NUMBER: 3749536

TOP TWENTY HOLDINGS

Holding	Sector	% of Portfolio
RTC Group	Commercial & Professional Services	2.70%
Smiths News	Consumer Discretionary Distribution & Retail	2.62%
Hargreaves Services	Energy	2.37%
Chesnara	Insurance	2.36%
ME Group International	Consumer Services	2.29%
Bakkavor Group	Food, Beverage & Tobacco	2.24%
Ultimate Products	Consumer Discretionary Distribution & Retail	2.17%
OSB	Financial Services	2.12%
Alumasc	Capital Goods	2.10%
STV	Media & Entertainment	1.97%
MP Evans	Food, Beverage & Tobacco	1.95%
ZigUp	Transportation	1.93%
Kier Group	Capital Goods	1.92%
Polar Capital	Financial Services	1.92%
Conduit	Insurance	1.91%
Spectra Systems	Technology Hardware & Equipment	1.90%
Duke Royalty	Financial Services	1.84%
Severfield	Capital Goods	1.82%
Wickes	Consumer Discretionary Distribution & Retail	1.79%
Somero	Capital Goods	1.75%
Total		41.66%
Income from Top 10 Holdings		25.00%

Source: Chelverton Asset Management Limited, Sector and Industry information per GICS

SECTOR BREAKDOWN %

Sector %	% of Portfolio
Financial Services	18.2%
Consumer Discretionary Distribution & Retail	12.3%
Capital Goods	11.3%
Insurance	8.0%
Commercial & Professional Services	6.1%
Energy	5.3%
Media & Entertainment	5.2%
Materials	5.1%
Food, Beverage & Tobacco	4.6%
Technology Hardware & Equipment	4.2%
Consumer Durables & Apparel	3.4%
Consumer Services	3.1%
Real Estate Management & Development	2.9%
Banks	2.8%
Transportation	1.9%
Automobiles & Components	1.3%
Health Care Equipment & Services	1.3%
Equity Real Estate Investment Trusts (REITs)	1.1%
Software & Services	1.0%
Consumer Staples Distribution & Retail	0.9%

MARKET CAP BREAKDOWN

	% of portfolio	No of stocks
Above £1bn	9.07%	6
£500m - £1bn	19.49%	12
£250m - £500m	14.27%	10
£100m - £250m	35.89%	26
Below £100m	21.29%	23
Cash and Income	0.00%	0
Total	100.00%	77

