

Launch Date	12 May 1999
Gross Assets	£55.5m
Net Assets	£36.7m*
Bank Debt	£Nil
Core Dividend Yield	7.5%**
Yield including Special	7.5%***

### 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

August began with a sharp fall in global equity markets after weak US jobs data raised fears that the US had been too slow to lower interest rates, which might push the world's largest economy into recession territory. Further data points as the month progressed cooled these concerns, however the sharp market movement goes to show how skittish equity markets continue to be. Federal Reserve Chair Jerome Powell's comments at the Jackson Hole conference gave the clearest indication yet that we will see a US rate cut in September, although there continues to be much debate over the pace of further cuts in the months to come. In the UK attention has largely turned towards the October budget, with the new Government continuing the paint a gloomy picture of the current state of the economy, raising expectations of tax increases in the budget. The pessimistic rhetoric appears to be starting to shake business confidence, with July GDP data unexpectedly weak versus expectations. Within our small and midcap universe there is some speculation over the future of Business Property Relief on AIM listed shares. While the market rarely reacts well to uncertainty, any technical mispricing that is unrelated to the fundamental performance of the underlying companies may throw up some interesting opportunities for medium term investors.

At the portfolio level "results season" has begun, where companies with a December year-end report their Interim Results. This is always an interesting point in the year as it often serves as an opportune time for Board's to appraise their full year expectations. In the main, earnings and dividends have been in-line or slightly ahead of expectations, although we have seen a couple of examples where management teams were a little too optimistic earlier in the year on the pace of the recovery. On the positive side TP ICAP delivered another positive set of results while Wickes and Property Franchise Group rose in anticipation of good results in September. I3Energy also rose in response to a recommended takeover by Gran Tierra Energy. OSB Group and Watkin Jones both detracted from performance with OSB highlighting increased competition in the lending market while Watkin Jones cited less market activity for its Student Housing and Build to Rent projects over the summer than anticipated. We took advantage of the volatility in equity markets in the month to add to positions FDM, Gateley and Wynnstay and reduced Marshalls on yield grounds after a period of good share price performance.

### ANNUAL RETURNS % GBP

31/08/2024

	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Share Price</b>													
Ordinary Shares	17.29	-14.28	-9.35	35.61	-16.50	33.39	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72
<b>NAV</b>													
Ordinary Shares	14.88	-18.19	-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	10.95	-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

\* Year to Date

Past performance is not a guide to future results

### 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
<b>Subtotal</b>	<b>12.600</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	7.100	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
<b>TOTAL</b>	<b>12.600</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>

The Key Information Document ("KID") is available on Chelverton UK Dividend Trust plc website - [chelvertonukdividendtrustplc.co.uk/www.chelvertonam.com](http://chelvertonukdividendtrustplc.co.uk/www.chelvertonam.com)

### 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 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.

**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

**TOP TWENTY HOLDINGS**

Holding	Sector	% of Portfolio
RTC Group	Commercial & Professional Services	2.54 %
Smiths News	Consumer Discretionary Distribution & Retail	2.50%
Hargreaves Services	Energy	2.45%
Chesnara	Insurance	2.42%
Ultimate Products	Consumer Discretionary Distribution & Retail	2.41%
ME Group International	Consumer Services	2.33%
Bakkavor Group	Food, Beverage & Tobacco	2.27%
Alumasc	Capital Goods	2.26%
Wickes	Consumer Discretionary Distribution & Retail	2.03%
MP Evans	Food, Beverage & Tobacco	1.99%
Conduit	Insurance	1.93%
STV	Media & Entertainment	1.93%
Severfield	Capital Goods	1.90%
ZigUp	Transportation	1.85%
Stelrad	Consumer Durables & Apparel	1.85%
Kier Group	Capital Goods	1.82%
Duke Royalty	Financial Services	1.80%
Arbuthnot Banking	Banks	1.74%
Spectra Systems	Technology Hardware & Equipment	1.74%
Dunelm	Consumer Discretionary Distribution & Retail	1.72%
<b>Total</b>		<b>41.49%</b>
<b>Income from Top 10 Holdings</b>		<b>25.00%</b>

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

**PRICE INFORMATION**

	ZDP	ORDS
Reuters	SDVP.L	SDV.L
SEDOL	BZ7MQD8	0661582
Market Makers	Canaccord Numis Shore Capital Winterflood	

**SECTOR BREAKDOWN %**

Sector %	% of Portfolio
Financial Services	16.6%
Consumer Discretionary Distribution & Retail	12.8%
Capital Goods	12.2%
Insurance	8.1%
Commercial & Professional Services	6.5%
Energy	5.3%
Food, Beverage & Tobacco	5.0%
Media & Entertainment	5.0%
Materials	4.2%
Technology Hardware & Equipment	4.1%
Consumer Durables & Apparel	3.7%
Consumer Services	3.1%
Real Estate Management & Development	2.7%
Banks	2.2%
Equity Real Estate Investment Trusts (REITs)	1.9%
Transportation	1.9%
Automobiles & Components	1.4%
Health Care Equipment & Services	1.3%
Software & Services	1.1%
Consumer Staples Distribution & Retail	0.9%

**MARKET CAP BREAKDOWN**

	% of portfolio	No of stocks
Above £1bn	9.59%	7
£500m - £1bn	15.82%	10
£250m - £500m	19.46%	13
£100m - £250m	33.88%	24
Below £100m	21.24%	23
Cash and Income	0.00%	0
<b>Total</b>	<b>100.00%</b>	<b>77</b>

**CONTACT US**

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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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