

Launch Date	12 May 1999
Gross Assets	£54.7m
Net Assets	£35.8m*
Bank Debt	£Nil
Core Dividend Yield	7.7%**
Yield including Special	7.7%***

## 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

After a prolonged period when budgets were essentially pre-announced the fact that there has been very little news, and a lot of speculation, about the new governments first budget at the end of October has added to an already uncertain short term domestic outlook. The continued gloomy rhetoric emanating from central government with respect to the economy has contributed to a dramatic fall in both consumer and business confidence in the month. At the same time the political situation has worsened significantly in the Middle East leading to a short term rise in oil prices. Despite top down issues the important results season delivered a largely supportive bottom up message as the majority of company profits and cash flows came in in-line with estimates. With interest rates falling both here and in the US and UK real wages rising we believe that the medium term outlook for the UK economy remains positive, underpinned by attractive valuations in our small and mid cap universe. The timing of the earnings upgrades needed to deliver positive share price momentum however has moved to the right as investors keep their powder dry until after the budget.

At the stock level Alumasc delivered a record set of Full Year results, delivering good growth despite challenging conditions in its Building Products end markets while Kitwave responded well to raising £31.5m and the acquisition of Creed catering supplies, a leading independent food wholesaler in the South of England. Other relatively strong performers included MTI Wireless, MP Evans, Stelrad and Epwin. On the downside Coral Products was weak after its Final Results commentary pointed to weak end markets and an unfavourable shift towards lower margin revenues. Property Franchise Group also fell on worries that it might be impacted by the FCA's announcement of a study of the pure protection market. Overall, dividends continue to come in in-line with our expectations, which combined with continued company share buybacks, highlights the strength of balance sheets within our investible universe.

## ANNUAL RETURNS % GBP

30/09/2024

	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Share Price													
Ordinary Shares	15.91	-14.28	-9.35	35.61	-16.50	33.39	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72
NAV													
Ordinary Shares	12.06	-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	9.74	-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

	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
	P	P	p	p	p	p	p	p	p	p	p
First interim	3.250	3.150	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575
Second interim		3.150	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575
Third interim		3.150	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575
Fourth interim		3.150	2.943	2.750	2.500	2.400	2.400	2.400	2.400	2.400	2.400
Subtotal	3.250	12.600	11.770	11.000	10.000	9.600	8.970	8.460	7.950	7.500	7.125
% increase		7.100	7.000	10.000	4.170	7.020	6.000	6.400	6.000	5.300	4.400
Special dividend		N/A	N/A	N/A	0.272	N/A	2.500	0.660	1.860	1.600	0.300
TOTAL	3.250	12.600	11.770	11.000	10.272	9.600	11.470	9.120	9.810	9.100	7.425

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

## 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

PRICE INFORMATION

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

CONTACT US

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TOP TWENTY HOLDINGS

Holding	Sector	% of Portfolio
Alumasc	Capital Goods	2.62%
Smiths News	Consumer Discretionary Distribution & Retail	2.59%
Chesnara	Insurance	2.39%
ME Group International	Consumer Services	2.37%
Bakkavor Group	Food, Beverage & Tobacco	2.34%
RTC Group	Commercial & Professional Services	2.32%
Ultimate Products	Consumer Discretionary Distribution & Retail	2.32%
Hargreaves Services	Energy	2.30%
MP Evans	Food, Beverage & Tobacco	2.22%
Wickes	Consumer Discretionary Distribution & Retail	2.13%
MTI Wireless Edge	Technology Hardware & Equipment	1.97%
Stelrad	Consumer Durables & Apparel	1.97%
Conduit	Insurance	1.94%
Epwin Group	Capital Goods	1.89%
Severfield	Capital Goods	1.85%
STV	Media & Entertainment	1.83%
ZigUp	Transportation	1.80%
Duke Royalty	Financial Services	1.80%
Polar Capital	Financial Services	1.76%
Arbuthnot Banking	Banks	1.68%
Total		42.07%
Income from Top 10 Holdings		25.00%

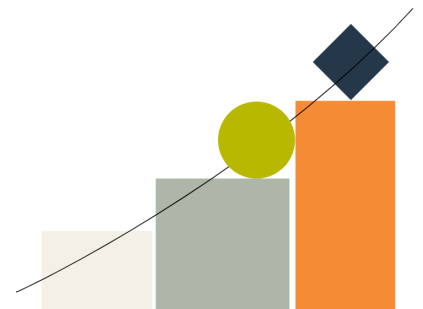
Source: Chelverton Asset Management Limited, Sector and Industry information per GICS

SECTOR BREAKDOWN %

Sector %	% of Portfolio
Financial Services	16.2%
Consumer Discretionary Distribution & Retail	12.7%
Capital Goods	12.5%
Insurance	8.1%
Commercial & Professional Services	7.1%
Food, Beverage & Tobacco	5.7%
Energy	5.3%
Media & Entertainment	4.9%
Technology Hardware & Equipment	4.0%
Consumer Durables & Apparel	3.4%
Materials	3.2%
Consumer Services	3.2%
Equity Real Estate Investment Trusts (REITs)	2.8%
Real Estate Management & Development	2.4%
Banks	2.1%
Transportation	1.8%
Automobiles & Components	1.3%
Health Care Equipment & Services	1.3%
Software & Services	1.1%
Consumer Staples Distribution & Retail	1.0%

MARKET CAP BREAKDOWN

	% of portfolio	No of stocks
Above £1bn	10.38%	7
£500m - £1bn	17.25%	11
£250m - £500m	16.18%	12
£100m - £250m	36.49%	25
Below £100m	19.69%	23
Cash and Income	0.00%	0
Total	100.00%	78



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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