



Launch Date	12 May 1999
Gross Assets	£53.6m
Net Assets	£34.6m*
Bank Debt	£Nil
Core Dividend Yield	8.1%**
Yield including Special	8.1%***

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

The main talking point of the last month was the first Labour budget for 14 years, one which unusually in this day and age had not been telegraphed beforehand, thereby creating significant investor uncertainty in the lead up to it. Coupled with the government's unrelenting gloom concerning the UK economy, this had served to undermine both consumer and corporate confidence in the preceding months and ultimately the budget provided very little to change this mood. 'Underwhelming' would be an appropriate summation of the OBR's 'growth' expectations after the Chancellor announced substantial increases in both taxation and government borrowing. All eyes are currently on the on-going reaction of bond markets which have so far been lukewarm at best as inflation expectations have risen and an additional burden has been put on the UK corporate sector through rising minimum wages and increased National Insurance payments. Domestic interest rates are now expected to stay higher for longer compared to pre-budget expectations. Interestingly, from an investment perspective, there are no real budget 'winners' or 'losers' on a sector basis, as there usually is, rather just a feeling of relief that the speculation is finally over and we can start to look forward on a more informed basis.

Whilst the AIM market escaped the worst of some commentators' fears, it is worth noting that with our requirement for dividend income, our exposure to this area tends to be supported by real and tangible cash flows. The reality from our fund perspective is that we still expect earnings upgrades as we move through next year to provide the catalyst for a period of more positive performance. Historically earnings upgrades help to drive improving investor sentiment which in itself leads to improved ratings for the shares that we invest in. Whilst this remains our central expectation, the extent of the anticipated upward re-rating remains subject to investor fund flows across the market. In our portfolio our holding in N.Brown was bid for by the Alliance family and we sold out of our position. We started a new holding in Oxford Metrics, a smart sensing software company. ME Group, Paypoint and Personal Group all continued their recent good momentum however Coral Products fell after a disappointing statement.

ANNUAL RETURNS % GBP

31/10/2024

	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Share Price Ordinary Shares	16.79	-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	6.66	-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	9.23	-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	8.91	-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

	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

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
ME Group International	Consumer Services	2.63%
RTC Group	Commercial & Professional Services	2.62%
Smiths News	Consumer Discretionary Distribution & Retail	2.58%
Chesnara	Insurance	2.39%
Hargreaves Services	Energy	2.34%
Ultimate Products	Consumer Discretionary Distribution & Retail	2.33%
Bakkavor Group	Food, Beverage & Tobacco	2.27%
Alumasc	Capital Goods	2.24%
MP Evans	Food, Beverage & Tobacco	2.19%
Severfield	Capital Goods	2.04%
Epwin Group	Capital Goods	2.00%
Wickes	Consumer Discretionary Distribution & Retail	1.98%
Stelrad	Consumer Durables & Apparel	1.96%
Conduit	Insurance	1.94%
Paypoint	Financial Services	1.83%
MTI Wireless Edge	Technology Hardware & Equipment	1.80%
Duke Royalty	Financial Services	1.79%
STV	Media & Entertainment	1.78%
Personal Group	Insurance	1.78%
Kier Group	Capital Goods	1.77%
Total		42.24%
Income from Top 10 Holdings		24.00%

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

SECTOR BREAKDOWN %

Sector %	% of Portfolio
Financial Services	16.1%
Capital Goods	12.2%
Consumer Discretionary Distribution & Insurance	12.0%
Commercial & Professional Services	8.5%
Food, Beverage & Tobacco	7.2%
Energy	5.9%
Media & Entertainment	5.9%
Technology Hardware & Equipment	4.8%
Consumer Services	3.8%
Consumer Durables & Apparel	3.4%
Equity Real Estate Investment Trusts	3.3%
Materials	2.7%
Real Estate Management & Software & Services	2.5%
Banks	2.1%
Transportation	1.9%
Health Care Equipment & Services	1.7%
Automobiles & Components	1.4%
Consumer Staples Distribution & Retail	1.1%
	0.9%

MARKET CAP BREAKDOWN

% of portfolio	No of stocks
Above £1bn	6
£500m - £1bn	10
£250m - £500m	13
£100m - £250m	26
Below £100m	23
Cash and Income	0
Total	78

