

Launch Date	12 May 1999
Gross Assets	£52.7m
Net Assets	£33.6m*
Bank Debt	£Nil
Core Dividend Yield	8.5%**
Yield including Special	8.5%***

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

Markets have been braced for news on trade tariffs from the US and the recent imposition and then retraction of tariffs between the US, Mexico and Canada has served to increase short term volatility. We await news with respect to Europe and the UK. At home, after the release of the monthly inflation data, the top-down narrative shifted to the slowdown in the domestic economy and the potential need for spending cuts, more tax rises or even an emergency budget to keep within the Chancellor's self-imposed fiscal rules. The slowdown in corporate investment and hiring, and the increase in redundancies noted last month has continued apace as companies react to maintain profitability in the aftermath of the October budget.

The heightened feeling of gloom felt by domestic investors manifested itself in continued outflows from UK focussed equity funds as they voted with their feet. Whilst the Government has rather belatedly tried to adopt a more positive tone with respect to 'growth', the majority of policy initiatives such as a new runway at Heathrow will take many years to come to fruition. The knock-on effect of all this however is that expectations for UK interest rate cuts have changed dramatically in the last few weeks, with some commentators now looking for six cuts this year and consensus appearing to settle at four. As expected, we have just seen a 25bp cut in February but interestingly a couple of members of the committee were voting for a 50bp cut.

Rates are coming down. This should hopefully make the current yield offered by our fund relatively more attractive, and whilst it may be difficult to remember, the UK economy is still actually forecast to grow this year. A pickup in both business and consumer confidence driven by falling interest rates may provide the catalyst for an improvement in sentiment towards our investment universe given current levels of relative undervaluation. In the last month we added two new holdings to our portfolio. These were Foresight Group, the investment company, and Victrex, a producer of high-performance polymers. We also reduced our exposure to Watkin Jones and Public Policy Holding Company. Detractors included FDM Group, RWS and Somero Enterprises. On a positive note, Hargreaves Services, Personal Group and Wickes all performed well following positive updates.

ANNUAL RETURNS % GBP

31/01/2025

	2025*	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Share Price											
Ordinary Shares	-7.64	12.00	-14.28	-9.35	35.61	-16.50	33.39	-32.16	27.59	13.81	29.36
Share Price											
Morningstar Investment Trust UK Equity Income	2.93	10.47	-1.96	0.08	20.55	-7.84	22.53	-10.39	13.42	7.43	5.96
NAV											
Ordinary Shares	-1.79	8.68	-18.19	-19.29	39.52	-15.97	25.31	-24.50	24.37	4.96	24.79
NAV											
Morningstar Investment Trust UK Equity Income	4.62	11.73	-0.50	3.92	23.17	-7.78	25.75	-5.81	11.15	8.39	8.60

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
	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
Second interim	3.250	3.150	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700
Third interim		3.150	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700
Fourth interim		3.150	2.943	2.750	2.500	2.400	2.400	2.400	2.400	2.400
Subtotal	6.500	12.600	11.770	11.000	10.000	9.600	8.970	8.460	7.950	7.500
% increase	3.200	7.100	7.000	10.000	4.170	7.020	6.000	6.400	6.000	5.300
Special dividend		N/A	N/A	N/A	0.272	N/A	2.500	0.660	1.860	1.600
TOTAL	6.500	12.600	11.770	11.000	10.272	9.600	11.470	9.120	9.810	9.100

The Key Information Document ("KID") is available on Chelverton UK Dividend Trust plc website - 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 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

TOP TWENTY HOLDINGS

Holding	Sector	% of Portfolio
Smiths News	Consumer Discretionary Distribution & Retail	2.85%
Hargreaves Services	Energy	2.80%
Chesnara	Insurance	2.56%
RTC Group	Commercial & Professional Services	2.55%
MP Evans	Food, Beverage & Tobacco	2.46%
Wickes	Consumer Discretionary Distribution & Retail	2.33%
Bakkavor Group	Food, Beverage & Tobacco	2.07%
Personal Group	Insurance	1.97%
Duke Royalty	Financial Services	1.96%
MTI Wireless Edge	Technology Hardware & Equipment	1.92%
Stelrad	Consumer Durables & Apparel	1.92%
Kier Group	Capital Goods	1.90%
TP ICAP	Financial Services	1.86%
OSB	Financial Services	1.85%
Assura	Equity Real Estate Investment Trusts (REITs)	1.84%
Ramsdens Holdings	Financial Services	1.83%
Conduit	Insurance	1.77%
ME Group International	Consumer Services	1.77%
Arbuthnot Banking	Banks	1.76%
Ultimate Products	Consumer Discretionary Distribution & Retail	1.76%
Total		41.75%
Income from Top 10 Holdings		25.00%

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

PRICE INFORMATION

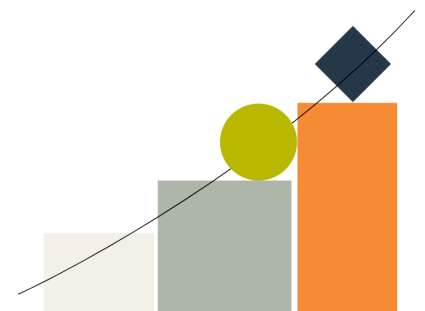
	ZDP	ORDS
Reuters	SDVP.L	SDV.L
SEDOL	BZ7MQD8	0661582
Market Makers	Canaccord Numis Shore Capital Winterflood	

SECTOR BREAKDOWN %

Sector %	% of Portfolio
Financial Services	17.2%
Consumer Discretionary Distribution & Retail	12.0%
Capital Goods	11.4%
Insurance	8.7%
Commercial & Professional Services	6.5%
Food, Beverage & Tobacco	6.1%
Materials	5.2%
Energy	5.2%
Media & Entertainment	4.8%
Technology Hardware & Equipment	3.7%
Consumer Durables & Apparel	3.1%
Equity Real Estate Investment Trusts (REITs)	2.9%
Consumer Services	2.6%
Banks	2.1%
Automobiles & Components	1.7%
Real Estate Management & Development	1.7%
Transportation	1.5%
Health Care Equipment & Services	1.4%
Software & Services	1.4%
Consumer Staples Distribution & Retail	0.8%

MARKET CAP BREAKDOWN

	% of portfolio	No of stocks
Above £1bn	13.27%	9
£500m - £1bn	21.32%	13
£250m - £500m	11.68%	10
£100m - £250m	29.89%	22
Below £100m	23.84%	25
Cash and Income	0.00%	0
Total	100.00%	79



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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