

Launch Date	12 May 1999
Gross Assets	£33.6m
Bank Debt	£Nil
Core Dividend Yield	8.2%**
Yield Including Special	8.2***

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Company is to provide Ordinary shareholders with a high income and opportunity for capital growth.

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, on AIM or AQSE 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

Comparisons with the Liz Truss era have been widespread as the macro story of the month in the UK was the rise in government borrowing costs as 10-year gilt yields hit 4.7% and 30-year yields hit 5.6%. This was a response to heightened inflation worries, particularly around food prices in the short term and the governments perceived lack of options in reducing long term debt. The market appears to have dismissed hope of any spending cuts since the recent about turn on welfare payments. Inevitably further tax rises appear to be on the Chancellor's agenda and the fears are that these will serve to reduce economic growth forecasts still further when there is wide agreement that a growing economy and improved productivity is the only way to reduce debt on a sustained basis. The bond markets will be keeping a wary eye out for the Autumn budget which we now know will be on November 26th and until then we can expect increased market volatility as the rumour mill gets up to full speed. To put the 'glass half empty' view of the UK into perspective, bond yields are rising in most developed economies as the Trump tariff volatility continues and Q2 GDP rates for the domestic economy have just been revised upwards. Although the relative strength of Sterling versus the US Dollar has started to reverse recently, the currency should be supported as the Bank of England now seem more cautious with respect to interest rate cuts in the near future. We continue to believe that the direction of travel for domestic rates is very firmly downwards.

Rising bond yields and a perceived policy vacuum have led to a feeling of gloom ahead of the budget, and will continue to provide short term headwinds to the performance of domestic equities. In all fairness this is nothing new as investors are generally holding low weightings in UK equities and have been for some time. Who knows, perhaps the budget will not be as bad as commentators' worst fears and the much touted £50bn black hole will turn out to be an overestimate widely taken up and reported as fact by the press. In any event the companies that we invest in are just getting on with the day job and generating profits and cash. Highlighting the positive, dividend payments within our portfolio remain robust and we have had yet another bid for one of our stocks reaffirming valuation attractions. Epwin, a manufacturer of energy efficient low maintenance building products was the subject of an agreed bid from a private German company. The offer was at 120p per share which was a 32% premium to the price the day before. Other building related stocks fared less well as bond yields rose and Alumasc, Speedy Hire and Wickes all detracted from performance, the latter after a bearish broker note. On the plus side, Chesnara, Personal Group, Bytes and Johnson Matthey all performed well. We started a new position in Healthcare property company PHP as the price fell after the acquisition of Assura, offering an attractive entry point into a long term structural growth opportunity at a dividend yield of almost 8%.

ORDINARY SHARES

Share Price (price per share)	140.50p
NAV (Price per share)	149.46p*
Premium / (Discount to NAV)	(5.99%)
Share Capital	22,450,000

*includes unaudited revenue reserve to 31/08/2025

**calculation includes last four dividends divided by the NAV per share

***calculation includes last four dividends and special dividend divided by the NAV per share

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.

ANNUAL RETURNS % GBP

31/08/2025

	2025*	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Share Price	-9.31	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	12.94	10.47	-1.96	0.08	20.55	-7.84	22.53	-10.39	13.42	7.43	5.96
NAV											
Ordinary Shares	2.23	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	11.97	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
Past performance is not a guide to future results

* Year to Date

DIVIDEND HISTORY

	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
	P	P	P	P	P	P	P	P	P	P
First interim	2.50	3.25	3.15	2.943	2.75	2.50	2.40	2.19	2.02	1.85
Second interim		3.25	3.15	2.943	2.75	2.50	2.40	2.19	2.02	1.85
Third interim		3.25	3.15	2.943	2.75	2.50	2.40	2.19	2.02	1.85
Fourth interim		3.25	3.15	2.943	2.75	2.50	2.40	2.40	2.40	2.40
Subtotal	2.50	13.00	12.60	11.77	11.00	10.00	9.60	8.97	8.46	7.95
% change		3.20	7.10	7.00	7.00	4.17	7.02	6.00	6.42	6.00
Special dividend		N/A	N/A	N/A	N/A	0.272	N/A	2.50	0.66	1.86
TOTAL	2.50	13.00	12.60	11.77	11.00	10.272	9.60	11.47	9.12	9.81

DIRECTORS

HOWARD MILES
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	2.73%*
Charge to Capital	Management Fee and Bank Interest (75% to Capital: 25% to Revenue)

*For the year ended 30/04/24, calculated in accordance with AIC guidelines. Please see annual report for more details

PRICE INFORMATION

Reuters	SDV.L
SEDOL	0661582
Market Makers	Canaccord Numis Shore Capital Winterflood

CONTACT US

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TOP TWENTY HOLDINGS

Holding	Sector	% of Portfolio
Chesnara	Insurance	3.91
Hargreaves Services	Energy	3.53
Smiths News	Consumer Discretionary Distribution & Retail	2.88
MTI Wireless Edge	Technology Hardware & Equipment	2.71
Personal Group	Insurance	2.52
Duke Royalty	Financial Services	2.42
Epwin Group	Capital Goods	2.30
Arbuthnot Banking	Banks	2.21
Wynnstay	Food, Beverage & Tobacco	2.18
Polar Capital	Financial Services	2.08
MP Evans	Food, Beverage & Tobacco	2.01
Stelrad	Consumer Durables & Apparel	1.99
Coral Products	Materials	1.95
Ramsdens Holdings	Financial Services	1.94
Serica	Energy	1.91
ZigUp	Transportation	1.90
One Health	Health Care Equipment & Services	1.89
Wickes	Consumer Discretionary Distribution & Retail	1.81
Hansard Global	Insurance	1.74
Kier Group	Capital Goods	1.73
Total		45.61%
Income from Top 10 Holdings		29%

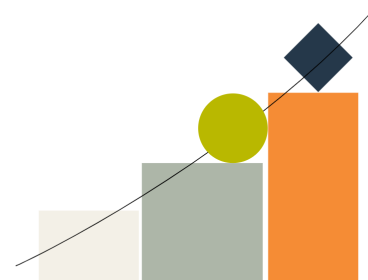
Source: Chelverton Asset Management Limited, Sector and Industry information per GICS

SECTOR BREAKDOWN %

Sector %	% of Portfolio
Financial Services	20.4
Insurance	11.2
Consumer Discretionary	11.1
Capital Goods	10.1
Energy	6.9
Media & Entertainment	5.4
Materials	5.3
Commercial & Professional Services	4.9
Food, Beverage & Tobacco	4.2
Technology Hardware & Equipment	3.9
Equity Real Estate Investment	3.3
Consumer Services	3.1
Banks	2.2
Consumer Durables & Apparel	2.0
Transportation	1.9
Health Care Equipment & Services	1.9
Software & Services	1.6
Real Estate Management & Development	0.7
Automobiles & Components	0.0
Consumer Staples Distribution & Retail	0.0

MARKET CAP BREAKDOWN

	% of portfolio	No of stocks
Above £1bn	15.10	11
£500m-£1bn	17.97	11
£250m-£500m	15.73	9
£100m-£250m	29.03	18
Below £100m	22.16	18
Total	100.00	67



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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