

Launch Date	12 May 1999
Gross Assets	£32.0m
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.

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

Another year came to an end with UK large caps outperforming small and midcaps again. Investors were in a lot of cases accessing a good spread of overseas earnings at attractive levels of valuation through investment in UK listed large multi-national companies and it was reassuring that returns were not all about the US and technology. Our more domestically orientated universe continued to suffer relatively from the negative sentiment towards the UK economy which was exacerbated in the aftermath of the budget. Looking forward consensus expectations point to falling inflation and monetary stimulus through falling interest rates on a Global basis which should provide a more positive macro environment for the stocks that we invest in. Indeed, we hope that this easing will prove to be the 'catalyst' that has been missing to encourage investors back into our companies.

The speed and magnitude of the rate cuts is the subject of widespread debate, and we note that the cut in the UK in December was carried by just one vote. In any event rate reductions should help to improve the well documented lack of confidence in both UK corporates and consumers. As rates fall, we would expect a wide range of our more cyclical stocks to 'bounce' as improving short-term earnings expectations should quickly be reflected in analysts' forecasts. Throughout the economic difficulties of the past year, it is reassuring to report continued strength in the underlying dividend payments of stocks in our portfolio. A testament to undervalued cash flows.

At the portfolio level we added one new holding in the period, Brickability Group, a leading distributor and provider of specialist products and services to the UK construction industry. Zigup performed well following a positive trading update, Chesnara's share price continued to rise following regulatory approval of their acquisition of HSBC Life, and Conduit Re's share price gradually recovered after a knock at its interim results in July. In terms of detractors, Foresight Group Holding's share price fell on announcement of the funding environment remaining challenging, albeit their results were broadly in-line with expectations, and Premier Miton and Speedy Hire also suffered on the back of lacklustre results.

ORDINARY SHARES

Share Price (price per share)	137.50p
NAV (Price per share)	142.60p*
Premium / (Discount to NAV)	(3.58%)
Share Capital	22,450,000

*includes unaudited revenue reserve to 31/12/2025

**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

31/12/2025

	2025*	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Share Price Ordinary Shares	-5.42	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	20.98	10.47	-1.96	0.08	20.55	-7.84	22.53	-10.39	13.42	7.43	5.96
NAV Ordinary Shares	2.61	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	18.73	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	2.50	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	5.00	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	5.00	13.00	12.60	11.77	11.00	10.272	9.60	11.47	9.12	9.81

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 2.73%*

Charge to Capital Management Fee (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

TOP TWENTY HOLDINGS

Holding	Sector	% of Portfolio
Smiths News	Consumer Discretionary Distribution & Retail	3.79
Chesnara	Insurance	3.56
Hargreaves Services	Energy	3.13
Polar Capital	Financial Services	2.49
MTI Wireless Edge	Technology Hardware & Equipment	2.47
ZigUp	Transportation	2.40
Duke Royalty	Financial Services	2.33
Wynnstay	Food, Beverage & Tobacco	2.07
Personal Group	Insurance	1.94
Serica	Energy	1.92
Arbutnot Banking	Banks	1.91
Conduit	Insurance	1.85
Man Group	Financial Services	1.79
Hollywood Bowl	Consumer Services	1.73
MP Evans	Food, Beverage & Tobacco	1.72
Stelrad	Consumer Durables & Apparel	1.72
Primary Health	Equity Real Estate Investment Trusts (REITs)	1.69
Hansard Global	Insurance	1.68
ITV	Media & Entertainment	1.68
Wickes	Consumer Discretionary Distribution & Retail	1.66
Total		43.53%
Income from Top 10 Holdings		30%

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

PRICE INFORMATION

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

SECTOR BREAKDOWN %

Sector %	% of Portfolio
Financial Services	19.9
Consumer Discretionary Distribution & Retail	11.4
Insurance	10.6
Capital Goods	8.2
Energy	6.4
Media & Entertainment	5.5
Food, Beverage & Tobacco	5.0
Materials	4.9
Commercial & Professional Services	4.8
Equity Real Estate Investment Trusts (REITs)	4.2
Technology Hardware & Equipment	3.4
Consumer Durables & Apparel	3.1
Health Care Equipment & Services	3.0
Consumer Services	2.9
Transportation	2.4
Banks	1.9
Software & Services	1.7
Real Estate Management & Development	0.6
Automobiles & Components	0.0
Consumer Staples Distribution & Retail	0.0

MARKET CAP BREAKDOWN

	% of portfolio	No of stocks
Above £1bn	14.93	10
£500m-£1bn	25.06	15
£250m-£500m	8.94	7
£100m-£250m	26.91	17
Below £100m	24.15	20
Total	100.00	69

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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