

Launch Date	12 May 1999
Gross Assets	£33.5m
Bank Debt	£Nil
Core Dividend Yield	7.2%**
Yield Including Special	7.2%***

### 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

February delivered a positive return as the macro narrative turned slightly less negative based on the outlook for falling domestic interest rates where consensus estimates suggested two cuts in the next year. This was all turned on its head however with the airstrikes against Iran on the last day of the month. The inflationary effects of a rapidly rising oil price have led some market participants to price in interest rates actually increasing in the near future, undermining the basis of earlier optimism. Equity investors remain firmly focussed on short term fluctuations in both the oil price, and energy prices generally, as supplies continue to be disrupted. As we have said before the robust balance sheets of both UK corporates and UK consumers are both positives for our economy but confidence continues to be undermined. On a more positive note dividend payments have continued to be resilient.

At the portfolio level positive contributors included Hargreaves Services and MTI Wireless Edge following strong trading updates, and Serica Energy who reported a positive production outlook for FY'26. Detractors included Mony plc, who's shares fell due to AI disintermediation concerns, and Smiths News on the back of a warning notice from the UK Pensions Regulator in relation to potentially providing financial support to the Tuffnells Parcels Express Pension Scheme. VP Plc's shares also fell following a disappointing trading update.

### ORDINARY SHARES

Share Price (price per share)	139.50p
NAV (Price per share)	149.27p*
Premium / (Discount to NAV)	(6.55%)
Share Capital	22,450,000

\*includes unaudited revenue reserve to 28/02/2026

\*\*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

28/02/2026

	2026*	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Share Price</b>											
Ordinary Shares	-1.76	-2.00	12.00	-14.28	-9.35	35.61	-16.50	33.39	-32.16	27.59	13.81
<b>Share Price</b>											
Morningstar Investment Trust UK Equity Income	7.65	22.20	10.47	-1.96	0.08	20.55	-7.84	22.53	-10.39	13.42	7.43
<b>NAV</b>											
Ordinary Shares	3.95	1.10	8.68	-18.19	-19.29	39.52	-15.97	25.31	-24.50	24.37	4.96
<b>NAV</b>											
Morningstar Investment Trust UK Equity Income	8.53	19.70	11.73	-0.50	3.92	23.17	-7.78	25.75	-5.81	11.15	8.39

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	2.50	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
<b>Subtotal</b>	<b>7.50</b>	<b>13.00</b>	<b>12.60</b>	<b>11.77</b>	<b>11.00</b>	<b>10.00</b>	<b>9.60</b>	<b>8.97</b>	<b>8.46</b>	<b>7.95</b>
% 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
<b>TOTAL</b>	<b>5.00</b>	<b>13.00</b>	<b>12.60</b>	<b>11.77</b>	<b>11.00</b>	<b>10.272</b>	<b>9.60</b>	<b>11.47</b>	<b>9.12</b>	<b>9.81</b>

**DIRECTORS**

**HOWARD MYLES**  
Non-Executive Chairman

**ANDREW WATKINS**  
Non-Executive Director

**DENISE HADGILL**  
Non-Executive Director

**CALENDAR**

<b>Year End</b>	30 April
<b>AGM</b>	September
<b>Dividends (Declared)</b>	March, June, September, December

<b>Management Fee</b>	1%
<b>Ongoing Fee</b>	2.73%*
<b>Charge to Capital</b>	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
Chesnara	Insurance	3.71
Hargreaves Services	Energy	3.66
MTI Wireless Edge	Technology Hardware & Equipment	2.98
Smiths News	Consumer Discretionary Distribution & Retail	2.92
Polar Capital	Financial Services	2.85
Serica	Energy	2.53
ZigUp	Transportation	2.45
Wynnstay	Food, Beverage & Tobacco	2.27
Duke Royalty	Financial Services	2.22
MONY Group	Media & Entertainment	2.06
Man Group	Financial Services	2.00
Hollywood Bowl	Consumer Services	1.99
Conduit	Insurance	1.95
Arbuthnot Banking	Banks	1.92
ME Group International	Consumer Services	1.84
Personal Group	Insurance	1.83
Dunelm	Consumer Discretionary Distribution & Retail	1.81
Primary Health	Equity Real Estate Investment Trusts (REITs)	1.78
Hansard Global	Insurance	1.74
Sabre Insurance	Insurance	1.74
<b>Total</b>		<b>46.25%</b>
<b>Income from Top 10 Holdings</b>		<b>29%</b>

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

**PRICE INFORMATION**

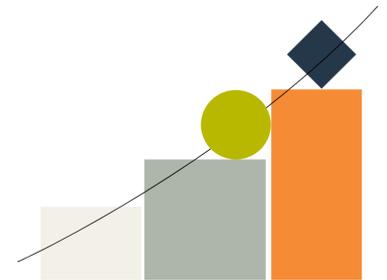
<b>Reuters</b>	SDV.L
<b>SEDOL</b>	0661582
<b>Market Makers</b>	Canaccord Numis Shore Capital Winterflood

**SECTOR BREAKDOWN %**

Sector %	% of Portfolio
Financial Services	19.3
Insurance	11.0
Consumer Discretionary Distribution & Retail	10.7
Energy	8.0
Capital Goods	7.6
Materials	5.8
Media & Entertainment	5.8
Food, Beverage & Tobacco	5.3
Commercial & Professional Services	4.6
Technology Hardware & Equipment	3.9
Consumer Services	3.8
Consumer Durables & Apparel	3.0
Health Care Equipment & Services	2.8
Equity Real Estate Investment Trusts (REITs)	2.7
Transportation	2.5
Banks	1.9
Software & Services	0.8
Real Estate Management &	0.7
Automobiles & Components	0.0
Consumer Staples Distribution & Retail	0.0

**MARKET CAP BREAKDOWN**

% of portfolio	No of stocks
Above £1bn	11
£500m-£1bn	12
£250m-£500m	8
£100m-£250m	16
Below £100m	21
<b>Total</b>	<b>68</b>



**CONTACT US**

**E:** info@chelvertonam.com

**A:** Chelverton Asset Management Limited  
Basildon House  
7 Moorgate

**W:** www.chelvertonukdividendtrustplc.com

**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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