

Launch Date	12 May 1999
Gross Assets	£33.3m
Bank Debt	£Nil
Core Dividend Yield	6.7%**
Yield Including Special	6.7%***

### 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

The short-term focus of investors' attention remains on the situation in the Middle East and the economic effects of the continued closure of one of the world's major shipping lanes. Whilst peace talks continue, scepticism remains as to their effectiveness. In a traditionally quiet month for UK company reporting the financial markets attention tends to be focussed elsewhere and domestically this has added to the sense of gloom with widespread discussion of our relatively high energy costs, rapidly increasing employment costs and the low housebuilding rate. The latter is particularly important from a growth perspective because of the multiplier effect of every pound spent in the sector. On the positive side however, companies are now beginning to talk about the potential benefits of AI to their businesses. Obviously, within our investible universe we have little direct exposure to the cutting edge of this technology, but by adopting new products in this area certain tasks could become more cost effective for our holdings.

Interestingly, in a quiet month for company reporting, May was a relatively good month for UK small and mid-cap. Within our own portfolio, positive contributors to performance included Hollywood Bowl, who issued reassuring half year results against tough comparators; Polar Capital whose AUM continues to grow, reflecting the positive performance of its Tech franchise in particular; and Zigup who also delivered a trading update at the top end of expectations. In terms of detractors, Serica Energy gave up some of its gains; RTC Group fell on the release of its trading update, which communicated a challenging cost inflationary environment for its customers due to the Middle East conflict; and Wickes Group's share price also suffered despite an in-line trading update. We started a position in Card Factory, the vertically integrated greeting card and gift retailer.

### ORDINARY SHARES

Share Price (price per share)	136.75p
NAV (Price per share)	148.27p*
Premium / (Discount to NAV)	(7.77%)
Share Capital	22,450,000

\*includes unaudited revenue reserve to 31/05/2026

\*\*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

31/05/2026

	2026*	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Share Price</b>											
Ordinary Shares	-2.40	-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	5.00	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	5.90	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	5.00	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	2.50	3.25	3.15	2.943	2.75	2.50	2.40	2.40	2.40	2.40
<b>Subtotal</b>	<b>10.00</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	-23.1%	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	N/A	0.272	N/A	2.50	0.66	1.86
<b>TOTAL</b>	<b>10.00</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**

**Year End** 30 April

**AGM** September

**Dividends (Declared)** March, June, September, December

**Management Fee** 1%

**Ongoing Fee** 2.79%\*

**Charge to Capital** Management Fee (75% to Capital: 25% to Revenue)

\*For the year ended 30/04/25, calculated in accordance with AIC guidelines. Please see annual report for more details

**PRICE INFORMATION**

<b>Reuters</b>	SDV.L
<b>SEDOL</b>	0661582
<b>Market Makers</b>	Cavendish Investec Peel Hunt Shore Cap Singers Winterflood

**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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**TOP TWENTY HOLDINGS**

<b>Holding</b>	<b>Sector</b>	<b>% of Portfolio</b>
Polar Capital	Financial Services	3.81
Chesnara	Insurance	3.42
Hargreaves Services	Energy	3.28
Smiths News	Consumer Discretionary Distribution & Retail	3.05
MTI Wireless Edge	Technology Hardware & Equipment	2.85
ZigUp	Transportation	2.84
Personal Group	Insurance	2.48
Hollywood Bowl	Consumer Services	2.33
Wynnstay	Food, Beverage & Tobacco	2.18
MONY Group	Media & Entertainment	2.15
Duke Royalty	Financial Services	2.12
Primary Health	Equity Real Estate Investment Trusts (REITs)	2.13
ME Group International	Consumer Services	2.00
Sabre Insurance	Insurance	1.95
Arbuthnot Banking	Banks	1.95
Hilton Food	Food, Beverage & Tobacco	1.95
Serica	Energy	1.89
TP ICAP	Financial Services	1.85
Hansard Global	Insurance	1.82
Man Group	Financial Services	1.75
<b>Total</b>		<b>47.82%</b>
<b>Income from Top 10 Holdings</b>		<b>26%</b>

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

**SECTOR BREAKDOWN %**

<b>Sector %</b>	<b>% of Portfolio</b>
Financial Services	19.9
Insurance	11.3
Consumer Discretionary Distribution & Retail	10.4
Energy	7.5
Capital Goods	6.5
Commercial & Professional Services	6.0
Media & Entertainment	5.7
Materials	5.0
Food, Beverage & Tobacco	4.7
Consumer Services	4.3
Technology Hardware & Equipment	4.3
Equity Real Estate Investment Trusts	2.9
Transportation	2.8
Consumer Durables & Apparel	2.8
Health Care Equipment & Services	2.7
Banks	2.0
Software & Services	0.9
Real Estate Management &	0.1
Automobiles & Components	0.0
Consumer Staples Distribution & Retail	0.00

**MARKET CAP BREAKDOWN**

	<b>% of portfolio</b>	<b>No of stocks</b>
Above £1bn	17.72	11
£500m-£1bn	22.35	12
£250m-£500m	10.14	7
£100m-£250m	26.72	17
Below £100m	23.07	23
<b>Total</b>	<b>100.00</b>	<b>70</b>

