

## Monthly Fact Sheet 31 March 2018

<b>Launch Date</b>	12 May 1999
<b>Gross Assets</b>	£ 60.53 m
<b>Net Assets</b>	£ 47.63 m*
<b>Bank Debt</b>	£ nil
<b>Dividend Yield</b>	4.4%**

	Zero Dividend Preference Shares	Ordinary Shares
<b>Share Price</b> (price per share)	105.50p	230.50p
<b>NAV</b> (price per share)	100.88p	232.36p*
<b>Premium/ (Discount) to NAV</b>	4.58%	(0.80)%
<b>Share Capital</b>	12,780,083***	20,500,000

\*includes unaudited revenue reserve to 31/03/2018

\*\*calculation includes last four dividends and special dividend

\*\*\*redeemed at 133.18p - 30/04/2025

## Fund Managers



### David Horner

qualified as a chartered accountant in 1984 with Deloitte before joining 3i Corporate Finance Limited in 1986. In May 1993 he joined Strand Partners Limited, and was appointed a director in January 1994, where he carried out a range of corporate finance assignments identifying, structuring

and managing investments in quoted and unquoted companies. In June 1997 he left to set up Chelverton Asset Management Limited and, in May 1999, he launched the Small Companies 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.



**David Taylor** began his career as an analyst in the research department at Wedd Durlacher and moved into fund management in 1987 with the Merchant Navy Officers Pension Fund. He joined Gartmore Investment Limited in 1991, during this time, he ran a combination of institutional funds and investment trusts, namely the Clydesdale Investment Trust

and London & Strathclyde Trust. In 1995, he moved to LGT to manage small cap retail funds and latterly spent nearly seven years as head of UK smaller companies at HSBC Asset Management. He joined Chelverton Asset Management in January 2006 and has co-managed the Chelverton UK Equity Income Fund since launch.

# Chelverton Small Companies Dividend Trust PLC

## 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 Trust's funds will be invested principally in companies with a market capitalisation of up to £500 million; a maximum of 20 per cent of the Group's portfolio may be invested in companies without reference to their market capitalisation at the discretion of the Investment Manager. The Trust's portfolio will comprise companies listed on the Official List and companies admitted to trading on AIM. The Trust will not invest in preference shares, loan stock or notes, convertible securities or fixed interest securities or any similar securities convertible into shares. The Trust will not invest in other investment trusts or unquoted companies.

## Monthly Manager Commentary

Although the policy tightening plans of the Fed have been well documented, the US led equity markets lower as worries over trade tariffs caused investors to assess the effect on corporate earnings expectations of a widespread trade war. Despite the US economy growing strongly, business confidence has been knocked as a result of these trade fears. As share prices fell at home, the apparent compromise with respect to the Brexit transition period served to calm investors worst short term concerns and manufacturing and employment levels continued to provide some cause for optimism. Dividend payments remain robust. Interestingly, whilst corporate activity levels are picking up, the IPO market has proved to be quieter than we would have expected largely due, we believe, to increased market volatility.

The most significant news for the Trust in March was Conviviality entering administration after a number of forecasting errors left the company facing significant short term funding issues. Other poor performers in March were Moss Bros, which fell heavily after a 'self inflicted' downgrade caused by supply problems, De La Rue, which fell after the loss of the high profile British passport contract, and Alumasc, as it saw delays in anticipated orders from building contractors combined with the poor weather and delays to public contracts in Scotland. On the positive side, Huntworth performed well as it developed further momentum in its Healthcare business, as did St. Ives after a strong performance by its Strategic Marketing business. We supported an equity placing by Flowtech Fluidpower to fund further acquisitions and we expect there to be an increased appetite for equity funding as we move through the year.

## Annual Returns % (GBP)

31/03/2018

	2018	2017	2016	2015	2014	2013	2012	2011
<b>Share Price</b> Ordinary Shares	-11.50	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
<b>Share Price</b> Morningstar Investment Trust UK Equity Income	-10.71	24.41	4.96	24.80	4.82	56.76	38.34	-10.09
<b>NAV</b>	-5.62	12.65	6.78	23.05	-4.58	54.62	36.46	-13.94
<b>NAV</b> Morningstar Investment Trust UK Equity Income	-7.05	12.80	10.18	16.06	-1.11	43.43	28.41	-10.65

Source: Chelverton Asset Management Limited and Morningstar

Past performance is not a guide to future results.

## Dividend History

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
	p	p	p	p	p	p	p
First interim	2.02	1.85	1.70	1.575	1.475	1.40	1.35
Second interim	2.02	1.85	1.70	1.575	1.475	1.40	1.35
Third interim	2.02	1.85	1.70	1.575	1.475	1.40	1.35
Fourth interim		2.40	2.40	2.40	2.40	2.40	2.35
<b>Subtotal</b>	<b>6.06</b>	<b>7.95</b>	<b>7.50</b>	<b>7.125</b>	<b>6.825</b>	<b>6.60</b>	<b>6.40</b>
% increase		6.0	5.3	4.4	3.4	3.1	3.2
Special dividend		1.86	1.60	0.300	2.750	N/A	N/A
<b>TOTAL</b>	<b>6.06</b>	<b>9.81</b>	<b>9.10</b>	<b>7.425</b>	<b>9.575</b>	<b>6.60</b>	<b>6.40</b>

The Key Information Document ("KID") is available on the Chelverton website - [www.chelvertonam.com](http://www.chelvertonam.com)

Monthly Fact Sheet  
**31 March 2018**

**Directors**

**The Rt Hon. the Lord Lamont of Lerwick**  
Chairman

**David Harris**

**William van Heesewijk**

**Howard Myles**

**Calendar**

**Year End** 30 April

**AGM** September

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

**Management Fee** 1% pa.

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

**Price Information**

	ZDP	ORDS
<b>Reuters</b>	SDVP.L	SDV.L
<b>SEDOL</b>	BZ7MQD8	0661582
<b>Market Makers</b>	Canaccord, Numis, Winterflood, Stockdale	

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# Chelverton Small Companies Dividend Trust PLC

**Top Twenty Holdings**

Holding	Sector	% of portfolio
Diversified Gas & Oil	Oil and Gas	2.81%
StatPro Group	Support Services	2.22%
Dairy Crest Group	Consumer Goods	2.12%
Marston's	Leisure, Entertainment & Hotels	2.09%
Randall & Quilter	Insurance	2.08%
Belvoir Lettings	Real Estate	2.03%
Amino Technologies	Information Technology Hardware	1.93%
BCA Marketplace	Speciality & Other Finance	1.87%
Mucklow (A&J) Group	Real estate	1.86%
Jarvis Securities	Speciality & Other Finance	1.84%
McColl's Retail	General Retailers	1.82%
Numis Corporation	Insurance	1.81%
Go-Ahead Group	Transport	1.74%
Polar Capital Holdings	Investment Companies	1.70%
De La Rue	Support Services	1.68%
Braemar Shipping Services	Transport	1.67%
Alumasc Group (The)	Construction & Building Materials	1.64%
Curtis Banks Group	Financial Services	1.61%
Ramsdens Holdings	General Retailers	1.60%
Huntsworth	Support Services	1.56%
<b>Total</b>		<b>37.69%</b>

**Sector Breakdown**

Sector	% of portfolio
Financials	17.05%
Support Services	11.26%
Construction & Building Materials	9.53%
General Retailers	6.19%
Technology	4.54%
Industrials	8.89%
Insurance	5.54%
Real Estate	7.28%
Media & Photography	4.96%
Leisure, Entertainment & Hotels	3.02%
Electronic & Electrical Equipment	1.04%
Housing Goods & Textiles	1.52%
Oil & Gas	3.41%
Food Producers & Processors	2.24%
Transport	3.40%
Consumer Goods	4.43%
Health	1.34%
Packaging	1.27%
Telecommunications Services	1.14%
Automobiles	1.11%
Restaurant Pubs & Breweries	0.84%
	100.00%

**Market Cap Breakdown**

% of portfolio	No of stocks
Above £1bn	3
£500m-£1bn	15
£250m-£500m	11
£100m-£250m	21
Below £100m	28
Cash and Income	0
<b>Total</b>	<b>78</b>

Source: Chelverton Asset Management Limited

**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

The information contained in this document has been obtained from sources that Chelverton Asset Management ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy and completeness of the information provided, and therefore no investment decision should be based solely on this data.

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