

Monthly Factsheet
31 October 2021

Launch Date	12 May 1999
Gross Assets	£64.1m
Net Assets	£47.2m*
Bank Debt	£nil
Core Dividend Yield	4.5%**
Yield incl Special	4.6%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	115.50p	214.00p
NAV (Price per share)	116.26p	226.54p*
Premium / (Discount to NAV)	(0.66)%	(5.54)%
Share Capital	14,500,000 [^]	20,850,000

*includes unaudited revenue reserve to 31/10/2021

**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

[^]redeemed at 133.18p –31/05/2025

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 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.



Oliver Knott 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.

Chelverton UK Dividend Trust plc

(Formerly 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, having provided a capital return sufficient to repay the full final capital entitlement of the Zero Dividend Preference shares issued by the wholly owned subsidiary company SDV ZDP 2025 PLC.

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 or traded on AIM.
- 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.

Monthly Manager Commentary

The majority of trading statements from our investee companies remain positive and 'in-line' but the loss of momentum in earnings upgrades has led to pressure on share prices in our investment universe. We believe that this will prove to be a temporary pause for breath and is to be expected after such a strong recovery in prices since the vaccine rollout started in earnest. The fact that share prices are now falling after disappointing news suggests that investors have finally stopped looking through to a general recovery that will benefit all and are starting to become more cognisant of underlying valuation. As experienced active investors we expect this return to a more fundamental valuation basis to start to throw up some interesting investment opportunities for us over the coming months. One area we are looking at currently is on the demand side of the equation and whether strong order books are representative of sustained demand or are a reflection of orders being pulled forward as economies recover after the pandemic. Another area of interest is where there have been supply side disruptions but company profitability has held up well as margins have risen to compensate. The focus here will be on how much, if any, of the margin increase can be retained as the supply side normalises, which it inevitably will.

At the portfolio level we are continuing to rotate away from companies which have not returned to full dividends or where share price strength has resulted in a yield below our criteria. We reduced our position in Centaur Media after a strong run, using the funds to continue to build our positions in new holdings Topps Tiles and TP ICAP. In terms of monthly performance UP Global fell on worries around how well the company would be able to mitigate current supply chain difficulties, however the shares have since recovered on the back of an impressive set of Final Results. Ramsdens was also weak due to the slow recovery in demand for foreign exchange services. On the plus side Bloomsbury and Vertu responded well to strong interim results, Belvoir bounced after recent weakness and Coral Products released an upbeat AGM statement.

Annual Returns % GBP

31/10/2021

	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	37.73	-16.50	33.39	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	15.65	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
NAV Ordinary Shares	39.85	-15.97	25.31	-24.50	24.37	4.96	24.79	4.82	56.76	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	18.36	-7.78	25.75	-5.81	11.15	8.39	8.60	3.66	30.61	17.30	-2.30

Source: Chelverton Asset Management Limited and Morningstar

Past performance is not a guide to future results

*Year to date

Dividend History

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
	p	p	p	p	p	p	p	p	p
First interim	2.75	2.50	2.40	2.19	2.02	1.85	1.70	1.575	1.475
Second interim		2.50	2.40	2.19	2.02	1.85	1.70	1.575	1.475
Third interim		2.50	2.40	2.19	2.02	1.85	1.70	1.575	1.475
Fourth interim		2.50	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Subtotal		10.00	9.60	8.97	8.46	7.95	7.50	7.125	6.825
% increase	10.00	4.17	7.02	6.00	6.40	6.00	5.30	4.40	3.40
Special dividend		0.272	N/A	2.50	0.66	1.86	1.60	0.30	2.75
TOTAL	2.75	10.272	9.60	11.47	9.12	9.81	9.10	7.425	9.575

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Directors

The Rt Hon the Lord Lamont of Lerwick
Chairman

Andrew Watkins

William van Heesewijk

Howard Myles

Calendar

Year End 30 April

AGM September

Dividends (Declared) March, June, September, December

Management Fee 1%

Ongoing Fee 2.33%*

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

* As at 30/04/21, calculated in accordance with AIC guidelines. Please see annual report for more details

Price Information

	ZDP	ORDS
Reuters	SDVP.L	SDV.L
SEDOL	BZ7MQD8	0661582

Market Makers Canaccord Numis Shore Capital Winterflood

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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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CHELVERTON UK DIVIDEND TRUST PLC IS REGISTERED IN ENGLAND. COMPANY NUMBER: 3749536

Chelverton UK Dividend Trust plc

(Formerly Chelverton Small Companies Dividend Trust plc)

Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	4.07%
Alumasc	Construction and Materials	2.82%
Diversified Energy	Energy	2.70%
Randall & Quilter	Insurance	2.23%
UP Global Sourcing	Consumer Products and Services	2.16%
Jarvis Securities	Financial Services	2.15%
DFS Furniture	Retail	1.92%
STV	Media	1.91%
MTI Wireless Edge	Telecommunications	1.86%
Brewin Dolphin Holdings	Financial Services	1.77%
Vertu	Retail	1.72%
Bloomsbury Publishing	Media	1.70%
Coral Products	Industrial Goods and Services	1.70%
Finncap Group	Financial Services	1.69%
Premier Miton Group	Financial Services	1.69%
Devro	Food, Beverage and Tobacco	1.68%
Vistry	Consumer Products and Services	1.64%
MP Evans	Food, Beverage and Tobacco	1.64%
Polar Capital	Financial Services	1.62%
Redde Northgate	Industrial Goods and Services	1.60%
Total		40.27%

Income of the Top Ten Holdings

28%

Sector Breakdown %

Sector %	% of Portfolio
Financial Services	18.8%
Industrial Goods and Services	15.8%
Construction and Materials	9.4%
Consumer Products and Services	8.1%
Insurance	7.4%
Real Estate	7.2%
Retail	6.6%
Media	6.1%
Food, Beverage and Tobacco	4.4%
Travel and Leisure	4.2%
Telecommunications	3.0%
Energy	2.7%
Personal Care, Drug and Grocery Stores	2.4%
Basic Resources	1.6%
Banks	1.1%
Utilities	1.1%
Total	100.0%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	7.82%	6
£500m - £1bn	15.70%	11
£250m - £500m	21.00%	16
£100m - £250m	24.22%	17
Below £100m	31.26%	24
Cash and Income	0.00%	0
Total	100.00%	74