

Monthly Fact Sheet
31 August 2018

Launch Date	12 May 1999
Gross Assets	£ 64.64 m
Net Assets	£ 49.73 m*
Bank Debt	£ nil
Dividend Yield	4.1%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	104.50p	222.00p
NAV (price per share)	102.80p	237.52p*
Premium/ (Discount) to NAV	1.65%	(6.92)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 31/08/2018

**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 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.



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 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 outperformance of small and mid-cap last month was less a result of improved trading or a shift in investor sentiment and more a reflection of the increased pressure on large caps as the trade war fears were set alongside worries over emerging markets as the dollar strengthened. At home, the interest rate rise was already priced in, evidenced by the fact that our housebuilders all returned a small positive contribution. The improved summer weather provided some respite for the UK consumer stocks although it was rather selective as within our own portfolio DFS and N. Brown delivered a positive return and Shoe Zone a negative one. On a reassuring note, analyst earnings expectations continue to largely be devoid of hype and hope and appear to be based on a healthy dose of realism. Whilst this may have the effect of dampening short-term optimism, it does engender a more 'rational' bottom up investment environment despite the massive top down uncertainties. It will be interesting to see how the raft of new equity issuance is priced as we get closer to Brexit.

In terms of performance, the last month was the proverbial 'mixed bag' as our best and worst contributors included a balance of both overseas and domestic earners across a wide number of sectors. On the plus side were Murgitroyd and Coral Products, after positive trading updates, and Photo-Me, which recovered from a sell-off earlier in the summer. On the negative side, Statpro sold off after a higher than normal number of contract cancellations, and XP Power was weak amid concern about the semi-conductor market. The desire to gradually enhance underlying income as 'Brexit' related volatility increases underpinned additions to existing holdings such as McColl's, N. Brown and Crest Nicholson and our exit of Macfarlane.

Annual Returns % (GBP)

31/08/2018

	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	-13.73	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	-7.24	24.41	4.96	24.80	4.82	56.76	38.34	-10.09
NAV	1.30	12.65	6.78	23.05	-4.58	54.62	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	1.15	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

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
	p	p	p	p	p	p	p
First interim	2.19	2.02	1.85	1.70	1.575	1.475	1.40
Second interim	-	2.02	1.85	1.70	1.575	1.475	1.40
Third interim	-	2.02	1.85	1.70	1.575	1.475	1.40
Fourth interim	-	2.40	2.40	2.40	2.40	2.40	2.40
Subtotal	2.19	8.46	7.95	7.50	7.125	6.825	6.60
% increase	-	6.4	6.0	5.3	4.4	3.4	3.1
Special dividend	-	0.66	1.86	1.60	0.300	2.750	N/A
TOTAL	2.19	9.12	9.81	9.10	7.425	9.575	6.60

The Key Information Document ("KID") is available on the Chelverton website - www.chelvertonam.com

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

Price Information

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

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Chelverton UK Dividend Trust PLC

(Formerly Chelverton Small Companies Dividend Trust plc)

Top Twenty Holdings

Holding	Sector	% of portfolio
Diversified Gas & Oil	Oil and Gas	3.41%
Galliford	Construction & Building Materials	2.26%
BCA Marketplace	Speciality & Other Finance	2.20%
Randall & Quilter Investment	Insurance	2.16%
Dairy Crest Group	Consumer Goods	2.03%
Marston's	Leisure, Entertainment & Hotels	2.02%
Polar Capital Holdings	Investment Companies	1.92%
Belvoir Lettings	Real Estate	1.89%
Kier Group	Leisure, Entertainment & Hotels	1.84%
De La Rue	Support Services	1.84%
Mucklow (A&J) Group	Investment Companies	1.81%
Strix Group	Diversified Industrials	1.81%
Photo-Me International	Media & Photography	1.77%
Castings	Construction & Building Materials	1.76%
Bloomsbury Publishing	Media & Photography	1.76%
Jarvis Securities	Speciality & Other Finance	1.73%
DFS Furniture	Housing Goods & Textiles	1.70%
Brown (N) Group	General Retailers	1.65%
StatPro Group	Support Services	1.64%
McColl's Retail Group	General Retailers	1.63%
Total		38.85%

Sector Breakdown%

Sector%	% of portfolio
Construction & Building Materials	16.32%
Financials	15.07%
Industrials	11.45%
Support Services	8.81%
General Retailers	6.72%
Real Estate	6.03%
Insurance	5.47%
Technology	4.36%
Oil & Gas	4.58%
Housing Goods & Textiles	3.04%
Transport	3.00%
Leisure, Entertainment & Hotels	2.99%
Media & Photography	2.63%
Food Producers & Processors	2.26%
Consumer Goods	2.06%
Automobiles	1.35%
Restaurant Pubs & Breweries	1.23%
Electronic & Electrical Equipment	1.11%
Telecommunications Services	1.06%
Packaging	0.46%
	100.00%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	7.25%	5
£500m-£1bn	22.27%	14
£250m-£500m	18.20%	11
£100m-£250m	23.36%	17
Below £100m	28.92%	28
Cash and Income	0.00%	0
Total	100.00%	75

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

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