

Monthly Fact Sheet
31 December 2018

Launch Date	12 May 1999
Gross Assets	£ 54.72 m
Net Assets	£ 39.62 m*
Bank Debt	£ nil
Dividend Yield	5.50%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	109.00p	170.75p
NAV (price per share)	104.14p	190.01p*
Premium/ (Discount) to NAV	4.66%	(10.14)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 31/12/2018

**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

Whilst we believed the negative sentiment towards UK companies was largely priced into UK stocks a few months ago, the severe sell off over the past month has been accentuated by trade wars and a slowdown in global earnings expectations, leaving fewer and fewer marginal buyers of UK small and mid caps. At the same time, we have seen the traditional round of earnings warnings from December year-end companies and what appears to be an increasing reluctance on the part of investors to buy indebted companies, although there appears to be no change in lending patterns from the banks. Sentiment has penalised bad news severely and failed to reward good news and with political confusion at its height, it appeared an easy call to bet against UK exposure.

We have suffered as a UK small and mid-cap fund from this 'top down' anti-UK sentiment and from several 'bottom up' company issues. Specifically, there were profit warnings from McColl's and Low & Bonar. We saw a strong performance from the fund's two Oil and Gas stocks: Anglo African Oil and Gas, on positive drilling results, and Diversified Oil and Gas, on announcing that results will be materially ahead of expectations. During the month, we participated in the IPO of Finnapp, the adviser and broker, and participated in the rights issues of both Restaurant Group and Kier.

Interestingly the feedback from the companies that we invest in has, in aggregate, remained 'cautiously optimistic' and whilst all have thought about the ramifications of all Brexit scenarios in some detail, the consensus is that whatever happens there will be some degree of additional short-term administration or inventory cost. Obviously, no one is currently in a position to make any longer-term assessment.

Annual Returns % (GBP)

31/12/2018

	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72	2.82
Share Price Morningstar Investment Trust UK Equity Income	-24.50	24.41	4.96	24.80	4.82	56.76	38.34	-10.09
NAV	-10.16	12.65	6.78	23.05	-4.58	54.62	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	-11.92	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	2.19	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	4.38	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	4.38	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

Monthly Fact Sheet
31 December 2018

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

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

Contact Us

T	020 7222 8989
E	cam@chelvertonam.com
A	Chelverton Asset Management Limited 20 Ironmonger Lane London EC2V 8EP
W	www.chelvertonam.com

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	3.85%
Marston's	Leisure, Entertainment & Hotels	2.41%
Mucklow (A&J) Group REIT	Investment Companies	2.24%
Randall & Quilter Investment	Insurance	2.23%
Dairy Crest Group	Consumer Goods	2.12%
BCA Marketplace	Speciality & Other Finance	2.01%
Shoe Zone (Holdings)	General Retailers	1.94%
De La Rue	Support Services	1.91%
Restaurant Group	Restaurants, Bars and Breweries	1.91%
Belvoir Lettings	Real Estate	1.91%
Castings	Construction & Building Materials	1.88%
Kcom Group	Telecommunications Services	1.85%
Bloomsbury Publishing	Media & Photography	1.81%
Strix Group	Diversified Industrials	1.80%
Hilton Food Group	Food Producers & Processors	1.72%
Park Group	Speciality & Other Finance	1.72%
Galliford Try	Construction & Building Materials	1.70%
UP Global Sourcing Holdings	Support Services	1.67%
DFS Furniture	Housing Goods & Textiles	1.66%
Crest Nicholson	Construction & Building Materials	1.65%
Total		40.01%

% Income of Top Ten Holdings

23.25%

Sector Breakdown%

Sector%	% of portfolio
Financials	14.76%
Construction & Building Materials	14.47%
Industrials	11.54%
Support Services	8.80%
Insurance	6.59%
General Retailers	6.49%
Real Estate	6.20%
Oil & Gas	5.08%
Technology	4.36%
Leisure, Entertainment & Hotels	3.30%
Media & Photography	3.20%
Transport	2.83%
Food Producers & Processors	2.26%
Housing Goods & Textiles	2.17%
Consumer Goods	2.13%
Restaurant Pubs & Breweries	1.92%
Automobiles	1.36%
Telecommunications Services	1.00%
Packaging	0.78%
Electronic & Electrical Equipment	0.76%
	100.00%

Market Cap Breakdown

	% of portfolio	No of stocks
Above £1bn	7.95%	5
£500m-£1bn	22.14%	13
£250m-£500m	18.26%	13
£100m-£250m	19.60%	14
Below £100m	31.65%	30
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

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.

This document is issued by CAM, authorised and regulated by the Financial Conduct Authority (FCA). This document does not represent a recommendation by CAM to purchase shares in this Trust. We recommend private investors seek the services of a Financial Adviser.