

Monthly Fact Sheet
31 December 2019

Launch Date	12 May 1999
Gross Assets	£ 62.5 m
Net Assets	£ 46.8 m*
Bank Debt	£ nil
Dividend Yield	5.3%**

	<i>Zero Dividend Preference Shares</i>	<i>Ordinary Shares</i>
Share Price (price per share)	109.50p	213.50p
NAV (price per share)	108.27p	224.40p*
Premium/ (Discount) to NAV	1.14%	(4.86)%
Share Capital	14,500,000***	20,850,000

*includes unaudited revenue reserve to 31/12/2019

**calculation includes last four dividends and special dividend divided by the NAV per share

***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

Domestic earners bounced strongly in reaction to the initial market euphoria over the election result but this was quickly tempered by a healthy dose of realism as the prospect of a 'no deal' exit, albeit in a different guise to before, was back on the table. Despite this there has been a notable pick up in business confidence that should translate into increased capital spending and an improved outlook for corporate UK. Whilst we await the details of the first budget for over a year, the backdrop of increased Government spending and rising real wages should add to the attraction of the UK economy and UK companies as a place to invest. Although there has been increased flows into UK equity funds recently, consensus estimates suggest that investors are still underweight the UK overall. We expect that continuing fears over global trade tariffs and rising tensions in the Middle East will continue to affect equity risk premiums.

In the last month, our best performers were those companies geared to the UK economy, notably DFS, Ramsdens, Shoe Zone and Belvoir. Looking forward we expect a volatile first quarter for company earnings and share prices as they reflect the slowdown in economic activity in the last few months of last year, and we have already seen this in the trading statements of some of the retailers and industrials. As we move through the first half, we will hopefully see an upward trend in earnings estimates amongst a meaningful cross section of domestic earners. If this is the case and fears over the progress of Brexit trade negotiations prove to hold back valuations then we fully expect private equity to continue to take a longer term view and continue on the acquisition trail for UK assets.

Annual Returns % (GBP)

31/12/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	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	22.53	-10.20	12.65	6.78	23.05	-4.58	54.62	38.34	-10.09
NAV	25.31	-24.50	4.41	4.96	24.79	4.82	56.76	36.46	-13.94
NAV Morningstar Investment Trust UK Equity Income	26.02	-1.96	10.86	8.39	8.60	-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

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
	p	p	p	p	p	p	p	p
First interim	2.40	2.19	2.02	1.85	1.70	1.575	1.475	1.40
Second interim	2.40	2.19	2.02	1.85	1.70	1.575	1.475	1.40
Third interim		2.19	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	2.40
Subtotal	4.80	8.97	8.46	7.95	7.50	7.125	6.825	6.60
% increase		6.00	6.4	6.0	5.3	4.4	3.4	3.1
Special dividend		2.50	0.66	1.86	1.60	0.300	2.750	N/A
TOTAL	4.80	11.47	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

	<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

<i> Holding</i>	<i> Sector</i>	<i> % of portfolio</i>
Diversified Gas & Oil	Oil & Gas	3.13%
Marston's	Leisure, Entertainment & Hotels	2.91%
Belvoir Lettings	Real Estate	2.73%
Randall & Quilter	Insurance	2.37%
DFS Furniture	Housing Goods & Textiles	2.36%
UP Global Sourcing	General Retailers	2.33%
Strix Group	Diversified Industrials	2.23%
Bloomsbury Publishing	Media & Photography	2.13%
Crest Nicholson	Construction & Building Materials	2.12%
Galliford Try	Construction & Building Materials	2.11%
Castings	Engineering & Machinery	2.01%
Restaurant Group	Restaurants, Pubs & Breweries	1.95%
Ramsdens Holdings	Financial Services	1.95%
Shoe Zone	General Retailers	1.88%
N Brown Group	General Retailers	1.84%
Go-Ahead Group	Transport	1.81%
Essentra	Construction & Building Materials	1.78%
T Clarke	Construction & Building Materials	1.77%
Headlam Group	Construction & Building Materials	1.73%
Severfield	Construction & Building Materials	1.71%
Total		42.85%

Income of the Top Ten Holdings

28%

Price Earnings Ratio of the Portfolio as at 30/09/2019

10.1

Sector Breakdown%

<i> Sector%</i>	<i> % of portfolio</i>
Construction & Building Materials	17.2%
Support Services	9.0%
Speciality & Other Finance	8.4%
Real Estate	7.7%
General Retailers	7.5%
Insurance	6.5%
Media & Photography	4.8%
Financial Services	4.1%
Leisure, Entertainment & Hotels	3.5%
Oil & Gas	3.2%
Transport	3.2%
Investment Companies	3.2%
Housing Goods & Textiles	3.1%
Software & Computer Services	2.8%
Automobiles	2.4%
Engineering & Machinery	2.3%
Diversified Industrials	2.2%
Industrials	2.2%
Restaurants, Pubs & Breweries	2.0%
Electronic & Electrical Equipment	1.8%
Food Producers & Processors	1.2%
Packaging	1.1%
Distributors	0.6%
	100.0%

Source: Chelverton Asset Management Limited

Market Cap Breakdown

	<i> % of portfolio</i>	<i> No of stocks</i>
Above £1bn	9.55%	6
£500m-£1bn	21.45%	12
£250m-£500m	21.65%	14
£100m-£250m	19.38%	15
Below £100m	27.98%	27
Cash and Income	0.00%	0
Total	100.00%	

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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