

Monthly Factsheet
30 April 2023

Launch Date	12 May 1999
Gross Assets	£53.4m
Net Assets	£35.6m*
Bank Debt	£nil
Core Dividend Yield	6.9%**
Yield incl Special	6.9%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	117.50p	174.50p
NAV (Price per share)	123.22p	168.15p*
Premium / (Discount to NAV)	(4.64)%	3.78%
Share Capital	14,500,000 [^]	21,150,000

*includes unaudited revenue reserve to 30/04/2022

**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 –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.



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, traded on AIM or traded on other qualifying UK marketplaces.
- 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

Monthly Manager Commentary

Continued problems with the US regional banking system heightened investor macro concerns and led to some commentators discussing the likelihood or not of an impending US recession. Whilst a technical recession has so far been averted at home, economic growth remains pedestrian at best and inflation continues to be more persistent than the monetary authorities would like. Although this means another anticipated round of interest rate increases, these appear largely priced in. Whilst the top-down prognosis for the domestic economy remains gloomy, corporate reporting has been largely in line with expectations and we believe is supportive of valuations. Interestingly there appears to be a growing disconnect between top-down and bottom-up commentary: a number of indicators are starting to trend upwards as business confidence surveys appear to be improving and the consumer does still seem to be spending. We have also recently seen an increase in corporate activity across the market as third parties, either Private Equity or Trade Buyers, have recognised value in the UK market. In our own fund we saw a cash offer for Numis from Deutsche Bank at an attractive premium.

We continue to be affected as investors take a downbeat view of domestic prospects and shift monies away from our asset class. Ultimately continued corporate activity and a shift to a more positive macro trend should help to highlight what we feel are attractive levels of valuation within our investible universe. Tangible evidence of this to us as managers is the sheer number, and broad base, of stocks yielding more than our four percent hurdle rate as dividends and cash flows continue to be resilient. The largest detractor from performance last month was iEnergizer who announced an intention to de-list from AIM and other underperformers included Somero, Liontrust and R&Q insurance. A number of our housing-related stocks added value on the upside including Crest Nicholson and Alumasc while we also saw positive returns from Portmeirion, Smiths News and Gattaca. Sabre was also a positive contributor as, despite worries over claims inflation, motor insurance rates continue to rise strongly.

Annual Returns % GBP

30/04/2023

	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Share Price Ordinary Shares	0.37	-9.35	35.61	-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	3.63	0.08	20.55	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75	-1.86
NAV Ordinary Shares	-0.70	-19.29	39.52	-15.97	25.31	-24.50	24.37	4.96	24.79	4.82	56.76	36.4 6	- 13.94
NAV Morningstar Investment Trust UK Equity Income	4.79	3.92	23.17	-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

	2022-23	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	P
First interim	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575	1.475
Second interim	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575	1.475
Third interim	2.943	2.750	2.500	2.400	2.190	2.020	1.850	1.700	1.575	1.475
Fourth interim		2.750	2.500	2.400	2.400	2.400	2.400	2.400	2.400	2.400
Subtotal	8.828	11.000	10.000	9.600	8.970	8.460	7.950	7.500	7.125	6.825
% increase	7.000	10.000	4.170	7.020	6.000	6.400	6.000	5.300	4.400	3.400
Special dividend		N/A	0.272	N/A	2.500	0.660	1.860	1.600	0.300	2.750
TOTAL	8.828	11.000	10.272	9.600	11.470	9.120	9.810	9.100	7.425	9.575

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Directors

Howard Myles
Chairman

Andrew Watkins

Denise Hadgill

Calendar

Year End 30 April

AGM September

Dividends (Declared) March, June, September, December

Management Fee 1%

Ongoing Fee 2.03%*

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

* As at 30/04/22, 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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Chelverton UK Dividend Trust plc

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Top Twenty Holdings

Holding	Sector	% of Portfolio
Belvoir Lettings	Real Estate	3.07%
UP Global Sourcing	Consumer Products and Services	2.60%
Diversified Energy	Energy	2.50%
Smiths News	Industrial Goods and Services	2.40%
ME Group International	Consumer Products and Services	2.40%
Alumasc	Construction and Materials	2.37%
Kitwave	Personal Care, Drug and Grocery Stores	2.26%
Coral Products	Industrial Goods and Services	2.12%
Chesnara	Insurance	2.10%
MP Evans	Food, Beverage and Tobacco	1.99%
Ramsdens Holdings	Financial Services	1.87%
Redde Northgate	Industrial Goods and Services	1.77%
Castings	Industrial Goods and Services	1.74%
MTI Wireless Edge	Telecommunications	1.73%
T Clarke	Construction and Materials	1.66%
STV	Media	1.64%
Duke Royalty	Financial Services	1.61%
Numis Corporation	Financial Services	1.61%
Conduit	Insurance	1.60%
Hilton Food	Food, Beverage and Tobacco	1.60%
Total		40.62%

Income of the Top Ten Holdings 27%

Sector Breakdown %

Sector %	% of Portfolio
Industrial Goods and Services	18.5%
Financial Services	14.7%
Consumer Products and Services	12.6%
Construction and Materials	11.2%
Insurance	8.4%
Real Estate	6.5%
Retail	5.0%
Food, Beverage and Tobacco	4.8%
Media	3.9%
Energy	2.5%
Banks	2.4%
Personal Care, Drug and Grocery	2.3%
Telecommunications	2.1%
Travel and Leisure	1.8%
Basic Resources	1.7%
Health Care	1.2%
Chemicals	0.5%

Market Cap Breakdown

% of portfolio	No of stocks
Above £1bn	4
£500m - £1bn	12
£250m - £500m	14
£100m - £250m	23
Below £100m	27
Cash and Income	0
Total	80

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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