Chelverton
UK DIVIDEND TRUST

Monthly Factsheet
30 September 2023

Launch Date	12 May 1999
Gross Assets	£49.1m
Net Assets	£31.0m*
Bank Debt	£Nil
Core Dividend Yield	8.3%**
Yield including Special	8.3%***

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	117.00p	156.50p
NAV (Price per share)	125.23p	144.91p*
Premium / (Discount to NAV)	(6.57)%	8.00%
Share Capital	14,500,000^	21,360,000

* *includes unaudited revenue reserve to 30/09/2023*

** *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

David qualified as a chartered accountant in 1984 with Deloitte before joining 3i Corporate Finance Limited in 1986. In 1993 he joined Strand Partners Limited, and was appointed a director in 1994, where he carried out a range of corporate finance assignments identifying, structuring and managing investments in quoted and unquoted companies. In 1997 he left to set up Chelverton Asset Management Limited and, in 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. He is Chairman of CEPS plc and Managing Director of Macaulay Capital plc.



Oliver Knott

Oliver 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.

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 securities of other investment trusts or in unquoted companies. The Company may retain investments in companies which cease to be listed after the initial investment was made, so long as the total is non-material in the context of the overall portfolio; however, the Company may not increase its exposure to such investments.

Monthly Manager Commentary

As the global economy slows, short term sentiment in markets is being driven by a constant stream of macro data and central bank musings. No sooner had domestic inflation data provided a positive surprise that buoyed the UK stock market than rhetoric from the Fed about interest rates having to stay higher for longer led to a wider sell-off of risk assets. The effect of this 'higher for longer' outlook for interest rates can be seen at home with the yield on long term gilts rising through five per cent, further eroding the relative attraction of equities. The increased cost of borrowing for governments around the world will have to be factored into macro forecasts by analysts and perhaps the lack of domestic tax cuts and pre-election giveaways and the cancellation of HS2 as an example represent the sort of cautious, ahead of the curve, approach to the nation's finances that will ultimately be rewarded by global capital flows into UK assets. Whilst the 'bottom up' news surrounding UK small and mid-cap earnings continues to be 'in-line' or 'downgrade', it is interesting to note that both DFS and Wickes both highlighted market share gains in recent announcements. Whilst it is too soon to talk about upgrades, we are seeing stocks we own improve their competitive positions into the downturn which should be reflected in improved upside momentum when the tide turns.

It was a relatively active month from a trading perspective. Our minimum four percent yield requirement when adding stocks to the fund is a key price discipline in our investment process. Unsurprisingly we are currently at a stage in the macro cycle where our investible universe increases as earnings momentum slows share prices fall to a level where stocks start meeting our dividend criteria. We sold out of Vistry into share price strength as their new strategy update pleased some investors but means a short-term halt to dividend payments as the cost of increased share buy backs, obviously not good news for us as an income fund. As a general rule we like to see returns of capital allocated between both share buy backs and increasing ordinary dividends. We also sold our positions in Restaurant Group and Synthomer while reducing T Clarke and Ramsdens. We started a new position in Housebuilder Bellway, to maintain our exposure to the sector after the sale of Vistry. We also continued to build a position in Wickes. We started a new position in Gateley, a full-service law firm which has good earnings diversification and an excellent dividend track record. From a performance perspective Kier was our top performer on the back of a strong set of results, showing a recovery in profitability and a healthy cash position, paving the way for a return to the dividend list. On the downside, Strix was weak as the expected recovery in the kettle control market is taking longer to come through than hoped, and Regional REIT fell as higher vacancy rates are eating into distributable profits.

Annual Returns % GBP

30/09/2023

	2023*	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Share Price Ordinary Shares	-13.44	-9.35	35.61	-16.50	33.39	-32.16	27.59	13.81	29.36	-4.26	79.11	19.72
Share Price Morningstar Investment Trust UK Equity Income	-4.57	0.08	20.55	-7.84	22.53	-10.39	13.42	7.43	5.96	3.31	35.82	19.75
NAV Ordinary Shares	-20.53	-19.29	39.52	-15.97	25.31	-24.50	24.37	4.96	24.79	4.82	56.76	36.46
NAV Morningstar Investment Trust UK Equity Income	-5.88	3.92	23.17	-7.78	25.75	-5.81	11.15	8.39	8.60	3.66	30.61	17.30

Source: Chelverton Asset Management Limited and Morningstar ** Year to Date*

Past performance is not a guide to future results

Dividend History

	2023-24	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	p
First interim	3.150	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		2.943	2.750	2.500	2.400	2.400	2.400	2.400	2.400	2.400	2.400
Subtotal	**3.150**	**11.770**	**11.000**	**10.000**	**9.600**	**8.970**	**8.460**	**7.950**	**7.500**	**7.125**	**6.825**
% increase	7.100	7.000	10.000	4.170	7.020	6.000	6.400	6.000	5.300	4.400	3.400
Special dividend	N/A	N/A	N/A	0.272	N/A	2.500	0.660	1.860	1.600	0.300	2.750
TOTAL	**3.150**	**11.770**	**11.000**	**10.272**	**9.600**	**11.470**	**9.120**	**9.810**	**9.100**	**7.425**	**9.575**

The Key Information Document ("KID") is available on Chelverton UK Dividend Trust plc website - chelvertonukdividendtrustplc.co.uk

Chelverton UK DIVIDEND TRUST

MONTHLY FACTSHEET
30 SEPTEMBER 2023

DIRECTORS

HOWARD MYLES
Chairman

ANDREW WATKINS
Non-Executive Director

DENISE HADGILL
Non-Executive Director

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	

CONTACT US

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TOP TWENTY HOLDINGS

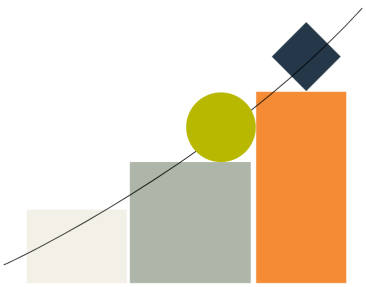
Holding	*Sector*	*% of Portfolio*
Belvoir Lettings	Real Estate	3.11%
Alumasc	Construction and Materials	2.58%
Diversified Energy	Energy	2.34%
Chesnara	Insurance	2.28%
UP Global Sourcing	Consumer Products and Services	2.22%
ME Group International	Consumer Products and Services	2.12%
Smiths News	Industrial Goods and Services	2.04%
Coral Products	Industrial Goods and Services	1.95%
Duke Royalty	Financial Services	1.91%
MP Evans	Food, Beverage and Tobacco	1.90%
Hargreaves Services	Industrial Goods and Services	1.80%
Tyman	Construction and Materials	1.79%
MTI Wireless Edge	Telecommunications	1.78%
Ramsdens Holdings	Financial Services	1.77%
T Clarke	Construction and Materials	1.75%
Redde Northgate	Industrial Goods and Services	1.75%
RTC Group	Industrial Goods and Services	1.68%
Conduit	Insurance	1.67%
Somero	Industrial Goods and Services	1.64%
Severfield	Construction and Materials	1.59%
Total		**39.67%**
Income from Top 10 Holdings		27.00%

SECTOR BREAKDOWN %

Sector %	*% of Portfolio*
Industrial Goods and Services	21.4%
Financial Services	15.7%
Construction and Materials	14.4%
Consumer Products and Services	9.3%
Insurance	8.8%
Real Estate	6.2%
Retail	5.4%
Food, Beverage and Tobacco	4.8%
Banks	2.7%
Energy	2.3%
Media	2.3%
Telecommunications	2.0%
Basic Resources	1.6%
Personal Care, Drug and Grocery	1.2%
Health Care	1.1%
Travel and Leisure	0.8%

MARKET CAP BREAKDOWN

	% of portfolio	*No of stocks*
Above £1bn	4.70%	4
£500m - £1bn	18.81%	12
£250m - £500m	14.87%	13
£100m - £250m	23.83%	18
Below £100m	37.79%	33
Cash and Income	0.00%	0
Total	100.00%	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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