

Monthly Factsheet
30 November 2021

| | |
|----------------------------|-------------|
| Launch Date | 12 May 1999 |
| Gross Assets | £61.5m |
| Net Assets | £44.6m* |
| Bank Debt | £nil |
| Core Dividend Yield | 4.9%** |
| Yield incl Special | 5.0%*** |

| | Zero Dividend Preference Shares | Ordinary Shares |
|---|---------------------------------|-----------------|
| Share Price (price per share) | 117.50p | 209.50p |
| NAV (Price per share) | 116.64p | 213.87p* |
| Premium / (Discount to NAV) | 0.74% | (2.04)% |
| Share Capital | 14,500,000 [^] | 20,850,000 |

*includes unaudited revenue reserve to 30/11/2021

**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 -31/05/2025

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 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 usual suspects of supply chain disruption, higher energy prices, and labour shortages continued to weigh on investor sentiment, which turned notably 'risk off' as worries over the new Omicron Covid variant increased. Growth in the domestic economy for the previous month was also below expectation. Whilst 'bottom up' corporate numbers were largely in line, they were not enough to redress the cumulative effect of disappointing macro news flow, which was reflected in underperformance by UK centric small and midcap stocks. However, on a more positive note, it seems we may have moved beyond some of the worst impacts of the global supply chain issues and we have recently seen better news closer to home with respect to the availability of HGV drivers. Inflation remained a concern for commentators and there was surprise that interest rates were held and not raised in the month. We believe a manageable level of inflation in the system, accompanied by the ability of companies to gently raise prices, is not necessarily a bad thing for the sort of stocks we invest in. As an income fund, one bit of positive news for us in a difficult month was that dividend payments appear to be rebuilding a bit more quickly than we had previously anticipated.

At the stock level the standout performer was iEnergizer, where significant contract wins, alongside strong Interim Results, led to significant earnings upgrades for both FY'22 and FY'23. Palace Capital also released an encouraging set of numbers and UP Global reassured investors that it was successfully navigating the current supply chain challenges, and winning market share as a result. On the flipside, McColls have not been able to mitigate the supply chain constraints and Gattaca gave up some of its recent gains as they did not deliver the upgrades investors were hoping for in their Results. They did however return to the dividend list. We took the opportunity to top-slice our position in Bloomsbury as the shares rallied following a strong set of interim Results at the end of October. We also reduced our Babcock position, giving us some added firepower to recycle into higher yielding ideas. As the recovery tailwinds earlier in the year have shifted to macro headwinds over the past couple of months prices of a lot of our investee companies have adjusted downwards accordingly. This leaves them well placed to benefit when economies normalise as we move through next year, which we believe they will. In the meantime the improvement in the income account should prove attractive to investors.

Annual Returns % GBP

30/11/2021

| | 2021* | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|-------|--------|-------|--------|-------|-------|-------|-------|-------|-------|--------|
| Share Price Ordinary Shares | 34.83 | -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 | 15.65 | -7.84 | 22.53 | -10.39 | 13.42 | 7.43 | 5.96 | 3.31 | 35.82 | 19.75 | -1.86 |
| NAV Ordinary Shares | 32.01 | -15.97 | 25.31 | -24.50 | 24.37 | 4.96 | 24.79 | 4.82 | 56.76 | 36.46 | -13.94 |
| NAV Morningstar Investment Trust UK Equity Income | 15.82 | -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

| | 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 |
| First interim | 2.75 | 2.50 | 2.40 | 2.19 | 2.02 | 1.85 | 1.70 | 1.575 | 1.475 |
| Second interim | 2.75 | 2.50 | 2.40 | 2.19 | 2.02 | 1.85 | 1.70 | 1.575 | 1.475 |
| Third interim | | 2.50 | 2.40 | 2.19 | 2.02 | 1.85 | 1.70 | 1.575 | 1.475 |
| Fourth interim | | 2.50 | 2.40 | 2.40 | 2.40 | 2.40 | 2.40 | 2.40 | 2.40 |
| Subtotal | 5.50 | 10.00 | 9.60 | 8.97 | 8.46 | 7.95 | 7.50 | 7.125 | 6.825 |
| % increase | 10.00 | 4.17 | 7.02 | 6.00 | 6.40 | 6.00 | 5.30 | 4.40 | 3.40 |
| Special dividend | | 0.272 | N/A | 2.50 | 0.66 | 1.86 | 1.60 | 0.30 | 2.75 |
| TOTAL | 5.50 | 10.272 | 9.60 | 11.47 | 9.12 | 9.81 | 9.10 | 7.425 | 9.575 |

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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%

Ongoing Fee 2.33%*

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

* As at 30/04/21, 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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Top Twenty Holdings

| Holding | Sector | % of Portfolio |
|-------------------------|--------------------------------|----------------|
| Belvoir Lettings | Real Estate | 3.84% |
| Alumasc | Construction and Materials | 2.87% |
| UP Global Sourcing | Consumer Products and Services | 2.43% |
| Diversified Energy | Energy | 2.42% |
| Jarvis Securities | Financial Services | 2.40% |
| Randall & Quilter | Insurance | 2.24% |
| MTI Wireless Edge | Telecommunications | 2.08% |
| STV | Media | 1.93% |
| DFS Furniture | Retail | 1.79% |
| Vertu | Retail | 1.78% |
| Coral Products | Industrial Goods and Services | 1.77% |
| MP Evans | Food, Beverage and Tobacco | 1.69% |
| Brewin Dolphin Holdings | Financial Services | 1.67% |
| Premier Miton Group | Financial Services | 1.66% |
| Redde Northgate | Industrial Goods and Services | 1.65% |
| Finncap Group | Financial Services | 1.63% |
| Devro | Food, Beverage and Tobacco | 1.63% |
| Polar Capital | Financial Services | 1.63% |
| Personal Group | Insurance | 1.62% |
| T Clarke | Construction and Materials | 1.58% |
| Total | | 40.32% |

Income of the Top Ten Holdings

27%

Sector Breakdown %

| Sector % | % of Portfolio |
|--|----------------|
| Financial Services | 19.8% |
| Industrial Goods and Services | 15.3% |
| Construction and Materials | 9.8% |
| Consumer Products and Services | 8.1% |
| Insurance | 7.5% |
| Real Estate | 7.3% |
| Retail | 6.5% |
| Media | 6.0% |
| Food, Beverage and Tobacco | 4.4% |
| Travel and Leisure | 3.7% |
| Telecommunications | 3.2% |
| Energy | 2.4% |
| Personal Care, Drug and Grocery Stores | 2.1% |
| Basic Resources | 1.7% |
| Banks | 1.1% |
| Utilities | 1.0% |
| Total | 100.0% |

Market Cap Breakdown

| | % of portfolio | No of stocks |
|-----------------|----------------|--------------|
| Above £1bn | 5.76% | 5 |
| £500m - £1bn | 15.51% | 11 |
| £250m - £500m | 20.73% | 16 |
| £100m - £250m | 24.91% | 17 |
| Below £100m | 33.08% | 26 |
| Cash and Income | 0.00% | 0 |
| Total | 100.00% | 74 |

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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