

## Monthly Fact Sheet 31 August 2015

<b>Launch Date</b>	12 May 1999
<b>Net Assets</b>	£35.01m*
<b>Bank Debt</b>	£ nil m
<b>Dividend Yield</b>	3.74%**

	Zero Dividend Preference Shares	Ordinary Shares
<b>Share Price</b> (price per share)	124.75p	190.75p
<b>NAV</b> (price per share)	119.16p	211.54p*
<b>Share Capital</b>	8,500,000***	16,550,000

\* includes unaudited revenue reserve to 31.08.15

\*\*calculation excludes special dividend

\*\*\*redeemed at 136.70p - 08.01.2018

## Fund Managers



### David Horner

qualified as a chartered accountant in 1984 with Touche Ross & Co before joining 3i Corporate Finance Limited in 1986 where he was a manager giving corporate finance advice. 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 Small Companies Dividend Trust, which he still co-manages. He has also co-managed the Chelverton UK Equity Income Fund since launch.



**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.

# 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.

The Trust's funds will be invested principally in companies with a market capitalisation of up to £500 million; a maximum of 20 per cent. of the Group's portfolio may be invested in companies without reference to their market capitalisation at the discretion of the Investment Manager. The Trust's portfolio will comprise companies listed on the Official List and companies admitted to trading on AIM. The Trust will not invest in preference shares, loan stock or notes, convertible securities or fixed interest securities or any similar securities convertible into shares. The Trust will not invest in other investment trusts or unquoted companies.

## Monthly Manager Commentary

In a month of negative returns the headlines have centred around the economic slowdown in China and the implications for growth elsewhere, particularly in other emerging economies. Obvious casualties were commodity stocks, which helped to drive the FTSE 100 lower. This contributed to a month of strong relative performance by domestic small and mid cap stocks. An increased level of volatility in a market that is trending down in the very short term does tend to 'refresh' our investible universe and this has been the case recently. An increasing number of good quality industrials, for example, are now yielding the requisite four percent after recent earnings downgrades. With UK consumer confidence indicators still robust, sectors such as travel and leisure, retail, and media have all held up well. After a quiet couple of months we expect levels of M&A, corporate activity and IPO's to pick up substantially in the near term.

In terms of contribution to monthly performance, the share prices of Cape and Centaur Media were strong after their interim results attracted investor attention. Novae also released good figures and was buoyed by continued corporate activity in the insurance sector and GVC was strong as it continued its pursuit of bwin.party. On the downside, both Premier Farnell and Electrocomponents fell as fears rose with regard to the outlook for component distributors. We added to holdings in some of our smaller market cap stocks including Chamberlin, RTC and Coral Products and we raised money by reducing our exposure to Amino Technologies, Epwin and Macfarlane.

## Annual Returns % (GBP)

31/08/2015

	2015	2014	2013	2012	2011	2010
<b>Share Price</b> Ordinary Shares	22.57	-4.26	79.11	19.72	2.82	40.87
<b>NAV</b>	18.56	4.82	56.74	38.36	-10.04	48.63

Source: Chelverton Asset Management Limited and Morningstar.

Past performance is not a guide to future results.



# Small Companies Dividend Trust PLC

Monthly Fact Sheet  
31 August 2015

## Directors

**The Rt Hon. the Lord Lamont of Lerwick**  
Chairman

**David Harris**

**William van Heesewijk**

**Howard Myles**

## Calendar

<b>Year End</b>	30 April
<b>AGM</b>	September
<b>Dividends</b>	July, October, January, April

<b>Management Fee</b>	1% pa.
<b>Charge to Capital</b>	Management Fee and Bank Interest (75% to Capital: 25% to Revenue)

## Price Information

	ZDP	ORDS
<b>Reuters</b>	SDVZ.L	SDV.L
<b>SEDOL</b>	88fj5797	0661582
<b>Market Makers</b>	Canacord, Finncap, JP Morgan, Numis, Winterflood	

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## Top Twenty Holdings

Holding	Sector	% of portfolio
Avesco Group	Media	3.37
T. Clarke	Construction	2.43
Connect Group	Support Services	2.41
Kier Group	Construction	2.35
Jarvis Securities	Financials	2.27
The Alumasc Group	Industrials	2.25
Stadium Group	Industrials	2.20
Kcom Group	Telecommunications	2.09
Braemar Shipping Services	Support Services	2.02
Wilmington	Media	2.00
Town Centre Securities	Property	1.99
GVC Holdings	Technology	1.99
Dairy Crest Group	Consumer	1.96
Acal	Industrials	1.95
Games Workshop Group	Consumer	1.87
Marston's	Consumer	1.86
DX Group	Support Services	1.78
Hansard Global	Financials	1.72
Belvoir Lettings	Property	1.71
N Brown Group	Consumer	1.68
<b>Total</b>		<b>41.88</b>

## Sector Breakdown

Sector	% of portfolio
Financials	22.55
Support Services	16.14
Consumer	13.26
Industrials	13.23
Construction	10.61
Media	7.81
Technology	6.12
Property	5.62
Telecommunications	2.09
Healthcare	1.34
Utility	1.24
<b>Total</b>	<b>100.00</b>

## Market Cap Breakdown

	% of portfolio	No of stocks
> £500m	18.08	14
£250m - £500m	19.55	15
£100m - £250m	27.88	20
£50m - £100m	13.83	10
£0m - £50m	20.66	14
<b>Total</b>	<b>100.00</b>	<b>73</b>

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

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