

Monthly Fact Sheet 28 February 2015

Launch Date	12 May 1999
Net Assets	£32.40m*
Bank Debt	£ nil m
Yield	4.13%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	126.50p	170.00p
NAV (price per share)	115.71p	195.79p
Share Capital	8,500,000***	16,550,000

* includes unaudited revenue reserve to 28.02.15

**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 October 1997 he left to set up Chelverton Asset Management Limited and, in May 1999, he setup 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

The fact that the rate of downgrades has slowed and profit forecasts now feel more soundly based has been enough, in the short term, to provide a catalyst for a re-rating of small and mid-caps versus some of the more expensive large cap 'bond proxy' stocks. However, for this to be sustained, we need to see earnings upgrades and these are unlikely to occur ahead of the election. Whilst we believe that the domestic macro environment will continue to provide a tailwind for UK small and mid-cap equities, and that relative valuations currently look attractive, the major headwind remains the General Election and the added volatility that the uncertain outcome creates. We believe that our 'balanced' approach to portfolio construction remains appropriate although we continue to look for opportunities to invest in companies that will benefit from rising real incomes and domestic consumption.

A number of building and construction related stocks Almas, Epwin and Kier were in demand last month and the share prices of Low&Bonar, Amino Technologies and Photo Me responded well to trading updates. In the last month we increased our holdings in DX Group, Dee Valley, Epwin, Moss Bros and Polar Capital, and reduced Marshalls, Stadium, Shoe Zone and Sanderson. One pleasing aspect of the results season to date has been the continued strength of dividend payments and we expect the recent trend of Companies returning excess capital to shareholders to continue.

Trailing Returns % (GBP)

27/02/2015

	1D	1W	1M	3M	6M	1Y	3Y ann.	5Y ann.	10Y ann.
Share Price Ordinary Shares	2.72	8.63	10.39	1.29	0.60	-0.64	28.55	25.35	7.11
NAV*	0.43	1.19	3.64	7.14	7.02	5.18	29.01	24.02	7.13

*NAV prior to 2009 are displayed in Ex Par

Annual Returns % (GBP)

28/02/2015

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Share Price Ordinary Shares	6.58	-4.26	79.11	19.72	2.82	40.87	66.40	-64.10	-30.25	32.89	32.88
NAV*	1.62	4.82	56.74	38.36	-10.04	48.63	55.54	-62.88	-28.47	30.76	31.56

*NAV prior to 2009 are displayed in Ex Par

Share price total return is on a mid-to-mid basis.

Source: Chelverton Asset Managers Limited and Morningstar.

Past performance is not a guide to future results



Small Companies Dividend Trust PLC

Monthly Fact Sheet 28 February 2015

Directors

The Rt Hon. the Lord Lamont of Lerwick
Chairman

David Harris

William van Heesewijk

Howard Myles

Calendar

Year End	30 April
AGM	September
Dividends	July, October, January, April

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

Price Information

	ZDP	ORDS
Reuters	SDVZ.L	SDV.L
SEDOL	88fj5797	0661582
Market Makers	Canacord, Finnacp, JP Morgan, Numis, Winterflood	

Contact Us

T	0207 222 8989
E	cam@chelvertonam.com
A	Chelverton Asset Management Limited 20 Ironmonger Lane London EC2V 8EP
W	www.chelvertonam.com

Asset Allocation

Sector	% of portfolio
Support Services	10.89%
Electronic & Electrical Equipment	9.22%
Construction & Building Materials	8.99%
Insurance	7.63%
Speciality & Other Finance	7.31%
Leisure, Entertainment & Hotels	5.68%
Media & Photography	5.41%
Real Estate	5.27%
Software & Computer Services	4.51%
Industrials	4.14%
Investment Companies	4.00%
Transport	3.46%
General Retailers	3.24%
Telecommunications Services	2.17%
Housing Goods & Textiles	2.12%
Health	1.82%
Consumer Goods	1.77%
Financials	1.74%
Packaging	1.68%
Food Producers & Processors	1.60%
Information Technology Hardware	1.48%
Beverages	1.48%
Pharmaceuticals	1.37%
Water	1.11%
Personal Care & Other Household Products	0.84%
Engineering & Machinery	0.64%
Chemicals	0.45%
Total	100.00

Source: Chelverton Asset Management Limited

Top 20 Holdings

Holding	% of portfolio
1 T. Clarke	2.68
2 Connect Group	2.49
3 Acal	2.44
4 The Alumasc Group	2.35
5 Stadium Group	2.27
6 GVC Holdings	2.24
7 Kcom Group	2.17
8 Town Centre Securities	2.06
9 Marston's	1.99
10 Avesco Group	1.96
11 Shoe Zone (Holdings)	1.91
12 Braemar Shipping Services	1.91
13 Wilmington	1.90
14 Tritax Big Box	1.88
15 Personal Group Holdings	1.82
16 St.Ives Plc	1.78
17 Dairy Crest Group	1.77
18 Photo-Me International	1.76
19 Intermediate Capital Group	1.74
20 Chesnara	1.72
Sub-total (Top 20)	40.85
Other 56 Holdings	59.15
Total	100.00

Market Cap Breakdown

	% of portfolio	No of stocks
> £500m	11.62	17
£250m - 500m	8.16	10
£100m - £250m	26.54	23
£50m - £100m	9.36	8
£0m - £50m	44.32	18
Total	100	76

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

The information contained in this document has been obtained from sources that Chelverton Asset Management ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy and completeness of the information provided, and therefore no investment decision should be based solely on this data.

This document is issued by CAM, authorised and regulated by the Financial Conduct Authority (FCA). This document does not represent a recommendation by CAM to purchase shares in this Trust. We recommend private investors seek the services of a Financial Adviser.