

Monthly Fact Sheet

30 June 2015

Launch Date	12 May 1999
Net Assets	£34.41m*
Bank Debt	£ nil m
Dividend Yield	4.10%**

	Zero Dividend Preference Shares	Ordinary Shares
Share Price (price per share)	125.25p	173.75p
NAV (price per share)	117.99p	207.94p*
Share Capital	8,500,000***	16,550,000

* includes unaudited revenue reserve to 30.06.15

**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

Although small and mid caps outperformed the wider market in the month, after a short post election honeymoon investors began to worry about the implications of 'Grexit'. Markets are set to remain nervous as there is no precedent for the current situation, and not surprisingly Eurozone business and consumer confidence remains subdued. At home rising real wages continue to provide a significant boost to the consumer and the good news is that the companies that we invest in are increasingly showing signs of an upturn in underlying earnings. As we have said before this was a trend that started ahead of the election but risk premiums have fallen since then and the ratings of small and mid caps have started to recover. Further evidence of an increased investor appetite for stocks in our universe is that May was the first month for over a year when there was positive fund flows into open ended UK smaller company funds.

We raised funds during the month from the sale of Phoenix IT and from Nationwide Accident Repairs both of which were bid situations. In addition we reduced our exposure to the building sector by top slicing Marshalls and Epwin after strong performance and we sold part of our holding in Acal and Dairy Crest. We topped up Brewin Dolphin and Connect which had both fallen after figures and we added to DX Group, Charlemagne and Games Workshop amongst others. We added one new holding to the portfolio, Fenner, a business manufacturing conveyor belting and industrial seals.

Annual Returns % (GBP)

30/06/2015

	2015	2014	2013	2012	2011	2010
Share Price Ordinary Shares	11.65	-4.26	79.11	19.72	2.82	40.87
NAV	16.54	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.



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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, Finncap, JP Morgan, Numis, Winterflood	

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Top Twenty Holdings

Holding	Sector	% of portfolio
Avesco Group	Media	2.94%
T. Clarke	Construction	2.52%
The Alumasc Group	Industrials	2.48%
Jarvis Securities	Financials	2.32%
Kier Group	Construction	2.26%
Connect Group	Support Services	2.23%
Braemar Shipping Services	Support Services	2.14%
Kcom Group	Telecommunications	2.12%
Acal	Industrials	2.11%
Dairy Crest Group	Consumer	2.11%
GVC Holdings	Technology	2.04%
Wilmington	Media	2.02%
Town Centre Securities	Property	2.01%
Marston's	Consumer	2.00%
DX Group	Support Services	1.95%
N Brown Group	Consumer	1.94%
Intermediate Capital Group	Financials	1.86%
Moss Bros Group	Consumer	1.78%
Epwin Group	Construction	1.75%
Games Workshop Group	Consumer	1.72%
Total		42.31%

Sector Breakdown

Sector	% of portfolio
Financials	22.99%
Support Services	14.84%
Consumer	13.99%
Industrials	13.14%
Construction	11.69%
Media	7.46%
Technology	6.36%
Property	4.87%
Telecommunications	2.12%
Healthcare	1.29%
Utility	1.25%
Total	100.00%

Market Cap Breakdown

	% of portfolio	No of stocks
> £500m	19.44%	14
£250m - £500m	18.75%	15
£100m - £250m	26.23%	18
£50m - £100m	16.27%	12
£0m - £50m	19.31%	15
Total	100.00	74

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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