

Investment Objective

The investment objective of the Company is to provide Ordinary shareholders with a high income and opportunity for capital growth.

Investment Policy

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.

FUND FACTS			ASSET ALLOCATION	
				%
Gross Assets:	31.41m	(includes unaudited revenue reserve to 30.4.13)	Support Services	23.77
NAV:	104.00p 138.89p	per Zero Dividend Preference share per Ordinary share	Insurance	13.53
Share Price:	112.00p 128.50p	per Zero Dividend Preference share per Ordinary share	Construction & Materials	9.90
Bank Debt:	£ nil m		Speciality Finance & other financials	7.32
Share Capital:	8,500,000 16,250,000	Zero Dividend Preference shares (8 January 2018) Ordinary shares	Media	6.64
Management fee:	1% pa.	Plus performance fee	Financials	4.53
Charge to Capital:	Management fee and bank interest (75% to Capital : 25% to Revenue)		Packing	3.85
Launch date:	12 May 1999		Travel & Leisure	3.74
Dividends:	June, September, December and March		Retailers	3.31
Yield:	4.81% approx.		Transport	3.17
Year end:	30 April		Food & Beverages	3.06
AGM:	September		Engineering	2.99
Fund Managers:	David Horner and Dave Taylor		Household Goods	2.49
Directors:	Lord Lamont (Chairman), David Harris, William van Heesewijk and Howard Myles		Electronic & Electrical Eqt.	2.32
			Technology Software	2.28
			Asset Management	2.05
			Chemicals	1.39
			Telecommunications	1.35
			Computer Services	1.20
			Utilities	1.12
			Total	100.00

Small Companies Dividend Trust



Source: Morningstar

----- Small Companies Dividend Price TR — Small Companies Dividend NAV TR

PRICEWATERHOUSECOOPERS

MONEY
OBSERVER
INVESTMENT
AWARDS
★
★
2004

winner
Investment
Trust of the Year
awards
2012
THE ASSOCIATION OF
INVESTMENT TRUST COMPANIES

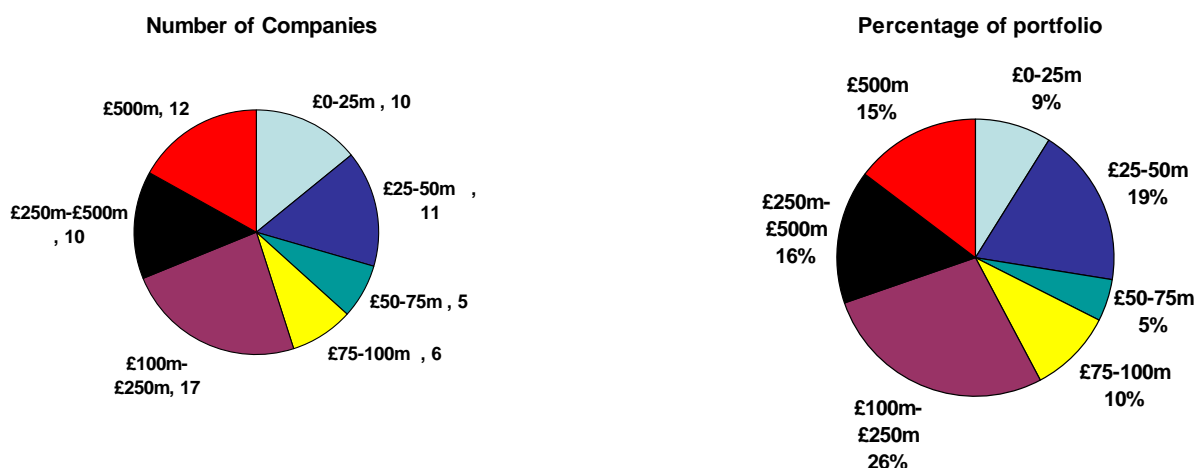
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THE ASSOCIATION OF
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Fund Manager's comments as at 30.4.13

UK equities produced a small positive return in the last month with the domestic economy growing in the first quarter and survey evidence indicating an improving outlook for manufacturing and exports. The relative valuation case for equities remains intact although at the earnings level the ratio of upgrades to downgrades slipped back into negative territory. Dividend prospects however remain robust. Whilst we believe that underlying valuations within our portfolio are sustainable in the current climate we feel that we need to see evidence of a broadly based pick up in earnings before we will benefit from further multiple expansion.

As we have discussed before with no sustained style or sector leadership within the UK equity market our approach is to retain a relatively balanced portfolio within the parameters of our investment process. We added to holdings in Avesco, Huntsworth, Stadium and Morgan Sindall where there is growing evidence that we may finally be past the worst in the domestic construction cycle. We purchased one new holding, National Express a transport provider delivering services in the UK US and Spain. We raised funds from reducing our holdings in a broad range of business's including, Beazley, Photo-me, St.Ives, and Arbutnot, after periods of strong performance.

Portfolio breakdown by market capitalisation



Small Companies Dividend Trust PLC is registered in England

Company No: 3749536

Price Information: [ZDP](#)

[ORDS](#)

Reuters: SDVZ.L (ZDP's) SDV.L (Ords);

SEDOL: 88fj5797 0661582

Market makers: JP Morgan, Canacord and Winterflood

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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 Limited ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy or 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 Services Authority. 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.

Largest holdings as at 30.4.13

	%
1 Macfarlane Group	3.21
2 Avesco Group	3.02
3 GVC Holdings	2.73
4 St Ives	2.45
5 Marshalls	2.44
6 Randall & Quilter	2.37
7 Intermediate Capital Group	2.36
8 Smith News	2.29
9 Chesnara	2.29
10 Sanderson Group	2.28
11 Portmerion Group	2.22
12 Dairy Crest Group	2.20
13 Braemar Seascope	2.11
14 Jarvis Securities	2.10
15 Personal Group	2.10
16 Abbey Protection	2.08
17 Morgan Sindall	2.02
18 Brown (N) Group	1.99
19 Photo-Me Int.	1.99
20 Wilmington Group	1.93

Top 20 total percentage	46.19
Other 52 holdings	53.81
Total	100.0

HISTORIC RECORD OF EARNINGS AND DIVIDENDS

