

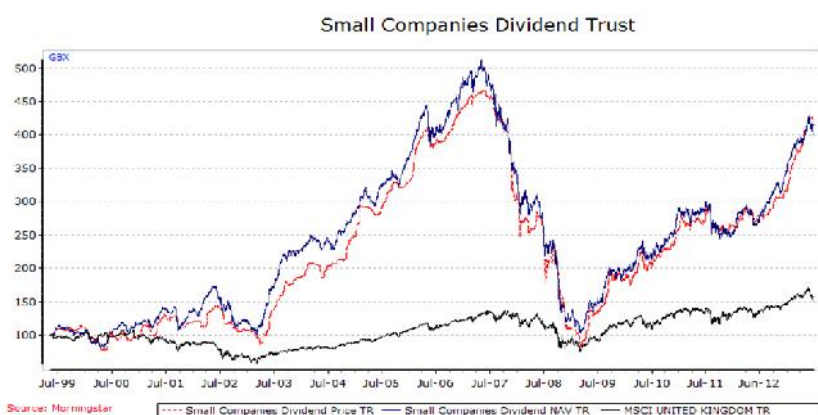
Investment Objective

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:	32.07m	(includes unaudited revenue reserve to 28.6.13)	Support Services	24.26
NAV:	105.02p 142.40p	per Zero Dividend Preference share per Ordinary share	Insurance	13.59
Share Price:	113.75p 134.00p	per Zero Dividend Preference share per Ordinary share	Construction & Materials	10.79
Bank Debt:	£ nil m		Speciality Finance & other financials	7.21
Share Capital:	8,500,000 16,250,000	Zero Dividend Preference shares (8 January 2018) Ordinary shares	Media	6.03
Management fee:	1% pa.	Plus performance fee	Financials	4.35
Charge to Capital:	Management fee and bank interest (75% to Capital : 25% to Revenue)		Travel & Leisure	4.05
Launch date:	12 May 1999		Packing	3.52
Dividends:	June, September, December and March		Transport	3.30
Yield:	4.81% approx.		Engineering	3.06
Year end:	30 April		Retailers	2.93
AGM:	September		Food & Beverages	2.85
Fund Managers:	David Horner and Dave Taylor		Household Goods	2.64
Directors:	Lord Lamont (Chairman), David Harris, William van Heesewijk and Howard Myles		Asset Management	2.41
			Technology Software	2.20
			Electronic & Electrical Eqt.	2.14
			Chemicals	1.28
			Telecommunications	1.23
			Computer Services	1.21
			Utilities	1.10
			Total	100.00



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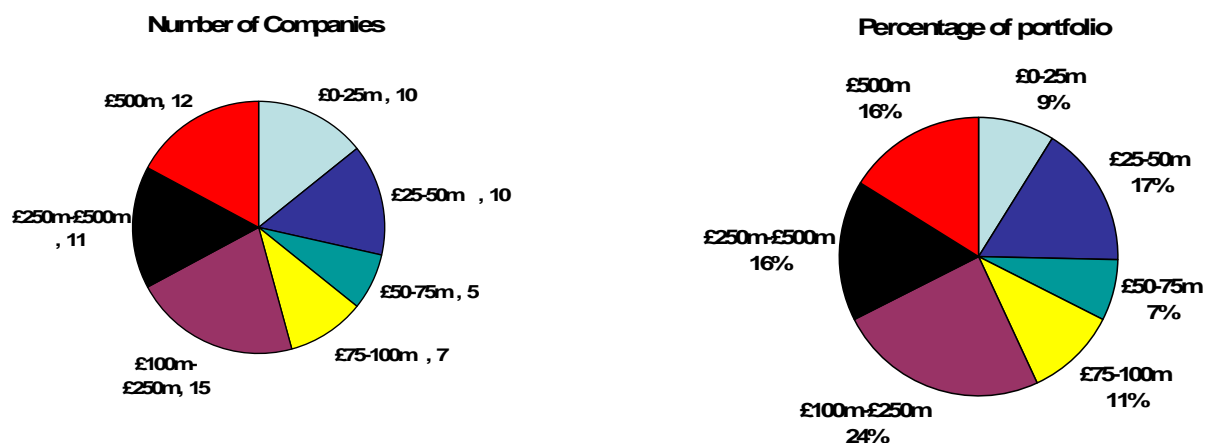


Fund Manager's comments as at 28.6.13

Small and mid caps outperformed their larger counterparts in the last month even though the macro news was dominated by signals from the fed of an end to QE which inevitably led to a sharp rise in bond yields. Whilst those commentators of a 'glass half full' disposition will suggest that this is a result of improved growth prospects and should therefore ultimately be bullish for equities, the reality is that in the short term we would expect a period of consolidation to allow earnings forecasts to catch up with share prices. On a day to day basis we expect markets to remain volatile.

Anecdotal evidence suggests that whilst trading remains tough for the majority of our investee companies there is a slightly more optimistic feel about the trading outlook. Any improvement in underlying confidence however remains fragile and we believe that we need to see a sustained pick up in business confidence before company Directors begin to use their balance sheet strength to substantially increase capital investment. We realised funds by top slicing a number of our better performing stocks such as Beazley, Dairy Crest, Intermediate Capital and Photo-Me and two of our more illiquid holdings, Portmeirion and Macfarlane. At the same time we also supported the rights issue by First Group.

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 28.6.13

		%
1	Avesco Group	2.97
2	Macfarlane Group	2.88
3	GVC Holdings	2.66
4	Marshalls	2.49
5	ISG	2.36
6	Chesnara	2.35
7	St Ives	2.32
8	Jarvis Securities	2.32
9	Sanderson Group	2.24
10	Personal Group	2.14
11	Cineworld Group	2.13
12	Randall & Quilter	2.12
13	Abbey Protection	2.11
14	Morgan Sindall	2.10
15	Braemar Seascope	2.09
16	Wilmington Group	2.07
17	Photo-Me Int.	2.07
18	Portmerion Group	2.06
19	Intermediate Capital Group	2.05
20	Dairy Crest Group	2.00

Top 20 total percentage	45.53
Other 50 holdings	54.47
Total	100.0

HISTORIC RECORD OF EARNINGS AND DIVIDENDS

