

## Monthly Fact Sheet 30 September 2015

<b>Launch Date</b>	12 May 1999
<b>Net Assets</b>	£34.94m*
<b>Bank Debt</b>	£ nil m
<b>Dividend Yield</b>	3.85%**

	Zero Dividend Preference Shares	Ordinary Shares
<b>Share Price</b> (price per share)	126.00p	188.50p
<b>NAV</b> (price per share)	119.73p	211.11p*
<b>Share Capital</b>	8,500,000***	16,550,000

\* includes unaudited revenue reserve to 30.09.15

\*\*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

Worries over the extent of the economic slowdown in China continued to dominate investors' thoughts in the last month as global share prices remained volatile. The headline indices continue to suffer downward pressure from commodity related stocks and this was compounded by the emergence of the issues at VW, as auto-related stocks are a significant component of Eurozone equity indices. At the smaller end of the market where we operate, however, it was very much 'business as usual' as companies with more domestically orientated UK earnings streams remained relatively robust. The catalyst for this continues to be the UK consumer and the positive effects of rising real incomes which look set to continue. With the UK half-year reporting season now out of the way, the message from our investee companies is generally positive. We believe that valuations based on long-term cash flow and dividend growth prospects continue to remain relatively attractive. However, we acknowledge that global macro uncertainty is proving to be a headwind to equity markets generally and that short-term earnings momentum is becoming an increasing concern to investors.

On the downside, our industrial and electronic distribution holdings, Acal and Electrocomponents, were adversely effected by a poor statement and dividend cut from Premier Farnell. The most positive contribution to performance in the month was Amlin, which was the subject of an agreed cash offer and which we have now sold. DX Group and Epwin performed well after releasing figures. We added two new stocks to the fund, Ashmore, an emerging market debt fund management business which was bought on a 6.4% yield, and UBM, a global exhibitions business which was purchased on a yield of 4.4%. We topped up our holdings in Dee Valley and Moss Bros after strong performances and reduced our exposure to Novae and Dairy Crest.

## Annual Returns % (GBP)

30/09/2015

	2015	2014	2013	2012	2011	2010
<b>Share Price</b> Ordinary Shares	22.23	-4.26	79.11	19.72	2.82	40.87
<b>Share Price</b> Morningstar Investment Trust UK Equity Income	0.51	4.75	28.29	17.43	2.08	25.29
<b>NAV</b>	19.29	4.82	56.75	38.35	-10.05	48.73
<b>NAV</b> Morningstar Investment Trust UK Equity Income	1.52	3.88	29.60	14.50	3.31	16.76

Source: Chelverton Asset Management Limited and Morningstar.  
Past performance is not a guide to future results.

## Dividend History

	2015-16	2014-15	2013-14	2012-13	2011-12
	p	p	p	p	p
First interim	1.700	1.575	1.475	1.40	1.35
Second interim		1.575	1.475	1.40	1.35
Third interim		1.575	1.475	1.40	1.35
Fourth interim		2.40	2.40	2.40	2.35
<b>Subtotal</b>	<b>1.700</b>	<b>7.125</b>	<b>6.825</b>	<b>6.60</b>	<b>6.40</b>
Special dividend		0.300	2.750	N/A	N/A
<b>TOTAL</b>	<b>1.700</b>	<b>7.425</b>	<b>9.575</b>	<b>6.60</b>	<b>6.40</b>



# Small Companies Dividend Trust PLC

Monthly Fact Sheet  
30 September 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	

## Contact Us

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

## Top Twenty Holdings

Holding	Sector	% of portfolio
Avesco Group	Media	3.09
The Alumasc Group	Industrials	3.08
T. Clarke	Construction	2.48
Connect Group	Support Services	2.45
Jarvis Securities	Financials	2.18
DX Group	Support Services	2.15
Wilmington	Media	2.12
Kier Group	Construction	2.11
Moss Bros Group	Consumer	2.09
Town Centre Securities	Property	2.05
Kcom Group	Telecommunications	1.98
Marston's	Consumer	1.84
Braemar Shipping Services	Support Services	1.84
Games Workshop Group	Consumer	1.83
GVC Holdings	Technology	1.81
Hansard Global	Financials	1.76
Photo-Me International	Technology	1.74
N Brown Group	Consumer	1.71
Dairy Crest Group	Consumer	1.70
Stadium Group	Industrials	1.69
<b>Total</b>		<b>41.69</b>

## Sector Breakdown

Sector	% of portfolio
Financials	21.15
Support Services	16.45
Consumer	13.77
Industrials	13.22
Construction	10.26
Media	8.68
Technology	6.02
Property	5.49
Telecommunications	1.98
Healthcare	1.59
Utility	1.39
<b>Total</b>	<b>100.00</b>

## Market Cap Breakdown

	% of portfolio	No of stocks
> £500m	16.98	14
£250m - £500m	17.18	15
£100m - £250m	29.98	21
£50m - £100m	17.03	11
£0m - £50m	18.83	14
<b>Total</b>	<b>100.00</b>	<b>75</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

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.

**SMALL COMPANIES DIVIDENT TRUST PLC IS REGISTERED IN ENGLAND. COMPANY NUMBER: 3749536**