

## Monthly Fact Sheet 31 March 2016

<b>Launch Date</b>	12 May 1999
<b>Net Assets</b>	£35.25m*
<b>Bank Debt</b>	£ nil m
<b>Dividend Yield</b>	4.04%**

	Zero Dividend Preference Shares	Ordinary Shares
<b>Share Price</b> (price per share)	127.00p	185.50p
<b>NAV</b> (price per share)	123.28p	212.98p*
<b>Share Capital</b>	8,500,000***	16,550,000

\* includes unaudited revenue reserve to 31.03.16

\*\*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

With little discernible trend the market continues to broadly react from a top down perspective, to moves in the US dollar and commodity prices and, bottom up, to short term stock specific news flow. The weaker dollar recently has helped to support commodity stocks and the underlying trading of the companies that we invest in is generally robust. The Brexit poll continues to overhang the domestic market and is undermining confidence as investors recall the volatility ahead of the Brexit vote last year. The good news for us is that the relative performance of small and midcaps has picked up as there has been an increase in the number of earnings upgrades across the UK equity market. As we have said before however sustained positive earnings momentum is a necessary pre condition of multiple expansion from current levels and this remains unlikely in the short term until we have decided whether we are 'in' or 'out' of Europe.

The sound corporate news flow that we highlighted last month continued for the remainder of the busy results season. The better than expected dividend payments underpin a positive message for a wide range of our small and mid-cap 'value' stocks, which is particularly reassuring in an environment of relatively low short term return expectations. The main contributors to performance in the month included, Hill and Smith and McColl's Retail which were driven by good results, DX and Novae. In addition Ashmore continued to bounce from recent lows. Pleasingly performance has come from a diverse range of sectors which is consistent with our aim to add value over the long term through a 'balanced' approach to portfolio construction. On the downside Centaur Media detracted from fund performance but fell to levels of valuation where we were happy to add to our existing holdings. We also topped up our positions in Fairpoint, Low&Bonar and Belvoir Lettings. On the sell side we raised funds from T Clarke, NWF and Stadium.

## Annual Returns % (GBP)

31/03/2015

	2016	2015	2014	2013	2012	2011	2010
<b>Share Price</b> Ordinary Shares	-5.35	29.36	-4.26	79.11	19.72	2.82	40.87
<b>Share Price</b> Morningstar Investment Trust UK Equity Income	-4.44	5.09	3.98	29.87	17.40	1.60	25.43
<b>NAV</b>	-2.05	24.79	4.82	56.75	38.35	-10.05	48.73
<b>NAV</b> Morningstar Investment Trust UK Equity Income	-1.17	6.53	4.20	29.69	14.54	2.75	17.01

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	1.700	1.575	1.475	1.40	1.35
Third interim	1.700	1.575	1.475	1.40	1.35
Fourth interim		2.40	2.40	2.40	2.35
<b>Subtotal</b>	<b>5.100</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  
31 March 2016

## 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>	March, June, September, December

<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

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## Top Twenty Holdings

Holding	Sector	% of portfolio
Avesco Group	Media	3.19
Coral Products	Construction	2.90
Connect Group	Support Services	2.41
Shoe Zone (Holdings)	Consumer	2.26
GLI Finance	Financials	2.23
GVC Holdings	Technology	2.21
Games Workshop Group	Consumer	2.15
The Alumasc Group	Industrials	2.11
Moss Bros Group	Consumer	2.08
Marston's	Consumer	2.00
Kier Group	Construction	1.97
Photo-Me International	Technology	1.95
Mucklow (A&J) Group	Property	1.92
Belvoir Lettings	Property	1.89
T. Clarke	Construction	1.89
Braemar Shipping Services	Support Services	1.89
Kcom Group	Telecommunications	1.89
Jarvis Securities	Financials	1.84
Martin McColl Retail Group	Consumer	1.80
N Brown Group	Consumer	1.79
<b>Total</b>		<b>42.36</b>

## Sector Breakdown

Sector	% of portfolio
Financials	23.33
Consumer	15.66
Support Services	15.03
Construction	12.01
Industrials	9.10
Media	7.62
Technology	6.94
Property	6.20
Telecommunications	1.89
Utility	1.31
Healthcare	0.90
<b>Total</b>	<b>100.00</b>

## Market Cap Breakdown

	% of portfolio	No of stocks
> £500m	22.40	15
£250m - £500m	16.86	15
£100m - £250m	25.10	17
£50m - £100m	14.26	10
£0m - £50m	21.38	16
<b>Total</b>	<b>100</b>	<b>73</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

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