



Aberforth Smaller Companies Trust plc

Monthly Factsheet

31 August 2023

Fund structure

The Fund is an investment trust – a type of investment company/collective investment fund – with a Premium share listing on the Main Market of the London Stock Exchange.

Manager: Aberforth Partners

The Fund is managed by Aberforth's investment team of six fund managers:

Sam Ford	Jeremy Hall
Euan Macdonald	Rob Scott Moncrieff
Peter Shaw	Christopher Watt

Further information on the investment team is available at www.aberforth.co.uk.

Benchmark: NSCI (XIC)

The Fund's benchmark and primary investment universe is the Numis Smaller Companies Index (excluding Investment Companies). This index is rebalanced every January and its profile at the date of this Factsheet was:

Number of companies	334
Total market value	£135bn
Largest constituent	£2.8bn
Largest constituent if index rebalanced at Factsheet date	£1.7bn

Key Fund information

Total investments	£1,240m
Number of investments	78
Active share	75.6%
Gearing - bank debt in use	£55m
Net gearing/(liquidity)	3.7%
Total net assets	£1,195m
Ordinary shares in issue	84,514,605
NAV	1,414.51p
Share price	1,224.00p
Discount/(premium)	13.5%
Market value	£1,034m
Launch date	10 Dec 90
Next year-end	31 Dec 23

Fees & charges

Management fee* (12m to 31 Dec 22)	0.73%
Performance fee	None
Ongoing charges (at 31 Dec 22 & includes Management fee)	0.80%

* Further details of the Management fee are available at www.aberforth.co.uk.

Yield & dividends

Yield	3.3%
Interim dividend (paid 25 Aug 23)	12.95p
Final dividend (paid 8 Mar 23)	26.95p
Special dividend (paid 8 Mar 23)	8.30p

Objective

The Fund's objective is to achieve a total return greater than that of the NSCI (XIC) over the long term by investing in a diversified portfolio of small UK quoted companies.

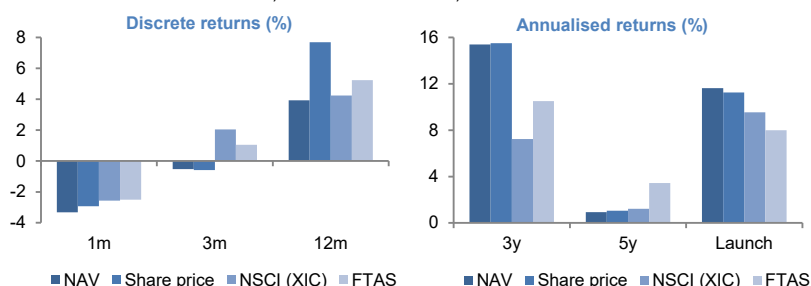
Investment style: Value

Aberforth are value investors who buy shares in companies that they calculate to be selling below their intrinsic value. This is determined through detailed financial and industrial analysis, combined with a valuation approach that focuses on both stockmarket and corporate worth.

Investment performance (annualised total returns)

Growth (%)	1m	3m	12m	3y	5y	Launch
NAV	-3.3	-0.5	3.9	15.4	0.9	11.6
Share price	-2.9	-0.6	7.7	15.5	1.0	11.3
NSCI (XIC)	-2.6	2.0	4.2	7.2	1.2	9.5
FTAS	-2.5	1.1	5.2	10.5	3.4	8.0

Notes: 1m & 3m returns not annualised; Launch date = 10 Dec 90; FTAS = FTSE All-Share Index.



Monthly investment commentary: August

Equity markets remain beholden to US monetary policy. The prospect of a turn in the interest rate cycle seemed more distant in August: US ten year bond yields rose above 4% to their highest level since 2007. The UK stockmarket also felt the effects of mounting pressure on the housing market. The FTSE All-Share's return was -2.5% while the NSCI (XIC) was down by 2.6% and the Fund by 3.3%. Style and size factors were not significant, which leaves it to individual stocks to explain performance.

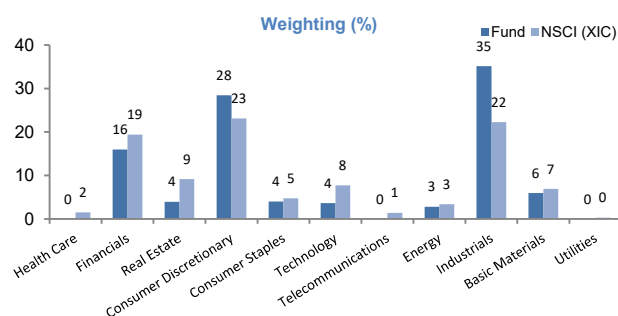
Shares in **CMC Markets** (financial derivatives dealer) fell in response to a profit warning. After updating on lower trading and investing revenues in July, weak market conditions continued through August. Higher operating costs are set to coincide with lower revenues, which will see profits squeezed this year. **Ricardo** (environmental & engineering consultant) was also a poor performer. There was no company specific news, but the share price decline in the month saw it give back some of its strong performance year-to-date.

On the positive side, **International Personal Finance** (home credit provider) added another good month to what has been a strong year so far. Half year results indicated that the business is performing well, with its receivables books rebuilding and good control on costs. Meanwhile, the share price of **SIG** (building products distribution) recovered from July's profit warning with a reassuring set of interim results. This adds to tentative evidence that, with valuations already very low, the share prices of housing related companies are not falling to the same extent as the profit downgrades.

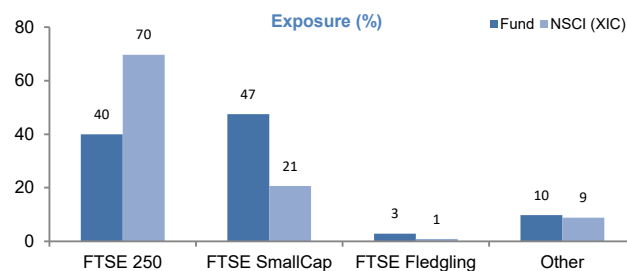
Top 10 equity investments

Name	Activity	%
FirstGroup	Bus & rail operator	3.3
Wilmington	Business publishing & training	2.9
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.6
Vesuvius	Metal flow engineering	2.5
International Personal Finance	Home credit provider	2.5
Redde Northgate	Van rental	2.3
Wincanton	Logistics	2.3
Senior	Aerospace & automotive engineering	2.2
Just Group	Individually underwritten annuities	2.1
Centamin	Gold miner	2.0

Sector exposure



Size exposure



Gearing

The Fund has a bank debt facility of £130m available for use as gearing by the Manager at any time. The net gearing/(liquidity) figure shown in the Key Fund information section indicates the percentage by which the total value of investments exceeds the total net assets.

Continuation vote & share buy-backs

The continuation of the Fund is voted on by shareholders at every 3rd AGM. The next vote will occur at the AGM in March 2026.

The Fund operates a share buy-back policy. A list of the buy-back transactions during the last 5 years is available at www.aberforth.co.uk.

Data sources & calculations

All data supplied by Aberforth, except NSCI (XIC) data (from Numis/Paul Marsh and Elroy Dimson – London Business School) and FTSE data (from FTSE International Limited).

Performance returns are total returns after all expenses and assume reinvestment of dividends. Yield is based on the Fund's trailing 12 months' dividends (excluding Specials). Active share is a measure of how the Fund's portfolio differs from the NSCI (XIC). Small companies are represented by the NSCI (XIC). Large companies are represented by the FTAS.

Risk warnings

Capital may be at risk as the value of investments may go down as well as up and is not guaranteed; therefore investors may not get back the amount originally invested. Past performance is not a guide to future performance, nor a reliable indicator of future results or performance.

Investments in shares of smaller companies are generally considered to carry a higher degree of risk as the market for their shares may be less liquid than that for shares of larger companies, making shares of smaller companies more difficult to buy and sell.

The performance of shares of smaller companies may be more volatile than the shares of larger companies over short time periods; therefore investors should regard such investments as long term.

There can be no guarantee that the investment objective of the Fund will be achieved or provide the returns sought by the Fund.

An investment in the Fund is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise from such an investment (which may be equal to the whole amount invested). Such an investment should be regarded as long term in nature and complementary to existing investments in a range of other financial assets and should not form a major part of an investment portfolio.

An investment trust is a public limited company, the shares of which are traded on the main market of the London Stock Exchange. Accordingly, the ability of shareholders to sell their shares will be dependent on the market price of the shares. The shares may trade at a discount or premium to their net asset value.

Investment trusts may borrow money in order to make further investments. This is known as gearing. The effect of gearing can enhance returns to shareholders in rising markets but will have the opposite effect on returns in falling markets.

Aberforth Partners LLP does not provide retail investors with investment advice.

This document has been issued for information purposes only. It does not contain any investment recommendations or an invitation to invest in the Fund. Investors should seek advice from an authorised financial adviser prior to making investment decisions.

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Security codes & other information

Ordinary shares of 1p	Other information
SEDOL: 0006655	Launched: 10 Dec 90
ISIN: GB0000066554	Next year-end: 31 Dec 23
TIDM: ASL	LEI: 213800GZ9WC73A92Q326

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