



Aberforth Smaller Companies Trust plc

Monthly Factsheet

28 February 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	346
Total market value	£147bn
Largest constituent	£2.1bn
Largest constituent if index rebalanced at Factsheet date	£1.7bn

Key Fund information

Total investments	£1,401m
Number of investments	80
Active share	75.0%
Gearing - bank debt in use	£75m
Net gearing/(liquidity)	7.5%
Total net assets	£1,303m
Ordinary shares in issue	85,249,605
NAV	1,528.95p
Share price	1,358.00p
Discount/(premium)	11.2%
Market value	£1,158m
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	2.9%
Interim dividend (paid 26 Aug 22)	12.05p
Final dividend (payable 8 Mar 23)	26.95p
Special dividend (payable 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.

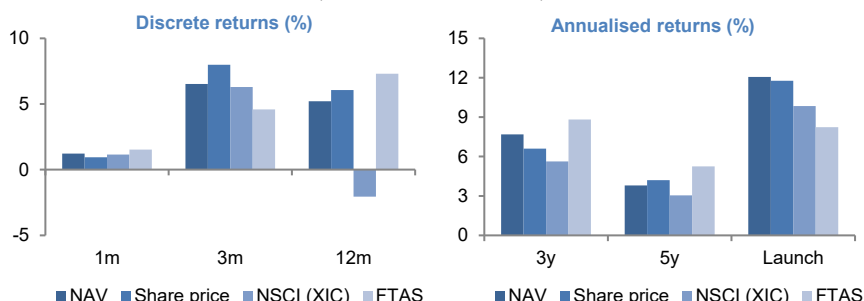
Investment style: Value

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	1.2	6.5	5.2	7.7	3.8	12.1
Share price	0.9	8.0	6.1	6.6	4.2	11.8
NSCI (XIC)	1.1	6.3	-2.1	5.6	3.0	9.8
FTAS	1.5	4.6	7.3	8.8	5.3	8.2

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



Monthly investment commentary: February

Share prices continue to take their cue from interest rates and inflation data. The return of the 10 year US bond yield above 4% was a brake on the fast-paced start to 2023 for global equity markets. February was therefore marked by slower performance, with the FTSE All-Share rising 1.5%. Small caps rose modestly. The NSCI (XIC)'s 1.1% increase was led by value, which was to the Fund's benefit, and by its larger constituents, which was not. The Fund's gain was 1.2%.

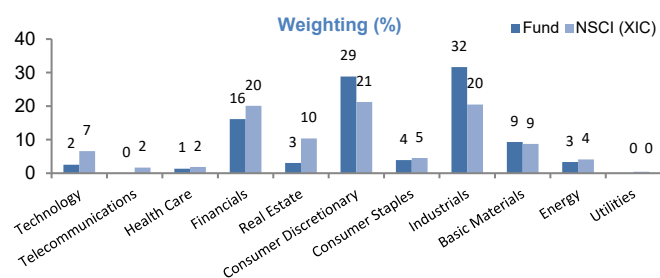
Recent weeks brought indications of a return of M&A appetite, following a quiet period for dealmaking. The portfolio benefited from **Hyve's** (exhibitions and conferences) disclosure of multiple takeover approaches from a US private equity party. The potential acquirer must announce a firm intention of an offer by the 21 March. Outwith the portfolio, and therefore to the detriment of relative performance, **Wood Group** (oil & gas support services) also revealed approaches from private equity. It is encouraging to see renewed validation for the value on offer within UK equities. Elsewhere, **SIG** (building products distribution) performed well. Its update in January had indicated resilient trading momentum, which coincides with a new CEO beginning his tenure.

Enquest (oil & gas) was the main loser in the month. Its full year trading update indicated a slower pace of deleveraging as a result of the cash payments for the North Sea windfall tax. **Redde Northgate** (van rental) also performed poorly, though on no specific news. Its shares had performed strongly in the fourth quarter of 2022 and through January.

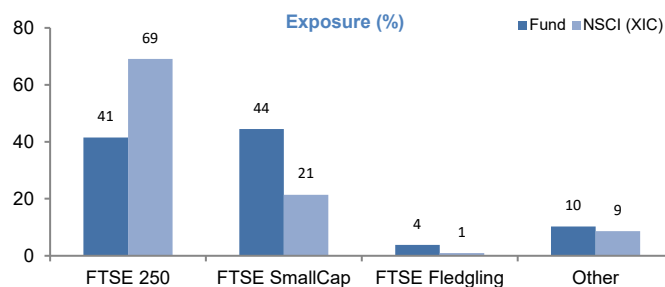
Top 10 equity investments

Name	Activity	%
FirstGroup	Bus & rail operator	3.2
Wilmington	Business publishing & training	2.9
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.8
Redde Northgate	Van rental	2.7
Centamin	Gold miner	2.3
Wincanton	Logistics	2.2
Rathbones Group	Private client fund manager	2.2
Just Group	Individually underwritten annuities	2.2
SIG	Specialist building products distributor	2.2
Senior	Aerospace & automotive engineering	2.1

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: GB0000066654	Next year-end: 31 Dec 23
TIDM: ASL	LEI: 213800GZ9WC73A92Q326

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(T) 0131 220 0733

(E) investors@aberforth.co.uk