



# Aberforth Smaller Companies Trust plc

## Monthly Factsheet

30 June 2021

### 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 seven fund managers:

Sam Ford	Jeremy Hall
Sonya Kim	Euan Macdonald
Keith Muir	Peter Shaw
Christopher Watt	

Further information on the investment team is available at [www.aberforth.co.uk](http://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	324
Total market value	£163bn
Largest constituent	£3.5bn
Largest constituent if index rebalanced at Factsheet date	£1.6bn

### Key Fund information

Total investments	£1,579m
Number of investments	78
Active share	74.7%
Gearing - bank debt in use	£83m
Net gearing/(liquidity)	5.1%
Total net assets	£1,502m
Ordinary shares in issue	88,553,066
NAV	1,696.49p
Share price	1,530.00p
Discount/(premium)	9.8%
Market value	£1,355m
Launch date	10 Dec 90
Next year-end	31 Dec 21

### Fees & charges

Management fee* (12m to 31 Dec 20)	0.74%
Performance fee	None
Ongoing charges (at 31 Dec 20 & includes Management fee)	0.81%

\* Further details of the Management fee are available at [www.aberforth.co.uk](http://www.aberforth.co.uk).

### Yield & dividends

Yield	2.2%
Interim dividend (paid 28 Aug 20)	10.40p
Final dividend (paid 9 Mar 21)	22.90p

### 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.

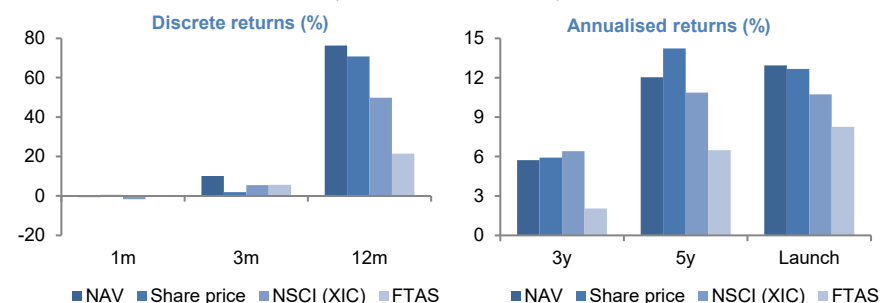
### Investment style: Value

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	-0.7	10.1	76.3	5.7	12.0	12.9
Share price	0.5	1.9	70.8	5.9	14.2	12.7
NSCI (XIC)	-1.7	5.5	49.8	6.4	10.9	10.7
FTAS	0.2	5.6	21.5	2.0	6.5	8.3

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



### Monthly investment commentary: June

The themes of reflation and re-opening, which have dominated financial markets since the vaccine announcements, were challenged in June. In the US, the Fed sought to reassure investors that it was on top of inflationary risks – bond yields dropped and the S&P 500 rose, led by the FANGs. In the UK, the FTSE All-Share was up by 0.2%, but the NSCI (XIC) fell by 1.7%. The Fund's decline of 0.7% was less severe, despite the value style lagging growth. For another month, the Fund was helped by its greater exposure to the NSCI (XIC)'s smaller, and more attractively valued companies, which out-performed their mid cap peers.

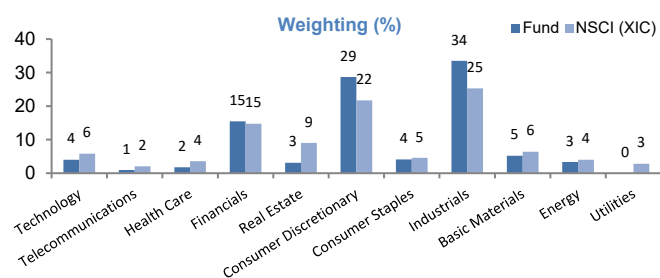
Among the holdings, the biggest winners had little in common, besides attractive valuations. **Reach**, the news publisher, made no announcements but continues to benefit from the stockmarket's reappraisal of its evolving on-line offering. **EnQuest**, the oil producer, was buoyed by the persistent strength of the oil price and by a refinancing that was structured alongside an acquisition. Finally, **RPS**'s consulting businesses were seen as well-placed for governments' spending programmes and a recovery in corporate investment.

The Fund's principal laggards were **SIG** (the building products distributor), **Just Group** (the annuity provider) and **Rank Group** (the gambling operator). There was no news from these companies in June, but they are united by their exposure to the re-opening of the UK economy. This has helped all three enjoy strong recoveries over the past eight months and against such a backdrop a pause for breath is perhaps unsurprising.

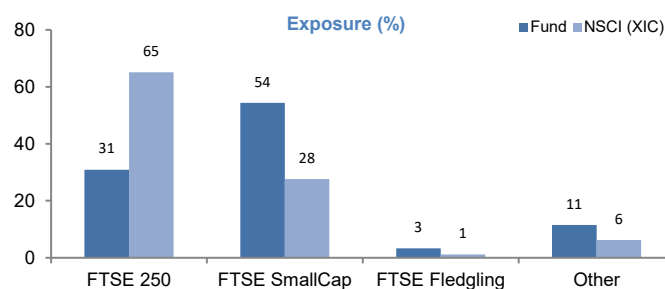
### Top 10 equity investments

Name	Activity	%
<b>Reach</b>	UK newspaper publisher	4.3
<b>Redde Northgate</b>	Van rental	2.7
<b>Morgan Advanced Materials</b>	Manufacture of carbon & ceramic materials	2.6
<b>Wincanton</b>	Logistics	2.6
<b>Vitec Group</b>	Photographic & broadcast accessories	2.6
<b>TI Fluid Systems</b>	Automotive parts manufacturer	2.5
<b>Robert Walters</b>	Recruitment	2.4
<b>SIG</b>	Specialist building products distributor	2.4
<b>Brewin Dolphin Holdings</b>	Private client fund manager	2.3
<b>Rathbone Brothers</b>	Private client fund manager	2.2

## 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 3<sup>rd</sup> AGM. The next vote will occur at the AGM in March 2023.

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](http://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

COVID-19 virus – in the context of market price risk, please note the exceptional circumstances arising from the COVID-19 pandemic and the responses to it. These have profoundly affected macro-economic activity, the operations of companies around the world and their stockmarket valuations. Aberforth Partners LLP and the Directors of Aberforth Smaller Companies Trust plc are closely monitoring market developments as the impact of the pandemic progresses.

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 21
TIDM: ASL	LEI: 213800GZ9WC73A92Q326

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(T) 0131 220 0733

(E) [investors@aberforth.co.uk](mailto:investors@aberforth.co.uk)