



# Aberforth Smaller Companies Trust plc

## Monthly Factsheet

31 March 2018

### 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:

Euan Macdonald	Keith Muir
Richard Newbery	Peter Shaw
Christopher Watt	Alistair Whyte

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	347
Total market value	£158bn
Largest constituent	£1.8bn
Largest constituent (if rebalanced at Factsheet date)	£1.4bn

### Key Fund information

Total investments	£1,363m
Number of investments	87
Active share	75.2%
Gearing - bank debt in use	£27m
Net gearing/(liquidity)	1.7%
Total net assets	£1,340m
Ordinary shares in issue	92,184,158
NAV	1,453.56p
Share price	1,296.00p
Discount/(premium)	10.8%
Market value	£1,195m
Launch date	10 Dec 90
Next year-end	31 Dec 18

### Fees & charges

Management fee* (12m to 31 Dec 17)	0.71%
Performance fee	None
Ongoing charges (at 31 Dec 17 & includes Management fee)	0.76%

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

### Yield & dividends

Yield	2.2%
Interim dividend (paid 24 Aug 17)	9.05p
Final dividend (paid 6 Mar 18)	19.75p
Special dividend (paid 6 Mar 18)	6.70p

### 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.

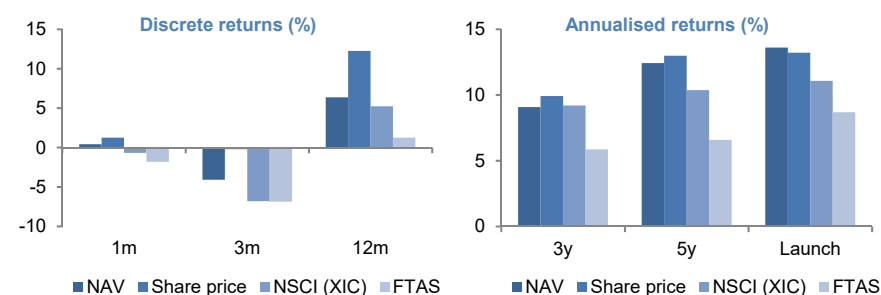
### Investment style: Value

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	0.4	-4.1	6.4	9.1	12.4	13.6
Share price	1.2	-0.2	12.3	9.9	13.0	13.2
NSCI (XIC)	-0.7	-6.8	5.2	9.2	10.4	11.1
FTAS	-1.8	-6.9	1.2	5.9	6.6	8.7

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



### Investment commentary

UK indices were weak in March. Large companies, represented by the FTSE All-Share, generated a total return of -1.8%. Smaller size offered some respite, though the NSCI (XIC) still declined, returning -0.7%. The Fund's return was 0.4%. The style factor was influential: perhaps influenced by the recent struggles of the US tech leviathans, the value style out-performed growth in the month, only the second such occurrence since March 2017.

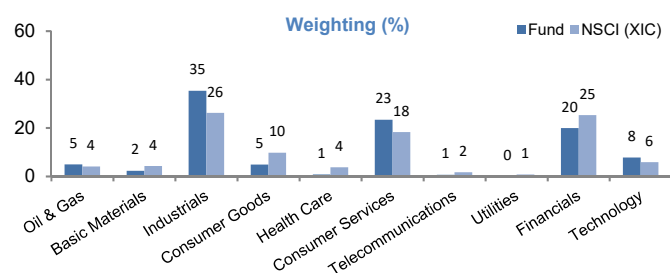
The results season concluded and, judging by the dividend experience, went well. Special dividends were announced by two holdings, telecoms test company Spirent and heat treater Bodycote. More broadly, PR company Huntsworth and home credit provider International Personal Finance stood out for their strong results. Conversely, performance was hindered by banknote printer De La Rue, which suffered the departure of its finance director, a warning that results would be at the lower end of expectations and the likely loss of the UK passport contract.

Elsewhere, the revival in corporate activity among small companies noted in last month's commentary continued. This benefited electronics company Laird, which responded to a bid from private equity group Advent International. Not all corporate activity was helpful: not owning Fenner, a manufacturer of industrial belting, hindered the relative return following a cash offer by Michelin. The share price of Flybe fell after logistics specialist and airport operator Stobart opted not to bid, having announced last month it was exploring some form of combination with the airline.

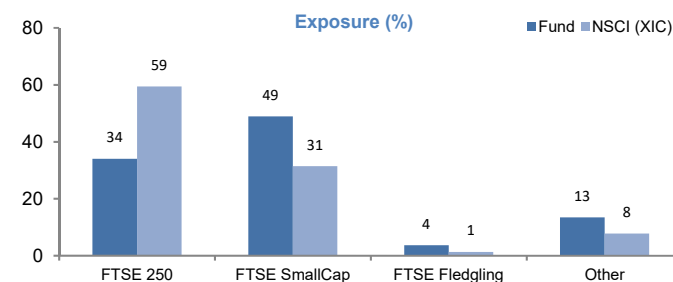
### Top 10 equity investments

Name	Activity	%
Vitec Group	Photographic & broadcast accessories	2.8
Huntsworth	Public relations	2.7
Urban&Civic	Property - investment & development	2.6
Robert Walters	Recruitment	2.6
Brewin Dolphin Holdings	Private client fund manager	2.6
FirstGroup	Bus & rail operator	2.4
Grainger	Property - residential rentals	2.3
Coats Group	Manufacture of threads	2.3
Keller Group	Ground engineering services	2.3
Senior	Aerospace & automotive engineering	2.2

## Sector exposure



## Size exposure



## Gearing

The Fund has a bank debt facility of £125m 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-ins

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 2020.

The Fund operates a share buy-in policy. A list of the buy-in 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. 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, or 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 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 18
TIDM: ASL	LEI: 213800GZ9WC73A92Q326

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