



Aberforth Smaller Companies Trust plc

Monthly Factsheet

30 November 2017

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.

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	331
Total market value	£173bn
Largest constituent	£2.6bn
Largest constituent (if rebalanced at Factsheet date)	£1.5bn

Key Fund information

Total investments	£1,409m
Number of investments	84
Active share	76.0%
Gearing - bank debt in use	£0m
Net gearing/(liquidity)	0.2%
Total net assets	£1,406m
Ordinary shares in issue	93,157,057
NAV	1,509.39p
Share price	1,305.00p
Discount/(premium)	13.5%
Market value	£1,216m
Launch date	10 Dec 90
Next year-end	31 Dec 17

Fees & charges

Management fee* (12m to 31 Dec 16)	0.74%
Performance fee	None
Ongoing charges (at 31 Dec 16 & includes Management fee)	0.80%

* Details of the Management fee structure are available at www.aberforth.co.uk.

Yield & dividends

Yield	2.1%
Interim dividend (paid 24 Aug 17)	9.05p
Final dividend (paid 3 Mar 17)	18.75p
Special dividend (paid 3 Mar 17)	2.75p

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.

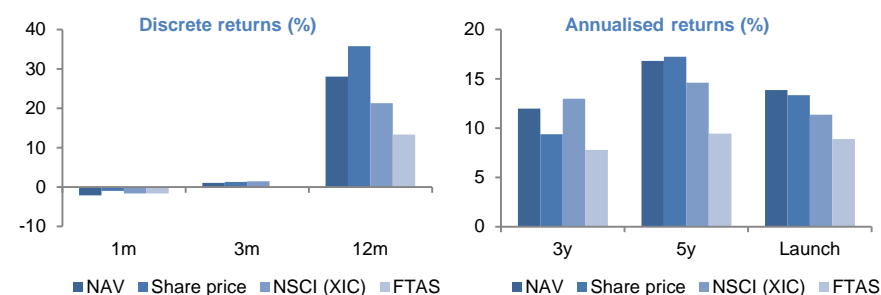
Investment style: Value

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	-2.1	1.1	28.0	12.0	16.8	13.9
Share price	-1.0	1.3	35.8	9.4	17.2	13.3
NSCI (XIC)	-1.6	1.5	21.3	13.0	14.6	11.4
FTAS	-1.6	-0.2	13.4	7.8	9.5	8.9

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



Investment commentary

The Fund's return in November was -2.1%, which was slightly weaker than the 1.6% declines of both the NSCI (XIC) and the FTSE All-Share. The Budget confirmed a lower growth outlook for the UK and, as widely anticipated, the Bank of England increased base rates by 0.25%, the first rise since May 2007. Style influences were balanced. The more important influence on performance was the fortunes of individual stocks: profit warnings, whose frequency increased through the third quarter, remained a feature and were treated with the customarily steep share price falls.

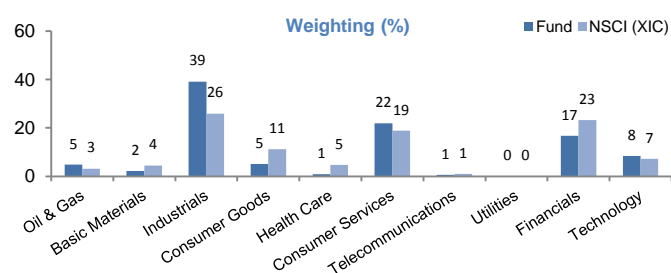
The biggest detractor from relative performance was a company that issued a disappointing trading update towards the end of October: Nostrum Oil & Gas warned of delays to a major gas-handling infrastructure project. In contrast, Vitec (photographic and broadcast accessories) succumbed to profit taking ahead of an in-line trading update. Other significant impacts on performance came from Trinity Mirror (newspaper publisher), Eurocell (UPVC building products), and SDL (translation software and services), but none of these companies issued news during the month.

Profit warnings from non holdings boosted relative performance, in particular Ultra Electronics and Dignity, two of the NSCI (XIC)'s larger companies and long term favourites of growth investors. Ultra Electronics (aerospace and defence electronics) pointed to pressure from tightening UK defence budgets, while Dignity (funeral services) cautioned on increased competition. Not all trading updates in November were negative, with the Fund benefiting from positive statements from Computacenter (IT services) and TT Electronics (sensors and other components). Computacenter also provided details of a return of capital in January by means of a tender offer.

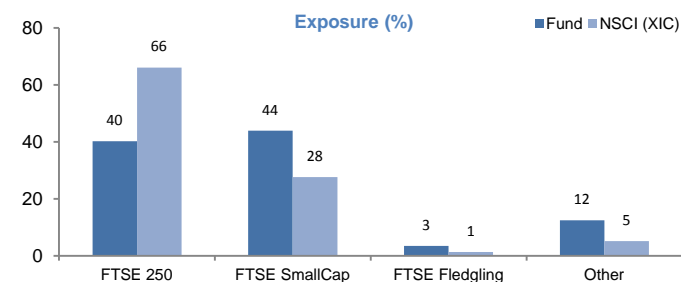
Top 10 equity investments

Name	Activity	%
Vesuvius	Metal flow engineering	3.5
Bovis Homes Group	Housebuilding	3.0
FirstGroup	Bus & rail operator	2.7
Brewin Dolphin Holdings	Private client fund manager	2.6
Coats Group	Manufacture of threads	2.5
TT Electronics	Sensors & other electronic components	2.4
Computacenter	IT services	2.3
Vitec Group	Photographic & broadcast accessories	2.3
Keller Group	Ground engineering services	2.2
Huntsworth	Public relations	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 3rd 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.

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 17
TIDM: ASL	LEI: 213800GZ9WC73A92Q326

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