



# Aberforth Smaller Companies Trust plc

## Monthly Factsheet

30 November 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 seven fund managers:

|                |                     |
|----------------|---------------------|
| Sam Ford       | Jeremy Hall         |
| Euan Macdonald | Rob Scott Moncrieff |
| Peter Shaw     | Christopher Watt    |
| Rowan Marron   |                     |

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                                       | 332    |
| Total market value  | £131bn |
| Largest constituent                                       | £2.4bn |
| Largest constituent if index rebalanced at Factsheet date | £1.6bn |

### Key Fund information

|                            |            |
|----------------------------|------------|
| Total investments          | £1,251m    |
| Number of investments      | 78         |
| Active share               | 74.1%      |
| Gearing - bank debt in use | £56m       |
| Net gearing/(liquidity)    | 4.5%       |
| Total net assets           | £1,198m    |
| Ordinary shares in issue   | 84,414,605 |
| NAV                        | 1,419.10p  |
| Share price                | 1,300.00p  |
| Discount/(premium)         | 8.4%       |
| Market value               | £1,097m    |
| 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](http://www.aberforth.co.uk).

### Yield & dividends

|                                   |        |
|-----------------------------------|--------|
| Yield                             | 3.1%   |
| 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.

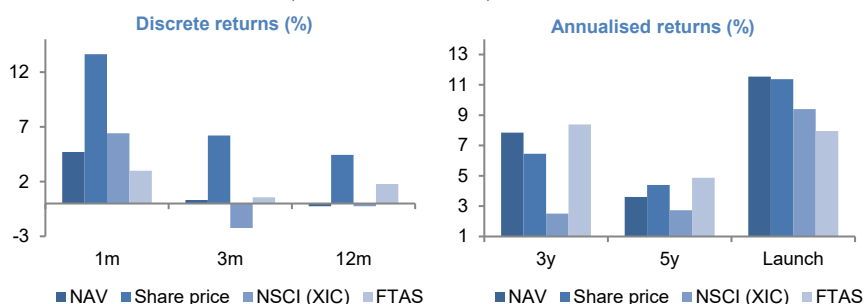
### Investment style: Value

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         | 4.7  | 0.3  | -0.2 | 7.8 | 3.6 | 11.5   |
| Share price | 13.6 | 6.2  | 4.4  | 6.5 | 4.4 | 11.4   |
| NSCI (XIC)  | 6.4  | -2.2 | -0.3 | 2.5 | 2.7 | 9.4    |
| FTAS        | 3.0  | 0.6  | 1.8  | 8.4 | 4.9 | 7.9    |

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



### Monthly investment commentary: November

November brought a sharp recovery for equity markets, after a difficult period through early Autumn. Lower inflation data on both sides of the Atlantic allowed markets to contemplate an earlier and smoother end to restrictive monetary policy. The FTSE All-Share was up 3.0%, while the NSCI (XIC) rose by 6.4%. The latter benefited from its mid-cap exposure: the FTSE 250 (XIC) was the strongest part of the UK market with a 7.3% rise, well ahead of the FTSE SmallCap (XIC)'s 4.0% gain. The Fund was up by 4.7%, with its higher exposure "smaller small" companies the main influence on performance.

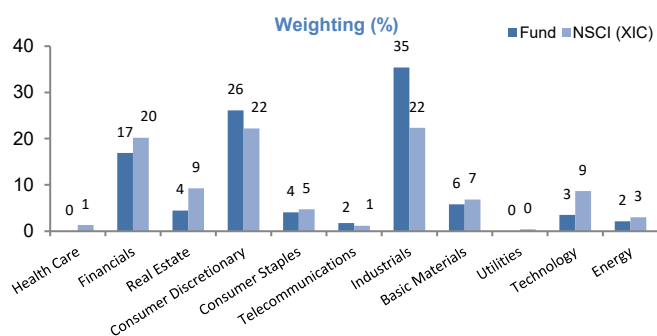
At the stock level, the main impact on performance came from **International Personal Finance**, the home credit provider. There was no news in the month, but its shares gave back some of the previous months' strong gains, which had reflected an improved trading performance. **Enquest**, the oil & gas explorer and producer, was weak too. While there were no company specific developments, the oil price fell by 5% in November and the Autumn statement brought no easing of the UK's "Energy Profits Levy". Meanwhile, **Xaar**, the digital printhead manufacturer, issued a profit warning, which cited the impact on customer demand of higher interest rates and uncertainty in Israel.

Amongst the Fund's better performers was **Wincanton**, the logistics provider. The company committed to a share buy-back, which is possible following September's announcement of an improved funding position for its defined benefit pension scheme. **McBride**, the private label household products manufacturer, saw its strong recent share price performance continue. November's AGM trading update confirmed further progress and followed the negotiation of improved terms with its lenders.

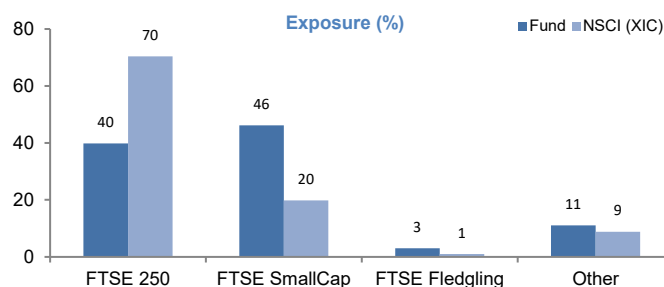
### Top 10 equity investments

| Name                                  | Activity                                  | %   |
|---------------------------------------|---|-----|
| <b>Wilmington</b>                     | Business publishing & training            | 3.0 |
| <b>Wincanton</b>                      | Logistics                                 | 2.8 |
| <b>FirstGroup</b>                     | Bus & rail operator                       | 2.6 |
| <b>Redde Northgate</b>                | Van rental                                | 2.6 |
| <b>Morgan Advanced Materials</b>      | Manufacture of carbon & ceramic materials | 2.5 |
| <b>Vesuvius</b>                       | Metal flow engineering                    | 2.5 |
| <b>Just Group</b>                     | Individually underwritten annuities       | 2.3 |
| <b>Centamin</b>                       | Gold miner                                | 2.2 |
| <b>International Personal Finance</b> | Home credit provider                      | 2.2 |
| <b>TI Fluid Systems</b>               | Automotive parts manufacturer             | 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 3<sup>rd</sup> 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](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

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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