



Aberforth Smaller Companies Trust plc

Monthly Factsheet

31 October 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	332
Total market value	£122bn
Largest constituent	£2.0bn
Largest constituent if index rebalanced at Factsheet date	£1.6bn

Key Fund information

Total investments	£1,187m
Number of investments	78
Active share	73.9%
Gearing - bank debt in use	£55m
Net gearing/(liquidity)	3.7%
Total net assets	£1,144m
Ordinary shares in issue	84,414,605
NAV	1,355.32p
Share price	1,144.00p
Discount/(premium)	15.6%
Market value	£966m
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	3.5%
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.

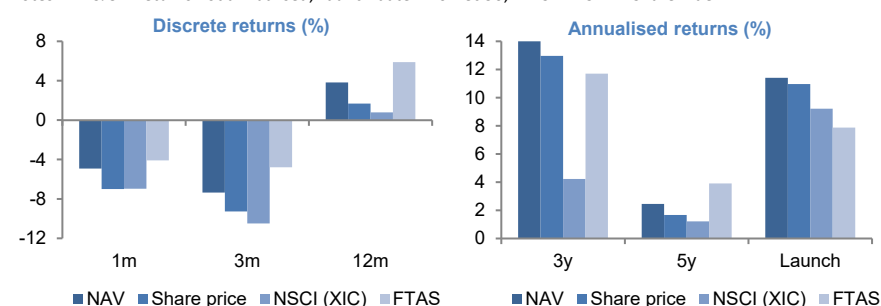
Investment style: Value

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	-4.9	-7.4	3.8	14.0	2.4	11.4
Share price	-7.0	-9.3	1.7	13.0	1.7	11.0
NSCI (XIC)	-7.0	-10.5	0.8	4.2	1.2	9.2
FTAS	-4.1	-4.8	5.9	11.7	3.9	7.9

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



Monthly investment commentary: October

October was a weak month for equity markets, as records suggest it often is. Hamas's attack on Israel heightened the geopolitical risk premium. The oil price fluctuated, but investors received little protection in the bond market, where yields increased further. UK equities under-performed against global peers, with the FTSE All-Share down by 4.1%. Smaller companies were weaker still, as the NSCI (XIC) fell by 7.0%. The Fund's decline of 4.9% was less severe, thanks to a good month for the value style and to stock selection.

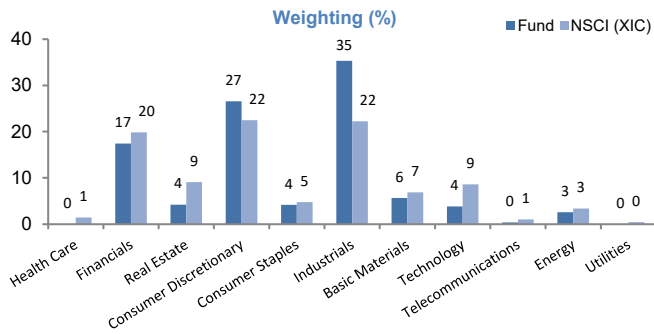
Avon Protection, the military protection product manufacturer, was a positive contributor to relative performance. October brought a reassuring trading update, along with some significant purchases of shares by directors. **International Personal Finance**, the home credit provider, continued its strong showing this year, helped by a resilient update on trading towards the end of the month. **FirstGroup**, the bus and rail operator, is another holding that has performed well through 2023. It too released a trading update that indicated profits for the full year would come in ahead of prior expectations.

The most significant negative contributor was **SIG**, the specialist building products distributor. A mid-month update signalled a profit warning for the full year result, amid challenging market conditions, particularly in the new build residential segment. **Rank Group**, the multi-channel gaming operator, was also weak. This was despite a trading update that indicated revenue and profit growth performance expectations were on track for the full year.

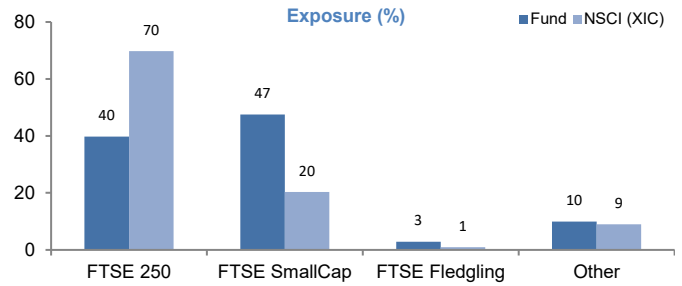
Top 10 equity investments

Name	Activity	%
FirstGroup	Bus & rail operator	3.1
Wilmington	Business publishing & training	3.1
International Personal Finance	Home credit provider	2.8
Redde Northgate	Van rental	2.6
Wincanton	Logistics	2.5
Vesuvius	Metal flow engineering	2.4
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.4
Just Group	Individually underwritten annuities	2.2
TI Fluid Systems	Automotive parts manufacturer	2.0
Centamin	Gold miner	2.0

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: GB0000066554	Next year-end: 31 Dec 23
TIDM: ASL	LEI: 213800GZ9WC73A92Q326

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(T) 0131 220 0733	(E) investors@aberforth.co.uk
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