



Aberforth Smaller Companies Trust plc

Monthly Factsheet

30 September 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	334
Total market value	£133bn
Largest constituent	£2.3bn
Largest constituent if index rebalanced at Factsheet date	£1.6bn

Key Fund information

Total investments	£1,249m
Number of investments	78
Active share	74.9%
Gearing - bank debt in use	£55m
Net gearing/(liquidity)	3.7%
Total net assets	£1,204m
Ordinary shares in issue	84,489,605
NAV	1,425.46p
Share price	1,230.00p
Discount/(premium)	13.7%
Market value	£1,039m
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	3.2%
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.

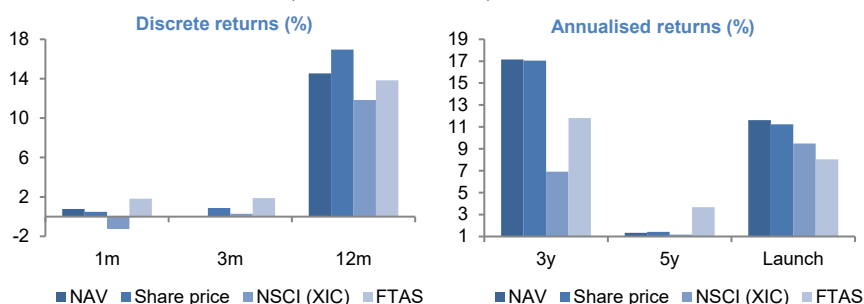
Investment style: Value

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	0.8	0.0	14.5	17.2	1.3	11.6
Share price	0.5	0.9	16.9	17.1	1.4	11.2
NSCI (XIC)	-1.3	0.3	11.8	6.9	1.2	9.5
FTAS	1.8	1.9	13.8	11.8	3.7	8.0

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



Monthly investment commentary: September

The cost of energy, in the form of oil, and the cost of money, in the form of government bond yields, rose in September. The oil price was up by 11%, while the US ten year yield added nearly 50bps, to end the month at a level last recorded in 2007. UK equities proved relatively resilient. While the S&P 500 fell by 4.9%, the FTSE All-Share gained 1.8%, helped by lower starting valuations and by its oil & gas weighting. The Fund's gain of 0.8% compared favourably with the NSCI (XIC)'s decline of 1.3%.

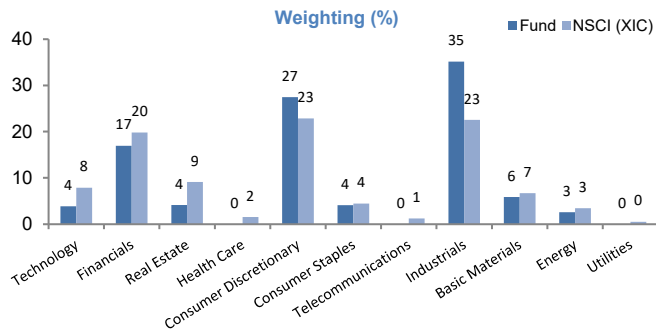
Winners for the Fund included **Galliford Try**, the contractor, which reported improved profits and steady progress towards its targets for 2026. Shares in **Wincanton**, the logistics company, reacted well to the announcement of much improved terms for its triennial pension valuation. Its significant actuarial deficit in 2020 has swung into surplus, meaning the company can cease additional contribution payments to the scheme. Two non holdings, Aston Martin Lagonda and The Hut Group, also helped the Fund's relative performance in the month: both companies have been strong performers this year but gave back some of their gains in September.

The main loser in the month was **Videndum**. This supplier of photographic and broadcast accessories has been afflicted by a weaker consumer backdrop and by the Hollywood writers' strike. Delayed interim results revealed the impact on the balance sheet and raised the prospect of disposals or equity issuance. The company's medium term prospects still appear good, but clarity about funding and the resolution of the strike are the immediate priority.

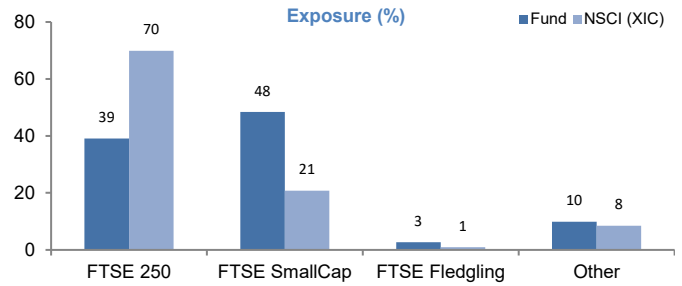
Top 10 equity investments

Name	Activity	%
FirstGroup	Bus & rail operator	3.0
Wilmington	Business publishing & training	2.9
Wincanton	Logistics	2.6
International Personal Finance	Home credit provider	2.5
Vesuvius	Metal flow engineering	2.5
Redde Northgate	Van rental	2.5
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.4
SIG	Specialist building products distributor	2.1
Close Brothers Group	Bank, stockbroker & private client fund manager	2.0
Just Group	Individually underwritten annuities	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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