



Aberforth Smaller Companies Trust plc

Monthly Factsheet

30 April 2020

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	Keith Muir
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	335
Total market value	£107bn
Largest constituent	£1.8bn
Largest constituent if index rebalanced at Factsheet date	£1.4bn

Key Fund information

Total investments	£888m
Number of investments	82
Active share	79.4%
Gearing - bank debt in use	£13m
Net gearing/(liquidity)	1.2%
Total net assets	£878m
Ordinary shares in issue	89,533,066
NAV	980.12p
Share price	900.00p
Discount/(premium)	8.2%
Market value	£806m
Launch date	10 Dec 90
Next year-end	31 Dec 20

Fees & charges

Management fee* (12m to 31 Dec 19)	0.71%
Performance fee	None
Ongoing charges (at 31 Dec 19 & includes Management fee)	0.77%

* Further details of the Management fee are available at www.aberforth.co.uk.

Yield & dividends

Yield	3.6%
Interim dividend (paid 30 Aug 19)	10.00p
Final dividend (paid 6 Mar 20)	22.00p
Special dividend (paid 6 Mar 20)	4.00p

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.

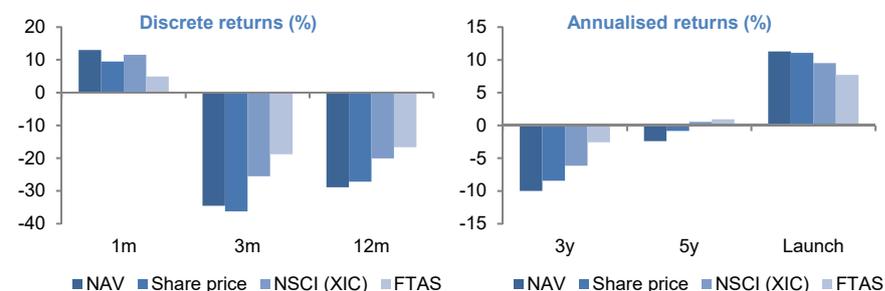
Investment style: Value

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	13.0	-34.6	-28.9	-10.0	-2.4	11.3
Share price	9.5	-36.3	-27.2	-8.5	-0.9	11.1
NSCI (XIC)	11.5	-25.5	-20.1	-6.1	0.5	9.5
FTAS	4.9	-18.8	-16.7	-2.6	0.9	7.7

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



Investment commentary

After a torrid March for stockmarkets, company updates and macro-economic data in April confirmed a substantial downturn in activity. However, equities responded positively to further government support for the economy and to evidence that the pandemic was being brought under control. The FTSE All-Share rose by 4.9%, but, having proved more resilient in March, lagged the NSCI (XIC)'s return of 11.5%. It was also affected by evidence that Covid-19 would put pressure on the dividends of even the largest companies. The Fund secured a return of 13.0%, on which style factors had negligible effect.

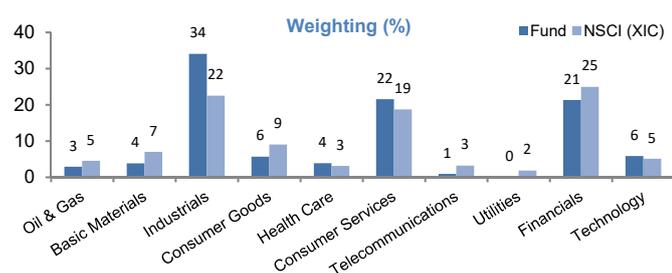
Against this backdrop of improved sentiment, those stocks that had suffered most in March tended to perform most strongly in April. Amongst these were RM, a supplier of education materials to schools, brick manufacturer Forterra, specialist recruiter Robert Walters and mining royalties company Anglo Pacific. Elsewhere, industrial textile manufacturer Low & Bonar performed strongly following EU competition clearance for the takeover by Freudenberg.

Cancelled dividends are not confined to the FTSE 100. Companies that have chosen to cut, cancel or defer their dividends stood out among the losers. These included news publisher Reach, food producer Bakkavor, International Personal Finance, and windows and doors manufacturer Eurocell, whose under-performance was compounded by a placing of new shares. More broadly, equity issues have started. There have been several placings of up to 20%, taking advantage of relaxed pre-emption rules, but the bigger rights issues will likely come in early Summer.

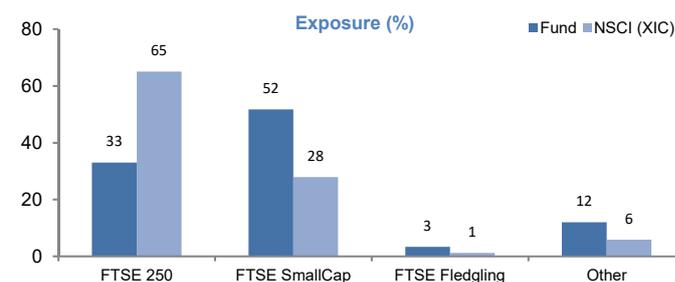
Top 10 equity investments

Name	Activity	%
Urban&Civic	Property - investment & development	3.6
Brewin Dolphin Holdings	Private client fund manager	3.3
Keller Group	Ground engineering services	3.2
CMC Markets	Financial derivatives dealer	3.1
SDL	Software - translation & content management	2.9
Future	Special interest consumer publisher	2.8
Wincanton	Logistics	2.8
FirstGroup	Bus & rail operator	2.7
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.6
Forterra	Manufacture of bricks	2.5

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-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 2023.

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

COVID-19 virus – in the context of market price risk, please note the exceptional circumstances arising from the COVID-19 pandemic and the responses to it. These have profoundly affected macro-economic activity, the operations of companies around the world and their stockmarket valuations. The universe of UK small quoted companies market invested in by the Fund, has seen a significant fall in its aggregate valuation due to the uncertainties arising from the spread of this virus. Aberforth Partners LLP and the Directors of Aberforth Smaller Companies Trust plc are closely monitoring market developments as the impact of the pandemic progresses.

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 20
TIDM: ASL	LEI: 213800GZ9WC73A92Q326

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