



Aberforth Smaller Companies Trust plc

Monthly Factsheet

30 June 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 investment universe is the Numis Smaller Companies Index (excluding Investment Companies). This is rebalanced every January and the current profile is:

Number of companies	339
Total market value	£168bn
Largest constituent	£2.0bn
Largest constituent (if rebalanced at Factsheet date)	£1.4bn

Key Fund information

Total investments	£1,362m
Number of investments	84
Active share	76.0%
Gearing - bank debt in use	£6m
Net gearing	0.0%
Total net assets	£1,362m
Ordinary shares in issue	94,041,492
NAV	1,448.33p
Share price	1,249.00p
Discount/(premium)	13.8%
Market value	£1,175m
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	2.2%
Interim dividend (paid 25 Aug 16)	8.60p
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.

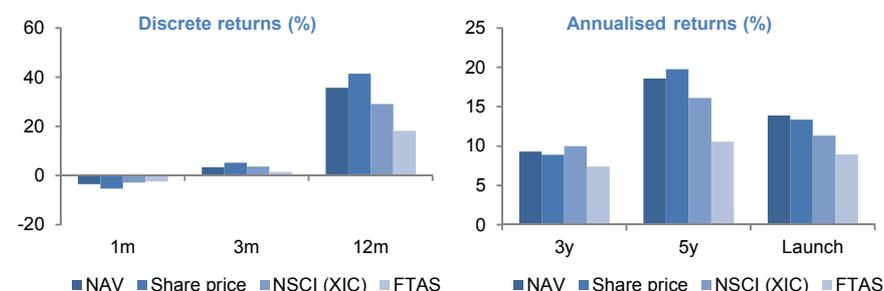
Investment style: Value

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	-3.5	3.4	35.7	9.3	18.6	13.9
Share price	-5.3	5.2	41.4	8.9	19.8	13.3
NSCI (XIC)	-2.9	3.7	29.1	10.0	16.1	11.3
FTAS	-2.5	1.4	18.1	7.4	10.6	8.9

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



Investment commentary

Heightened political uncertainty following the inconclusive outcome of the general election and hawkish commentary from central banks got the better of markets in June. The FTSE All-Share generated a total return of -2.5%. The more domestically orientated NSCI XIC returned -2.9% and the Fund trailed the benchmark in producing a return of -3.5%. Size and style factors mattered little over the month.

May's commentary about the absence of profit warnings unfortunately tempted fate. Commercial vehicle hire company Northgate disappointed the market with the lack of progress in turning around its UK business, while logistics company Wincanton reported weaker than expected performance in some of its transport related contracts. Relative performance was also hindered by FirstGroup as the market alighted on weak trends in their UK business.

In contrast, notable winners included broadcast and photography supplier Vitec as sentiment improved in the wake of May's positive trading statement. PR company Huntsworth's shares responded favourably to being added to the FTSE All-Share index. Games Workshop, which manufactures miniature wargames, was the stand out performer after announcing a good trading update and surprise dividend.

Top 10 equity investments

Name	Activity	%
Vesuvius	Metal flow engineering	3.4
FirstGroup	Bus & rail operator	3.2
Bovis Homes Group	Housebuilding	2.7
Nostrum Oil & Gas	Oil & gas exploration and production	2.6
Coats Group	Manufacture of threads	2.6
Brewin Dolphin Holdings	Private client fund manager	2.5
Vitec Group	Photographic & broadcast accessories	2.3
Paragon Group	Specialist lender	2.3
Urban&Civic	Property - investment & development	2.2
Grainger	Property - residential rentals	2.1

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 a 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.

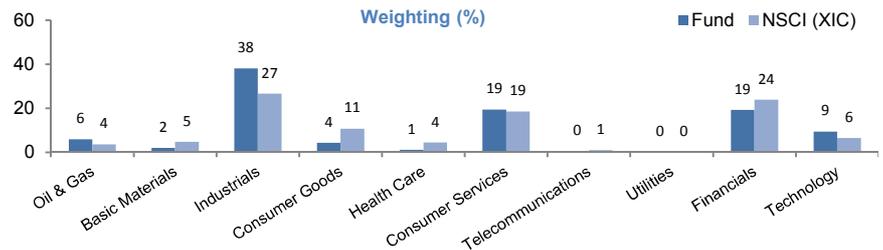
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This document has been issued for information purposes only. It does not contain any investment recommendations or an invitation to invest in the Fund. Investors should seek advice from an authorised financial adviser prior to making investment decisions.

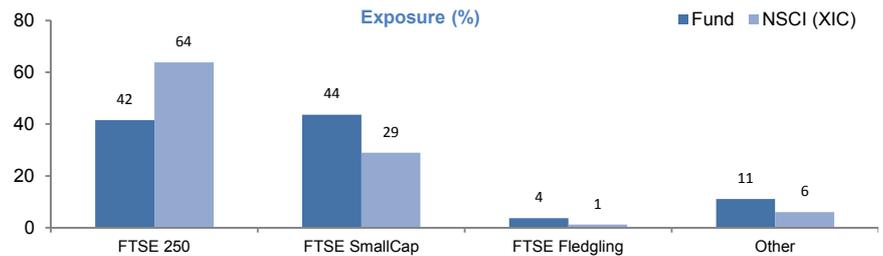
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Sector exposure



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 figure shown in the Key Fund information section is 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 NSCI (XIC). Large companies are represented by FTAS.

Security codes

Ordinary shares of 1p:

SEDOL: 0006655

ISIN: GB0000066554

TIDM: ASL

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