



Aberforth Smaller Companies Trust plc

Monthly Factsheet

30 June 2022

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
Sonya Kim	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	323
Total market value	£120bn
Largest constituent	£2.1bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

Key Fund information

Total investments	£1,246m
Number of investments	76
Active share	73.3%
Gearing - bank debt in use	£58m
Net gearing/(liquidity)	4.6%
Total net assets	£1,191m
Ordinary shares in issue	86,731,924
NAV	1,373.14p
Share price	1,174.00p
Discount/(premium)	14.5%
Market value	£1,018m
Launch date	10 Dec 90
Next year-end	31 Dec 22

Fees & charges

Management fee* (12m to 31 Dec 21)	0.70%
Performance fee	None
Ongoing charges (at 31 Dec 21 & includes Management fee)	0.75%

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

Yield & dividends

Yield	3.0%
Interim dividend (paid 27 Aug 21)	10.95p
Final dividend (paid 8 Mar 22)	24.25p

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.

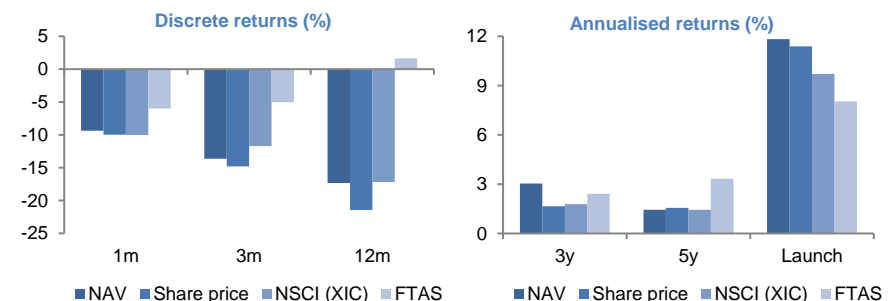
Investment style: Value

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	-9.4	-13.6	-17.3	3.0	1.4	11.8
Share price	-10.0	-14.8	-21.4	1.7	1.6	11.4
NSCI (XIC)	-10.0	-11.7	-17.2	1.8	1.4	9.7
FTAS	-6.0	-5.0	1.6	2.4	3.3	8.0

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



Monthly investment commentary: June

Equity markets endured further pain in June and offered few places to hide. Surging inflation resulted in consumer confidence deteriorating to the lowest level on record and recession is now widely expected in 2023. The FTSE All-Share, notable till now for its resilience, fell 6.0% as a weaker demand outlook weighed on the previously strong resources sectors. Smaller companies collectively fared worse, with the NSCI (XIC) retracing by 10.0%. Although the value style was a headwind, the Fund's -9.4% return was marginally better. This was due to the relative strength of the "smaller small" companies, to which the Fund is more exposed.

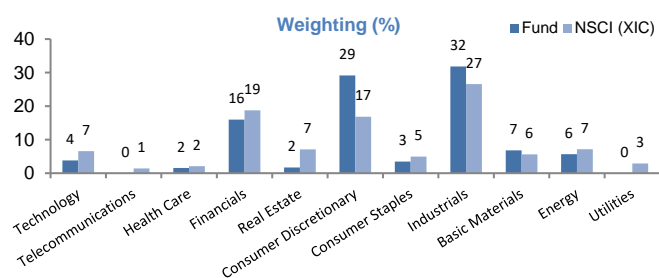
The Fund's notable winners once again included **Go-Ahead Group** (bus & rail operator). The company received a takeover bid but also has interest from another party. **Videndum** (photographic & broadcast accessories) held steady in the down market after it introduced ambitious growth targets during its capital markets event. Among the non-holdings, **Wood Group** (oil services) de-rated on broad sector concerns, while **National Express** (bus & rail operator) declined following the announcement of short-term margin pressure from wage inflation in the US.

Negative contributors to relative performance were idiosyncratic in nature. **Enquest** (oil and gas producer) suffered further from the "windfall tax" announced in May and from a lower oil price. **Micro Focus** (legacy IT assets) dropped after its interim results heralded lower profit expectations. The company intends to reduce debt through free cash flow improvements and potential asset sales. Non-holdings that performed well also had an impact: **Euromoney Institutional Investor** (financial data and publishing) was the subject of a takeover bid, while **Telecom Plus** (multi-utility provider) released strong results on the back of more rational competition in the retail energy market.

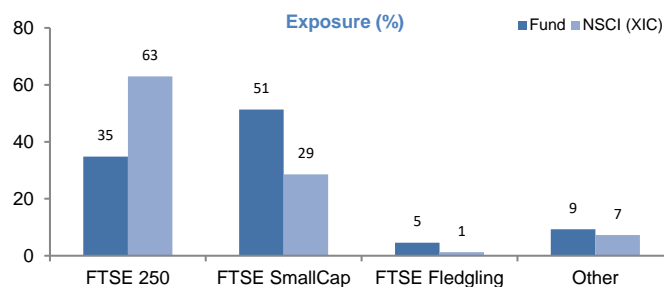
Top 10 equity investments

Name	Activity	%
FirstGroup	Bus & rail operator	4.4
Go-Ahead Group	Bus & rail operator	2.9
Videndum	Photographic & broadcast accessories	2.8
Redde Northgate	Van rental	2.8
Wincanton	Logistics	2.7
EnQuest	Oil & gas exploration and production	2.6
Rathbones Group	Private client fund manager	2.6
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.6
RPS Group	Energy & environmental consulting	2.2
Wilmington	Business publishing & training	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 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

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 22
TIDM: ASL	LEI: 213800GZ9WC73A92Q326

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