



Aberforth Smaller Companies Trust plc

Monthly Factsheet

31 October 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 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	315
Total market value	£110bn
Largest constituent	£2.5bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

Key Fund information

Total investments	£1,201m
Number of investments	78
Active share	73.4%
Gearing - bank debt in use	£60m
Net gearing/(liquidity)	4.3%
Total net assets	£1,151m
Ordinary shares in issue	85,444,605
NAV	1,347.23p
Share price	1,166.00p
Discount/(premium)	13.5%
Market value	£996m
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	3.1%
Interim dividend (paid 26 Aug 22)	12.05p
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.

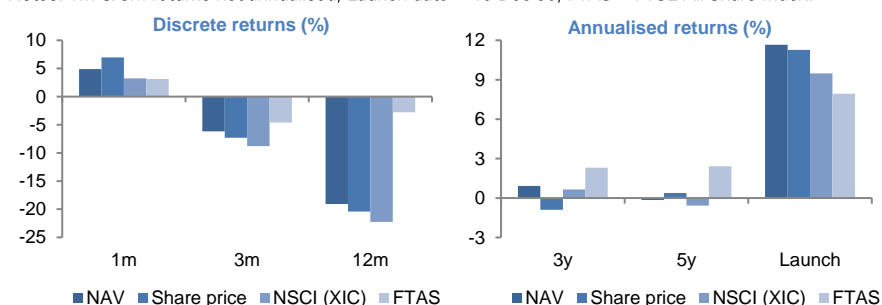
Investment style: Value

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	4.9	-6.2	-19.1	0.9	-0.2	11.7
Share price	7.0	-7.3	-20.4	-0.9	0.4	11.3
NSCI (XIC)	3.2	-8.8	-22.3	0.6	-0.6	9.5
FTAS	3.1	-4.6	-2.8	2.3	2.4	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 generally positive month for equity markets. Performance was driven by the hope, perhaps more than the expectation, that central banks would take their foot off the interest rate hiking pedal. Political turmoil in the UK subsided under another new Chancellor and Prime Minister. This appeared to settle nervousness, as sterling rose and gilt yields fell across the curve. It also played favourably for the stockmarket's domestically exposed sectors, which helped the mid-cap FTSE 250 (+4.5%) out-perform the FTSE 100 (+3.0%). The NSCI (XIC) rose by 3.2% and the Fund by 4.9%. Style influences were neutral in the month, with the out-performance driven by stock selection.

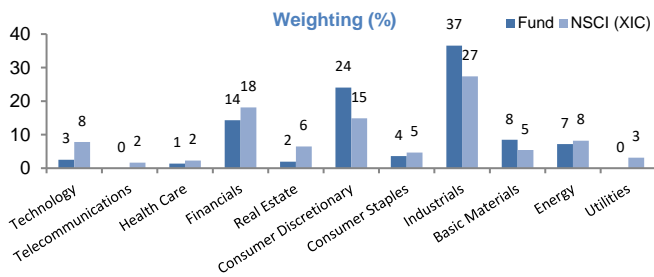
Positive contributors within the Fund included **Reach**, the newspaper publisher. After a period of falling advertising spend and rising print costs, it reported a mixed trading update, which pointed to benefits to come from increased cover prices and anticipation of improved advertising yields. Elsewhere in the media sector, **Wilmington**, the risk and compliance training provider, reported strong results, which evidenced its increasingly defensive characteristics. The car retailer **Lookers** recovered from a poor September after announcing improved profit expectations and the commencement of a share buyback.

The detractors from performance were led by **RPS Group**, which is subject to an agreed bid from Tetra Tech at a good valuation. Its share price fell in October, after the original bidder, WSP, did not return with a competing offer. Aberforth's participation in the takeover process included signing an irrevocable undertaking. This prevents the sale of shares until after the shareholder vote, which takes place in early November. Meanwhile, the holding in **Rank Group**, the multi-channel gaming operator, was also a negative performer. Its mid-month trading update reported weak customer spend levels and quantified the increased energy costs that the business faces.

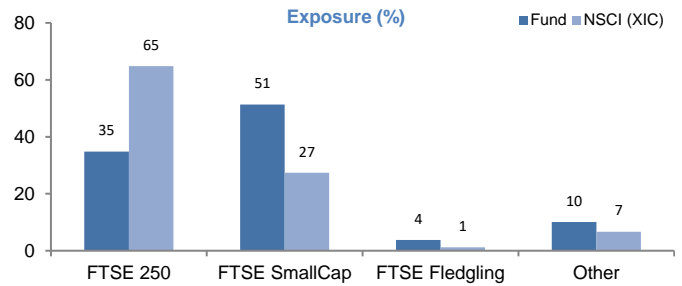
Top 10 equity investments

Name	Activity	%
RPS Group	Energy & environmental consulting	4.9
FirstGroup	Bus & rail operator	3.8
EnQuest	Oil & gas exploration and production	3.1
Redde Northgate	Van rental	2.8
Videndum	Photographic & broadcast accessories	2.8
Wincanton	Logistics	2.8
Wilmington	Business publishing & training	2.7
Rathbones Group	Private client fund manager	2.6
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.4
Robert Walters	Recruitment	2.3

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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