



Aberforth Smaller Companies Trust plc

Monthly Factsheet

30 September 2021

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
Keith Muir	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	322
Total market value	£167bn
Largest constituent	£3.4bn
Largest constituent if index rebalanced at Factsheet date	£1.6bn

Key Fund information

Total investments	£1,618m
Number of investments	78
Active share	76.1%
Gearing - bank debt in use	£94m
Net gearing/(liquidity)	6.2%
Total net assets	£1,524m
Ordinary shares in issue	88,303,066
NAV	1,725.71p
Share price	1,506.00p
Discount/(premium)	12.7%
Market value	£1,330m
Launch date	10 Dec 90
Next year-end	31 Dec 21

Fees & charges

Management fee* (12m to 31 Dec 20)	0.74%
Performance fee	None
Ongoing charges (at 31 Dec 20 & includes Management fee)	0.81%

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

Yield & dividends

Yield	2.2%
Interim dividend (paid 27 Aug 21)	10.95p
Final dividend (paid 9 Mar 21)	22.90p

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.

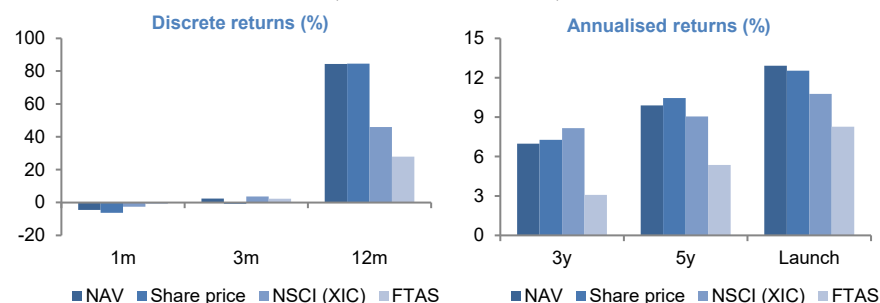
Investment style: Value

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	-4.6	2.3	84.3	7.0	9.9	12.9
Share price	-6.3	-0.9	84.5	7.3	10.4	12.5
NSCI (XIC)	-2.6	3.6	45.9	8.2	9.0	10.8
FTAS	-1.0	2.2	27.9	3.1	5.4	8.3

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



Monthly investment commentary: September

Global equities experienced their worst month since March 2020. Negative sentiment was propagated by supply bottlenecks driving higher prices for energy and consumer goods and services, systemic risk from the Evergrande crisis and growing regulatory risks in China. Meanwhile, the Fed's suggestion that tapering could begin as early as this year raised bond yields, which could herald a return to favour for the value style.

The NSCI (XIC) returned -2.6%, underperforming the FTSE All-Share index, which fell by 1.0%. The former's larger weights in Consumer Discretionary and Industrials – sectors most impacted from supply chain disruptions – detracted from performance, as did its lower exposure to Energy. The Fund's return was -4.6%, with similar sectoral biases versus the NSCI (XIC) being headwinds to relative performance.

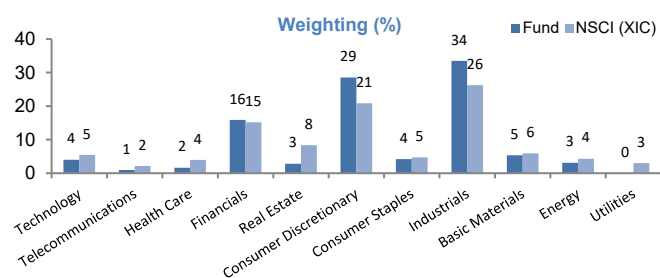
The winners were largely led by re-opening trades, such as **Bakkavor** (fresh prepared foods), **Robert Walters** (recruitment services provider) and **RPS** (energy & environmental consultant). In each case, interim results showed a rebound in profits and a continuing normalisation of trading as lockdown restrictions ease. Bakkavor is facing supply chain challenges in the form of labour availability and raw materials inflation, though it is mitigating the pressure by passing on elevated costs.

Holdings with weakest performance included **Reach** (news publisher), which succumbed to profit taking on the back of previous strong performance, and **TI Fluid Systems** (auto parts manufacturer), whose volumes have declined as a result of a chip shortage hampering global auto production. The effect of supply chain problems on the portfolio continues to be closely monitored through dialogue with the companies' management teams.

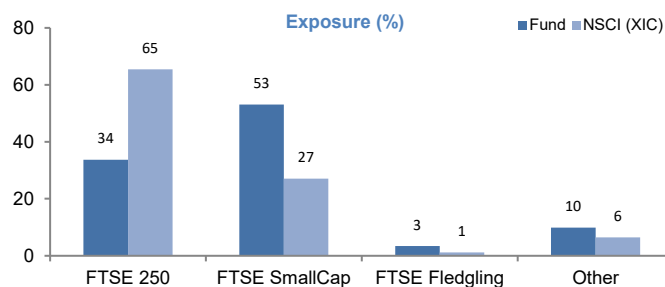
Top 10 equity investments

Name	Activity	%
Reach	UK newspaper publisher	4.1
Redde Northgate	Van rental	2.7
Vitec Group	Photographic & broadcast accessories	2.6
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.6
Provident Financial	Personal credit provider	2.6
Brewin Dolphin Holdings	Private client fund manager	2.5
Robert Walters	Recruitment	2.4
Rathbone Brothers	Private client fund manager	2.4
FirstGroup	Bus & rail operator	2.4
Senior	Aerospace & automotive engineering	2.2

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

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. Aberforth Partners LLP and the Directors of Aberforth Smaller Companies Trust plc continue to monitor market developments as the impact of the pandemic and the vaccine roll-out 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 21
TIDM: ASL	LEI: 213800GZ9WC73A92Q326

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