

BlackRock Smaller Companies Trust plc

March 2014 Factsheet

Performance (as at 31.03.2014)

Sterling:	1 M %	3 M %	1 Y %	3 Y %	5 Y %
Net Asset Value*	-1.8	3.9	32.2	58.6	326.2
Share Price*	-4.6	-5.4	38.4	62.3	358.5
Numis ex Inv Companies + AIM*	-2.6	3.0	20.4	32.6	163.3

*performance calculations based on a capital only NAV with debt at par[^], without income reinvested. Share price performance calculations exclude income reinvestment. The debenture stock issued by the Company is valued at par which represents the value due to be paid to holders of the debt at maturity.

[^]Debt at Par Value - The par value of a debt security represents the price that will be paid to the holders of that debt at maturity.

Annual Performance to the Last Quarter End

	31/03/13	31/03/12	31/03/11	31/03/10	31/03/09
	31/03/14	31/03/13	31/03/12	31/03/11	31/03/10
	%	%	%	%	%
NAV Performance	34.1	19.7	3.1	48.0	85.1
Share Price Performance	40.6	22.2	-0.8	66.4	76.8

Performance statistics sources: BlackRock, Datastream and Standard & Poor's Micropal. Performance figures are calculated on a mid market basis in sterling terms. NAV performance calculations are done on a capital only basis with debt at par.

- Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product.
- The latest performance data can be found on the BlackRock Investment Management (UK) Limited website at: www.blackrock.co.uk/brsc.

The performance of the Company's portfolio, or Net Asset Value ("NAV") performance, is not the same as share price performance and shareholders may not realise returns which are the same as NAV performance.

Ten Largest Investments (in alphabetical order as at 31.03.2014)

Company	Total Market Value %
Senior	1.8
Workspace	1.8
Restaurant Group	1.6
Polar Capital	1.6
Elementis	1.6
Bellway	1.6
Avon Rubber	1.4
Optimal Payments	1.4
Headlam	1.4
Paragon	1.4

A full disclosure of portfolio investments for the BlackRock Smaller Companies Trust plc as at 31 December 2013 has been made available on the Company's website at the link given below: <http://www.blackrock.co.uk/intermediaries/literature/fund-update/brsct-portfolio-disclosure.pdf>

Company Objective

To achieve long term capital growth for shareholders through investment mainly in smaller UK quoted companies.

Important Information

All financial investments involve an element of risk. Therefore, the value of your investment and the income from it will vary and your initial investment amount cannot be guaranteed.

The Company's investments may be subject to liquidity constraints, which means that shares may trade less frequently and in small volumes, for instance smaller companies. As a result, changes in the value of investments may be more unpredictable. In certain cases, it may not be possible to sell the security at the last market price quoted or at a value considered to be fairest.

Overseas investments will be affected by currency exchange rate fluctuations.

The Company may from time to time utilise gearing. Gearing works by magnifying the company's performance. If a company 'gears up' and then markets rise and the returns on the investments outstrip the costs of borrowing, the overall returns to investors will be even greater. But if markets fall and the performance of the assets in the portfolio is poor, then losses suffered by the investor will also be magnified.

NMPI Status

The Company currently conducts its affairs so that its securities can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The securities are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Comments from the Fund Manager

- During March the Company's NAV per share fell by 1.8% on a capital only basis. The benchmark index fell by 2.6% whilst the FTSE 100 Index fell by 3.1% (both on a capital only basis without income reinvested).
- The relative contributions from stock selection and sector allocation were both positive.
- Looking at stock selection the best relative contribution from holdings in the month came from Clarkson, Walker Greenbank, Telit Communications and Lookers. Clarkson is benefitting from strong performance in gradually improving shipping markets. Walker Greenbank is seeing improving demand for its wallcoverings and soft furnishings, with good sales increases in the US and Western Europe. Telit is achieving strong growth in sales of its machine to machine communications modules. Lookers has seen good new and used car sales in the UK, and also good performances from its aftermarket and parts businesses. All these companies are well set and confident.
- The largest negative contributors to stock selection in the month were Optimal Payments and ITE Group. Optimal shares had performed very strongly in February and saw some profit taking. It announced full year results with revenues up by 41% and EBITDA up by 89%. We met management who remain positive about prospects for 2014 and especially 2015 when the opportunities in US online gaming should begin to benefit Optimal significantly.
- Shares in ITE fell sharply given its exposure to Russia and the former Soviet Union, where it generates most of its revenues from the exhibitions that it organizes. ITE announced a trading update confirming that its exhibitions in Russia and the Ukraine have thus far taken place as planned. However revenues from the recent exhibitions in the Ukraine have been impacted and currency weakness is also reducing revenues and profits. Earnings have been downgraded for this year and next, but, post downgrades, the shares are now trading on only 10 times current year earnings; the company has net cash on its balance sheet. This has been an excellent long term and high quality growth company and in time we expect this to be recognised again.
- Sector allocation benefitted from our lack of holdings in the non-life insurance space. In particular the companies providing annuities suffered following the Chancellor's budget announcement that individuals would no longer be required to convert their pension funds into annuities.
- We trimmed further some of our holdings in larger midcaps and used the proceeds to gain greater exposure to companies benefitting from the gradual improvement in the economies of Continental Europe. We also added a holding in Boohoo, the online fashion clothing retailer, which completed a successful IPO during the month.

Sources: BlackRock, Datastream, Bloomberg and Standard & Poor's Micropal

Reference to the names of each company mentioned in this communication are merely for explaining the investment strategy, and should not be construed as investment advice or investment recommendation of those companies.

Fund Information (as at 31.03.2014)

Net Asset Value Capital only (debt at par value†)	958.04p
Net Asset Value Capital only (debt at fair value‡)	950.58p
Net Asset Value incl. Income (debt at par value)*	968.84p
Net Asset Value incl. Income (debt at fair value)*	961.38p
*Includes net revenue of	10.80p
Share Price	866.50p
Discount to Cum Income NAV (debt at par value)	10.6%
Discount to Cum Income NAV (debt at fair value)	9.9%
Net gearing incl. Income (debt at fair value)	9.3%
Gearing range as a % of net assets	0-15%
Net yield^^	1.3%
Total Assets (including current year revenue)	£503.8m
2013 Ongoing charges^^	0.6%
Issued capital – Ordinary Shares^	47,879,792
^excluding shares in treasury	2,113,731

†Debt at Par Value - The par value of a debt security represents the price that will be paid to the holders of that debt at maturity.

‡Debt at Fair Value – The fair value of a debt security for the purpose of calculating this NAV has been based on last available quoted prices on the London Stock Exchange.

^^As reported in the Half Yearly Financial Report for the period ended 31 August 2013, the ongoing charges ratio is calculated as a percentage of net assets and using operating expenses, excluding performance fees, finance costs and taxation.

^^Yield calculations are based on dividends announced in the last 12 months as at the date of release of this announcement, and comprise the final dividend of 6.50 pence per share (announced on 26 April 2013 and going ex-dividend on 29 May 2013) and the interim dividend of 4.60 pence per share (announced on 24 October 2013, going ex-dividend on 30 October 2013).

Sector Weightings (as at 31.03.2014)

	% of Portfolio
Industrials	27.0
Financials	18.6
Consumer Services	18.1
Technology	9.7
Consumer Goods	8.0
Basic Materials	6.6
Health Care	6.5
Oil & Gas	3.6
Telecommunications Services	1.9
TOTAL	100.0

Gearing

- Investment companies can borrow to purchase additional investments. This is called 'gearing'. It allows investment companies to take advantage of a long-term view on a sector or to take advantage of a favourable situation or a particularly attractive stock without having to sell existing investments.
- Gearing works by magnifying the company's performance. If a company 'gears up' and then markets rise and the returns on the investments outstrip the costs of borrowing, the overall returns to investors will be even greater. But if markets fall and the performance of the assets in the portfolio is poor, then losses suffered by the investor will also be magnified.

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Key Company Details

Fund Characteristics:

Fund Manager	Mike Prentis
Launch Date	May 1906
Dealing Currencies	Sterling
AIC Sector	UK Smaller Companies
Benchmark	Numis Smaller Companies plus AIM (ex Investment Companies)
Traded	London Stock Exchange

Fund Codes

ISIN	GB0006436108
Sedol	0643610
Bloomberg	BRSC:LN
Reuters	BRSC.L
Ticker	BRSC/LON

Financial Calendar

Year end:	28 February
Results announced:	October (half yearly) April (final)
AGM:	June
Dividends paid:	December (interim)/June (final)
Investment Manager:	BlackRock Investment Management (UK) Limited
Savings plan and stocks and shares ISA:	Available via BlackRock. Please see the Investment Trust brochure and Key Features document for more information.

► BlackRock Smaller Companies Trust plc will not invest more than 15% of its gross assets in other listed investment trusts.

► BlackRock Smaller Companies Trust plc is traded on the London Stock Exchange and dealing may only be through a member of the Exchange.

BlackRock has not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether this product is suitable, please read the Key Features document and the current Annual and Half Yearly Financial Reports which provide more information about the risk profile of the investment.

If after reading this factsheet you have any questions or would like any additional information, please contact your financial adviser or speak to our Investor Services Team.

The purpose of this factsheet is to provide summary information concerning the Company and does not constitute a recommendation to buy or sell its shares. If you are in any doubt as to the suitability of any of our funds for your investment needs, please contact your Financial Adviser.

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