



Aberforth Smaller Companies Trust plc

Monthly Factsheet

30 June 2015

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 6 fund managers:

Andy Bamford	Euan Macdonald
Keith Muir	Richard Newbery
Alistair Whyte	Mark Williamson

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	357
Total market value	£171bn
Largest constituent	£1.7bn
Largest constituent (if rebalanced at Factsheet date)	£1.3bn

Key Fund information

Total investments	£1,315m
Number of investments	90
Active share	74.5%
Gearing - bank loan	£35m
Net gearing	4.7%
Total net assets	£1,257m
Ordinary shares in issue	95,159,792
NAV	1,320.66p
Share price	1,191.00p
Discount/(premium)	9.8%
Market value	£1,133m
Launch date	10 Dec 90
Next year-end	31 Dec 15

Fees & charges

Management fee* (12m to 31 Dec 14)	0.76%
Performance fee	None
Ongoing charges (at 31 Dec 14 & includes Management fee)	0.82%

* Details of the Management fee structure are available at www.aberforth.co.uk.

Yield & dividends

Yield	2.1%
Interim dividend (paid 28 Aug 14)	7.75p
Final dividend (paid 5 Mar 15)	17.00p

Objective

The Fund's objective is to achieve a total return greater than on the NSCI (XIC) over the long term by investing in a diversified portfolio of small UK quoted companies.

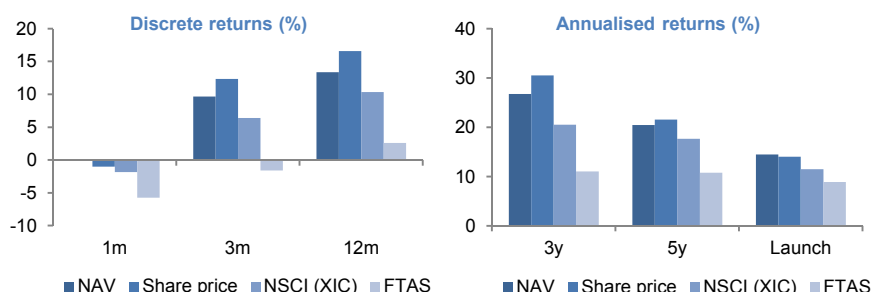
Investment style: Value

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	0.1	9.6	13.4	26.8	20.4	14.5
Share price	-1.0	12.4	16.6	30.5	21.5	14.0
NSCI (XIC)	-1.8	6.4	10.4	20.5	17.6	11.5
FTAS	-5.7	-1.6	2.6	11.0	10.7	8.9

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



Investment commentary

Global equity markets declined in June as the Greek odyssey unfolded. The FTSE All-Share generated a negative total return of 5.7%, significantly worse than the -1.8% from the investment benchmark; the Fund eked out a small positive return.

The Fund has a heavy exposure to the smaller index constituents, reflecting Aberforth's perception of better value. This was beneficial over the month as nervous investors raised money from larger and more liquid companies. Further, stock selection was helpful to relative returns with three major positive contributors: JD Sports Fashion, where the company confirmed good trading at the AGM; Anite, where the board recommended a bid from a US competitor, Keysight Technologies; and Flybe, which recovered some of the share price fall in the previous month. The significant relative losers were predominantly in the oil and gas sector, which declined sharply over the month.

The recovery in M&A since the election has continued. In addition to the agreed offer for Anite the portfolio has benefited from a bid for Colt, an approach to Promethean World and merger talks between Ladbrokes and the unquoted Gala Coral.

Management fee change

On 1 July 2015 the Fund's management fee was reduced. Full details of the revised fee are set out on the Fund's Management Fee & Ongoing Charges page at www.aberforth.co.uk.

Top 10 investments

Name	Activity	%
JD Sports Fashion	Retailing - sports goods & clothing	3.8
e2v technologies	Electronic components & subsystems	3.2
RPC Group	Plastic packaging	2.8
Vesuvius	Metal flow engineering	2.7
Bovis Homes Group	Housebuilding	2.7
International Personal Finance	Home credit provider	2.6
QinetiQ Group	R&D and consulting services	2.4
Mothercare	Retailing - maternity & children's products	2.4
Shanks Group	Waste services	2.1
Go-Ahead Group	Bus & rail operator	2.1

Risk warnings

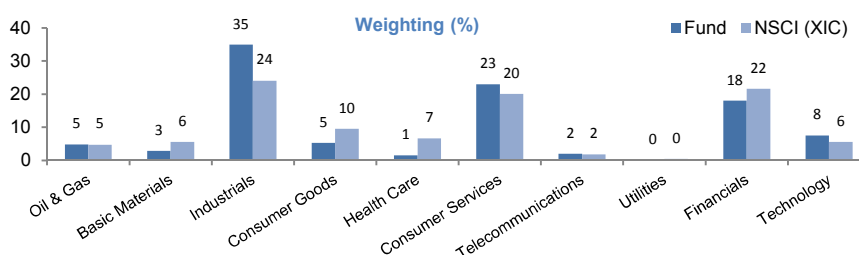
- Capital may be at risk as the value of investments may go down as well as up and is not guaranteed; therefore investors may not get back the amount originally invested. Past performance is not a guide to future performance, or a reliable indicator of future results or performance.
- Investments in 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.

Aberforth Partners LLP does not provide retail investors with investment advice.

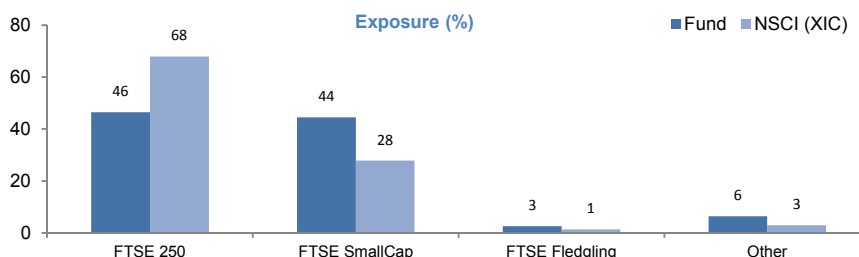
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Sector exposure



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 February 2017.

The Fund operates a share buy-in policy. A list of the buy-in transactions during the last 3 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 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

EPIC: ASL

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(T) +44 131 220 0733

(F) +44 131 220 0735

(E) investors@aberforth.co.uk