



Aberforth Smaller Companies Trust plc

Monthly Factsheet

31 July 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	354
Total market value	£173bn
Largest constituent	£1.9bn
Largest constituent (if rebalanced at Factsheet date)	£1.4bn

Key Fund information

Total investments	£1,295m
Number of investments	88
Active share	75.7%
Gearing - bank debt	£53m
Net gearing	2.9%
Total net assets	£1,258m
Ordinary shares in issue	95,159,792
NAV	1,322.31p
Share price	1,182.00p
Discount/(premium)	10.6%
Market value	£1,125m
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 (payable 27 Aug 15)	8.15p
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.

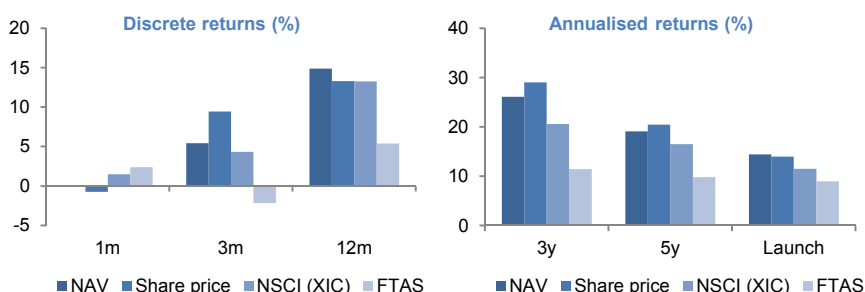
Investment style: Value

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	5.4	14.9	26.1	19.1	14.4
Share price	-0.8	9.4	13.3	29.0	20.5	13.9
NSCI (XIC)	1.5	4.3	13.3	20.6	16.5	11.5
FTAS	2.4	-2.2	5.4	11.4	9.8	8.9

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



Investment commentary

The agreement to fund a third bailout for Greece provided a better background for global equity markets. In a global context, UK equities performed well with a 2.4% total return for the FTSE All-Share, which bettered that of the benchmark which, in turn, performed better than the Fund.

A combination of a poor month for value and a good month for the larger NSCI (XIC) constituents, allied to a mixed experience for stock selection drove the poorer relative returns. There were three significant relative losers: Speedy Hire, in response to a profit warning accompanied by management change; International Personal Finance, where regulatory intervention threatens to reduce profits in their Polish lending operations; and e2v, where the shares succumbed to profit taking. These declines were offset by a trading update from JD Sports indicating that profit expectations were too low, a reassuring trading update from Flybe, and a bid for Chime Communications.

The resurgence in M&A since the election has continued. For the Fund, in addition to Chime Communications, the discussions between Gala Coral and Ladbrokes have led to a proposed merger, and June's approach for Promethean led to an offer in July. This level of activity for the Fund needs to be seen in the context of five new approaches or offers announced for NSCI (XIC) constituents in July; corporate buyers continue to find value in the asset class.

Top 10 investments

Name	Activity	%
JD Sports Fashion	Retailing - sports goods & clothing	3.6
e2v technologies	Electronic components & subsystems	2.9
RPC Group	Plastic packaging	2.9
Bovis Homes Group	Housebuilding	2.8
Vesuvius	Metal flow engineering	2.7
QinetiQ Group	R&D and consulting services	2.6
International Personal Finance	Home credit provider	2.5
Mothercare	Retailing - maternity & children's products	2.5
Shanks Group	Waste services	2.1
Go-Ahead Group	Bus & rail operator	2.1

Risk warnings

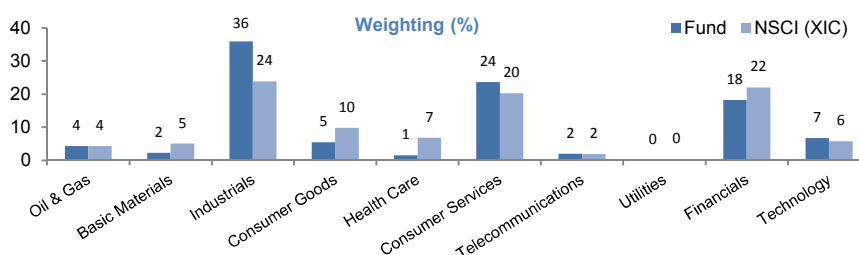
- Capital may be at risk as the value of investments may go down as well as up and is not guaranteed; therefore investors may not get back the amount originally invested. Past performance is not a guide to future performance, or a reliable indicator of future results or performance.
- Investments in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

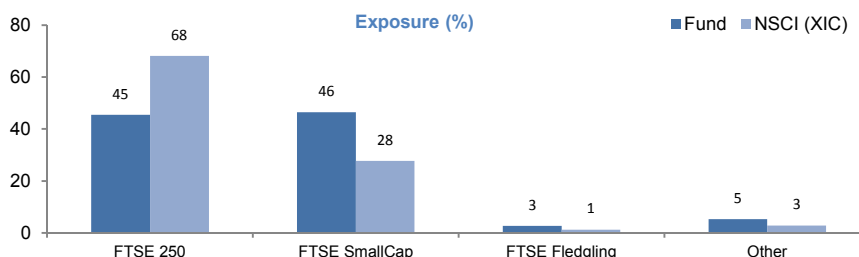
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Sector exposure



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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