

Key risk factors

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

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 utilize gearing. A fuller definition of gearing is given in the glossary.

NMPI status The Company currently conducts its affairs so that its securities can be recommended by IFAs (Independent Financial Advisers) to ordinary retail investors in accordance with the Financial Conduct Authority rules in relation to non-mainstream pooled investments (NMPI) and intends to continue to do so for the foreseeable future. The securities are excluded from the Financial Conduct Authority’s restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust.

The latest performance data can be found on the BlackRock Investment Management (UK) Limited website at: blackrock.com/uk/brsc.

blackrock.com/uk/brsc

The information contained in this release was correct as at 31 May 2025. Information on the Company’s up to date net asset values can be found on the London Stock Exchange Website at: <https://www.londonstockexchange.com/news?tab=news-explorer>

Company objective

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

Fund information (as at 31/05/25)	
Net asset value capital only (debt at par value)	1,409.19p
Net asset value capital only (debt at fair value)	1,473.13p
Net asset value incl. income (debt at par value) ¹	1,424.01p
Net asset value incl. income (debt at fair value) ¹	1,487.95p
Share price	1,296.00p
Discount to NAV incl. income (debt at par value)	9.0%
Discount to NAV incl. income (debt at fair value)	12.9%
Net yield ²	3.4%
Gross assets ³	£678.5m
Gearing range as a % of net assets	0-15%
Net gearing including income (debt at par)	7.0%
Ongoing charges ratio ⁴	0.8%
Issued capital – ordinary shares (excluding shares in treasury) ⁵	42,759,792

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

¹ Includes net revenue of 14.82p.

² Yield calculations are based on dividends announced in the last 12 months as at the date of release of this announcement and comprise the Interim dividend of 15.50 pence per share (announced on 25 October 2024, ex-date on 31 October 2024, and paid on 04 December 2024) and final dividend of 28.50 pence per share (announced on 07 May 2025, ex-date on 15 May 2025, and payment date 26 June 2025).

³ Includes current year revenue.

⁴ The Company’s ongoing charges are calculated as a percentage of average daily net assets and using the management fee and all other operating expenses excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items for year ended 28 February 2025.

⁵ Excludes 7,233,731 ordinary shares held in treasury.

Annual performance to the last quarter end (as at 31 March 2025)

Sterling	31/12/24 31/12/25 %	31/12/23 31/12/24 %	31/12/22 31/12/23 %	31/12/21 31/12/22 %	31/12/20 31/12/21 %
Net asset value	-8.6	5.9	-21.4	1.5	65.7
Share price	-5.1	5.9	-19.4	-5.9	63.3
Benchmark ¹	-0.4	3.0	-13.4	-2.1	71.3

Cumulative performance (as at 31/05/25)

Sterling	1M%	3M%	1Y%	3Y%	5Y%
Net asset value	6.5	3.7	-8.6	-7.2	24.5
Share price	6.1	4.3	-10.6	-3.8	17.3
Benchmark ¹	7.3	6.4	1.1	1.1	38.9

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Source: BlackRock and Datastream, 31 May 2025

¹ The Company's benchmark is the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index.

The annual Net Asset Value (NAV) performance statistics to the last quarter end in the first table above are based on a NAV including income and with debt at par, with any dividends reinvested on the ex-dividend date, net of ongoing charges and any applicable performance fee. The annual Net Asset Value (NAV) performance statistics in the second table above are based on a NAV including income and with debt at fair value, with any dividends reinvested on the ex-dividend date, net of ongoing charges and any applicable performance fee.

Share price performance calculations also include dividend reinvestment. The debenture stock and long dated notes issued by the Company are valued at par which represents the value due to be paid to holders of the debt at maturity. The debenture and the long dated notes are forms of long term loan. Additional definitions are given in the glossary.

A fuller definition of ongoing charges, which includes the annual management fee, is given in the glossary. Details of the management fee are given in the key company details section overleaf. Share price performance figures are calculated on a mid market basis in sterling terms with income reinvested on the ex-dividend date.

The performance of the Company's portfolio, or NAV performance, is not the same as share price performance and shareholders may not realise returns which are the same as NAV performance. The latest performance data can be found on the BlackRock Investment Management (UK) Limited website at: blackrock.com/uk/brsc.

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Comments from the Portfolio Manager, Roland Arnold

Please note that the commentary below includes historic information on the Company's NAV performance and index performance.

The figures shown relate to past performance. Past performance is not a reliable indicator of future results.

During May the Company's NAV per share rose 6.5% to 1487.95p on a total return basis, while our benchmark index returned 7.3%. For comparison the large cap FTSE 100 index rose by 3.8%.

May was a strong month for global financial markets, marked by a rebound in risk sentiment and easing geopolitical tensions as investors priced out the likelihood of a global downturn. The Federal Reserve maintained its policy rate, citing persistent uncertainty. Chair Powell reiterated a cautious stance stemming from the 'dual threat' of persistent inflation and rising unemployment data. U.S. Treasuries also came under pressure; a Moody's downgrade and concerns over the fiscal outlook pushed the 30-year yield to an intraday high of 5.15%.

In contrast, the Bank of England cut rates again, citing progress on domestic disinflation, with twelve-month CPI falling to 2.6% in March from 2.8% in February and a slowing of wage growth expected over the rest of the year. This also reflects the Bank's growing concern over the secondary impact of U.S. tariffs on UK export performance and broader financial stability, as they signalled further gradual cuts to come. However, optimism around monetary easing was short-lived as data revealed that inflation surprised to the upside in April, rising to 3.5% YoY—driven by regulated price hikes in water, gas and electricity alongside wage increases—marking the first time inflation exceeded 3% since March 2024.

The Trust's NAV lagged the strong market rally during May due to a combination of stock specific disappointments and in some cases, shares in the portfolio which simply failed to keep up with the strength of the broader market. The largest detractor was Bloomsbury Publishing. Despite reporting full year results showing positive revenue growth, the shares fell on concerns over its Academic and Professional division which saw a 10% organic revenue decline due to budgetary pressures in the UK and US academic markets impacting sales. The shares have been a strong contributor over a number of years, with multiple upgrades helped by notable bestsellers from Sarah J. Maas and J.K. Rowling driving sales within their consumer division. However, as a result of the weaker outlook within its Academic division we have reduced the position size in the portfolio. Ashtead Technology struggled as UK oil and gas companies operating in the North Sea have come under pressure from regulatory uncertainties, project delays and high taxes. The stock was dragged down by concerns over global recession risk and the impact this may have on offshore energy projects, where their equipment is exposed. We feel the market treating Ashtead as a pure oil and gas play, and ignoring the significant opportunity and order book that sits in the renewable energy market. Tatton Asset Management was the third largest detractor despite no stock specific newsflow, and the shares simply unable to keep pace with the strength of the broader market.

Chemring benefitted from continued outperformance of the Aerospace & Defence sector through the month, driven higher by expectations for the upcoming NATO summit in June. The company has since reported a sharp rise in interim profits with a record order book, reiterating full year guidance. Shares in digital payments business Boku, rallied in May on no stock specific newsflow and limited liquidity. Alpha Group International shares rose following a takeover approach from U.S.-based Corpay Inc, which the company later dismissed, but shares performed strongly after the news.

We are becoming more positive on the outlook for the UK equity market. Post Trump's tariff announcement the 5-year swap rate has contracted materially, leading to a fall in mortgage rates and increasing competition between lending banks. Unemployment, whilst rising is still at low levels, real wage growth remains positive, and the savings ratio in the UK is high. The Asda income tracker published on 22nd April shows 10% annual growth in household disposable income. Activity in the UK housing market appears to be recovering, with the recent round of trading statements from the builders and the suppliers highlighting a recovery in activity. UK property stocks remain in deep value territory, but again recent updates have shown strength in lettings, and with yields falling, NAVs appear to have found a floor.

We also draw more comfort in the recent actions of the government. The recognition that over regulation is stifling industry and the planning process has become a problem has been met by a change at the head of the CMA and the approval of the Lower Thames Crossing. Instead of talk there has been some real action. Kier Starmer has in recent times appeared statesman-like; negotiating with Trump well, being forthright on Ukraine, and making encouraging overtures to Europe. Rachel Reeves is in a challenging fiscal spot. There can be no doubt of this, but with the potential changes from a revised Mansion House agreement she may produce buyers of UK assets.

Unless otherwise stated all data is sourced from BlackRock as at 31 May 2025.

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

Any opinions, forecasts represent an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research, investment advice or a recommendation.

Comments from the Portfolio Manager, Roland Arnold

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The pace of M&A shows little signs of slowing, with 15 deals in the first quarter of the year, and this has accelerated since the start of Q2. Finally, there is the valuation argument. This is the deepest and longest period of underperformance of UK SMID vs large we have seen in over 40 years. After the underperformance since the budget, the Midcap is now 45% down relative to the FTSE100. With the weakening of the US\$ those domestic companies that make up a significant amount of the UK SMID market will see cost of goods falling, potentially at the same time consumers start to loosen the purse strings and access the savings they are currently holding.

With all the uncertainty in the US equity market and investors looking for other places to allocate money, a stabilising and cheap UK market could be a valid and attractive alternative.

We thank shareholders for your ongoing support.

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Ten Largest Equity Investments (as at 31/05/25)

Company	% of portfolio
XPS Pensions	2.9
IntegraFin	2.7
Breedon	2.6
Boku	2.4
Tatton Asset Management	2.2
Great Portland Estates	2.2
Alpha Group International	2.0
Hill & Smith	2.0
Alfa Financial Software	1.9
Ibstock	1.9

Sector allocations (as at 31/05/25)	% of portfolio
Industrials	29.0
Financials	24.2
Consumer Discretionary	13.1
Basic Materials	12.4
Consumer Staples	6.4
Real Estate	5.5
Health Care	3.7
Technology	3.7
Energy	1.1
Telecommunications	0.9
Total	100.0

Allocations are as of date shown and do not necessarily represent current or future portfolio holdings. **Risk:** The specific companies identified and described above do not represent all of the companies purchased or sold, and no assumptions should be made that the companies identified and discussed were or will be profitable. This should not be construed as investment advice or investment recommendation of those companies.

A full disclosure of portfolio investments for the BlackRock Smaller Companies Trust plc as at 31 March 2025 has been made available on the Company's website at the link given below:
<https://www.blackrock.com/uk/individual/literature/policies/brsct-portfolio-disclosure.pdf>

Country allocations (as at 31/05/25)	% of total assets
United Kingdom	97.6
United States	2.4
Total	100.0

Allocations are as of date shown and do not necessarily represent current or future portfolio holdings.

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Key company details

Fund characteristics:

Launch date	May 1906
Dealing currency	Sterling
Association of Investment Companies sector (AIC)	UK Smaller Companies
Benchmark	Deutsche Numis Smaller Companies plus AIM (ex Investment Companies)
Traded	London Stock Exchange

Management:

Alternative Investment Fund Manager (with effect from 2 July 2014)	BlackRock Fund Managers Limited
Portfolio manager	Roland Arnold

Annual management fee	BlackRock receives an annual fee which is calculated based on 0.60% in respect of the first GBP 750m of the Company's total assets less current liabilities, reducing to 0.50% thereafter. There are no performance fee arrangements in place.
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Financial calendar:

Fund codes:

Year end	28 February	ISIN	GB0006436108
Results announced	October/ November (half yearly) April/May (final)	Sedol	0643610
Annual General Meeting	June	Bloomberg	BRSC:LN
		Reuters	BRSC.L
Dividends paid	December and June	Ticker	BRSC/LON

Want to know more?

blackrock.com/uk/brsc | Tel: 0207 743 3000 | cosec@blackrock.com

Glossary of Terms

AIM

AIM is the London Stock Exchange's international market for smaller growing companies. The AIM market has no restrictions on market capitalisation, and financial reporting is more flexible than for companies listed on the main market of the London Stock Exchange.

Long Term Note

A long term note is also a form of long term loan. The Company has in issue a £25 million long term note which redeems in 2037 and carries an interest cost of 2.74%, a £20 million long term note which redeems in 2044 and carries an interest cost of 2.41% and a £25 million long term note which redeems in 2046 and carries an interest cost of 2.47%.

Discount/Premium

Investment trust shares frequently trade at a discount or premium to the NAV. This occurs when the share price is less than (a discount) or more than (a premium) the NAV. The discount or premium is the difference between the share price (based on mid-market share prices) and the NAV, expressed as a percentage of the NAV. Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

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 favorable 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.

Net yield

The net yield is calculated using total dividends declared in the last 12 months (as at date of this factsheet) as a percentage of the month end share price.

NAV (Net Asset Value) and diluted NAV

A company's undiluted NAV is its available shareholders' funds divided by the number of shares in issue (excluding treasury shares), before making any adjustment for any potentially dilutive securities which the Company may have in issue, such as subscription shares, convertible bonds or treasury shares. A diluted NAV is calculated on the assumption that holders of any convertibles have converted, subscription shares have been exercised and treasury shares are re-issued at the mid-market price, to the extent that the NAV per share is higher than the price of each of these shares or securities and that they are 'in the money'. The aim is to ensure that shareholders have a full understanding of the potential impact on the Company's NAV if these instruments had been exercised on a particular date.

Ongoing charges ratio

Ongoing charges (%) =

$$\frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management fee.

Treasury shares

Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a Company's total issued share capital amount for the purpose of calculating percentage ownership. Treasury stock may have come from a repurchase or buyback from shareholders, or it may have never been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

Large, Mid and Small-Cap Companies

Companies are considered to be large, mid or small-cap based on the market capitalisation of a company, which is its overall value; the greater the value, the larger the cap. Large-caps are generally considered to be those that are listed in the FTSE 100 index. Mid-cap companies are generally considered to be those listed on the FTSE 250, which ranges from a market cap of approximately £4 billion down to £500 million. The FTSE Small Cap index includes stocks worth as little as £150 million.

Risk Warnings

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy. Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

Trust Specific Risks

Smaller companies Risk. Smaller company investments are often associated with greater investment risk than those of larger company shares.

Gearing Risk. Investment strategies, such as borrowing, used by the Trust can result in even larger losses suffered when the value of the underlying investments fall.

Liquidity Risk. The Company's investments may have low liquidity which often causes the value of these investments to be less predictable. In extreme cases, the Company may not be able to realise the investment at the latest market price or at a price considered fair.

Counterparty Risk. The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

Equity risk. The value of equities and equity-related securities can be affected by daily stock market movements. Other influential factors include political, economic news, company earnings and significant corporate events.

Derivative Risk general (derivatives, options, covered calls). The Company uses derivatives as part of its investment strategy. Compared to a fund which only invests in traditional instruments such as stocks and bonds, derivatives are potentially subject to a higher level of risk.

Investors should refer to offering documentation for the funds full list of risks.

Important Information

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The Company is managed by BlackRock Fund Managers Limited (BFM) as the AIFM. BFM has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited. The Company's shares are traded on the London Stock Exchange and dealing may only be through a member of the Exchange. The Company will not invest more than 15% of its gross assets in other listed investment trusts. SEDOL™ is a trademark of the London Stock Exchange plc and is used under licence.

Net Asset Value (NAV) performance is not the same as share price performance, and shareholders may realise returns that are lower or higher than NAV performance.

BlackRock Smaller Companies Trust plc currently conducts its affairs so that their securities can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to nonmainstream investment products and intend to continue to do so for the foreseeable future. The securities are excluded from the Financial Conduct Authority's restrictions which apply to non-mainstream investment products because they are securities issued by investment trusts. Investors should understand all characteristics of the funds objective before investing. For information on investor rights and how to raise complaints please go to <https://www.blackrock.com/corporate/compliance/investor-right> available in in local language in registered jurisdictions.

BlackRock has not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, please read the fund specific risks in the Key Investor Document (KID) which gives more information about the risk profile of the investment. The KID and other documentation are available on the relevant product pages at www.blackrock.com/uk/its. We recommend you seek independent professional advice prior to investing.

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