

Aberforth Smaller Companies Trust plc

Monthly Factsheet

31 January 2024

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
Euan Macdonald	Rob Scott Moncrieff
Peter Shaw	Christopher Watt
Rowan Marron	

Further information on the investment team is available at www.aberforth.co.uk.

Benchmark: DNSCI (XIC)

The Fund's benchmark and primary investment universe is the Deutsche 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	350
Total market value	£139bn
Largest constituent	£1.9bn
Largest constituent if index rebalanced at Factsheet date	£1.6bn

Key Fund information

Total investments	£1,331m
Number of investments	78
Active share	75.7%
Gearing - bank debt in use	£67m
Net gearing/(liquidity)	4.7%
Total net assets	£1,271m
Ordinary shares in issue	84,384,605
NAV	1,506.59p
Share price	1,344.00p
Discount/(premium)	10.8%
Market value	£1,134m
Launch date	10 Dec 90
Next year-end	31 Dec 24

Fees & charges

Management fee* (12m to 31 Dec 23)	0.73%
Performance fee	None
Ongoing charges (at 31 Dec 23 & includes Management fee)	0.79%

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

Yield & dividends

Yield	3.1%
Interim dividend (paid 25 Aug 23)	12.95p
Final dividend (payable 8 Mar 24)	28.55p
Special dividend (payable 8 Mar 24)	9.00p

Objective

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

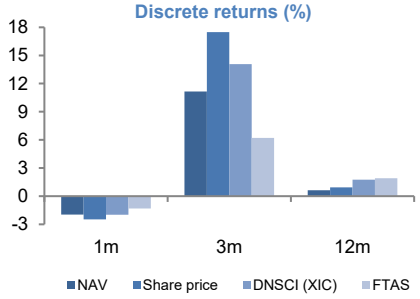
Investment style: Value

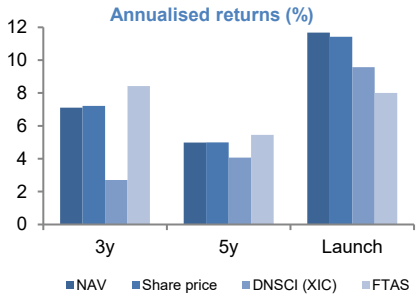
Aberforth are value investors who buy shares in companies that they calculate to be selling below their intrinsic value. This is determined through detailed financial and industrial analysis, combined with a valuation approach that focuses on both stockmarket and corporate worth.

Investment performance (annualised total returns)

Growth (%)	1m	3m	12m	3y	5y	Launch
NAV	-2.0	11.2	0.6	7.1	5.0	11.7
Share price	-2.5	17.5	0.9	7.2	5.0	11.4
DNSCI (XIC)	-2.0	14.1	1.8	2.7	4.1	9.6
FTAS	-1.3	6.2	1.9	8.4	5.5	8.0

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





Monthly investment commentary: January

The UK stock market fell in January and trailed the gains made by other major international indices. The disinflation trend continues, but CPI releases in the month were not as low as hoped. As a result, expectations for the first round of rate cuts from the Federal Reserve and Bank of England have been pushed further into the future. Within the UK, large caps performed slightly better than small caps and the growth style out-stripped value. The Fund was down by 2.0%, in-line with the 2.0% decline of the benchmark DNSCI (XIC) and behind the FTSE All-Share's 1.3% fall.

The leading positive contributor to performance was **Wincanton**, the logistics provider. It was subject to a recommended cash offer from a subsidiary of CMA CGM, the French shipping and logistics operator. **CMC Markets**, the financial derivatives dealer, performed strongly following the announcement of improved quarterly trading, led by an increased contribution from its B2B and institutional business. **Foxtons Group**, the estate agent, was another good performer as it issued a positive trading update, which indicated 2023's earnings would come in ahead of prior expectations.

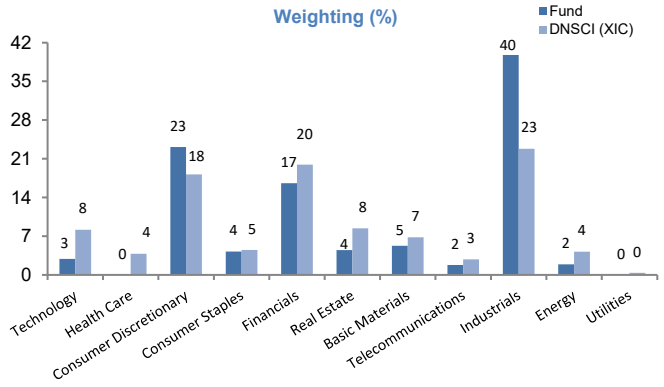
Losers in the month included **Close Brothers**, the banking and asset management business. The share price fell after the Financial Ombudsman decided against motor finance companies, which prompted a review by the FCA. Compensation or redress could affect the bank's earnings and capital base. Shares in **Reach**, the publisher, fell but there was no company specific news in the month. In the background, concerns remain about a sustained slowdown in advertising spending, while changes to Google's approach to third party cookies complicate how advertisers reached their intended audience.

Top 10 equity investments

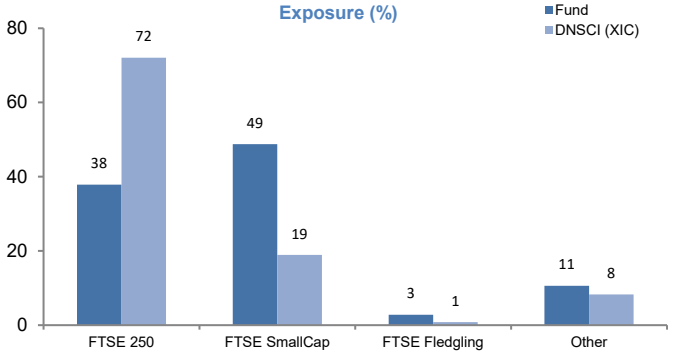
Name	Activity	%
Wincanton	Logistics	3.9
Wilmington	Business publishing & training	2.8
Vesuvius	Metal flow engineering	2.6
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.5
Redde Northgate	Van rental	2.4
FirstGroup	Bus & rail operator	2.3
International Personal Finance	Home credit provider	2.2
Just Group	Individually underwritten annuities	2.2
Mitchells & Butlers	Operator of restaurants, pubs & bars	2.1
Centamin	Gold miner	2.1

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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 2026.

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 DNSCI (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 DNSCI (XIC). Small companies are represented by the DNSCI (XIC). Large companies are represented by the FTAS.

Security codes & other information

Ordinary shares of 1p	Other information
SEDOL: 0006655	Launched: 10 Dec 90
ISIN: GB0000066554	Next year-end: 31 Dec 24
TIDM: ASL	LEI: 213800GZ9WC73A92Q326

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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, 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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