Key Information Document ("KID")

Aberforth Smaller Companies Trust plc
Ordinary shares

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Product:	Aberforth Smaller Companies Trust plc – Ordinary shares
Manufacturer (AIFM):	Aberforth Partners LLP (Aberforth)
Product ISIN:	GB0000066554
Website:	www.aberforth.co.uk
Telephone:	+44 131 220 0733
Regulator:	Financial Conduct Authority
Document valid as at:	26/02/2021 (based on information as at 31/12/2020)

What is this product?

Type: Aberforth Smaller Companies Trust plc (the Company) is an investment trust whose shares are listed on the London Stock Exchange and an Alternative Investment Fund under the Alternative Investment Fund Managers Directive.

Objective and key points: The Company's objective is to achieve a net asset value total return (with dividends reinvested) greater than that of the Numis Smaller Companies Index (excluding Investment Companies) (NSCI (XIC)) over the long term by investing in a diversified portfolio of securities issued by small UK quoted companies.

The Company may, at any time, borrow money via its debt facility to purchase assets for the Company. This could magnify any gains or losses made by the Company.

The Company's shares are bought and sold via markets. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it.

The Company's shares do not have a fixed duration. However, in accordance with the Company's Articles of Association, shareholders are asked every three years to vote on the continuation of the Company. The next vote will occur at the Annual General Meeting in March 2023.

Intended retail investor: This product is suitable for investors planning to hold an investment for the medium to long-term (at least 5 years) and is designed to be used as one component in an investment portfolio – **potential investors in the Company's Ordinary shares are advised to consult their professional investment advisers in respect of any investment decision in relation to those shares.**

What are the risks and what could I get in return?

1	2	3	4	**5**	6	7

Lower risk ← → Higher risk

The risk indicator assumes you hold your investment for 5 years. The actual risk can vary significantly if you sell your investment within a shorter timeframe and you may get back less. You may not be able to sell your investment easily, or may have to sell at a price that significantly impacts on how much you get back.

Risk indicator

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets.

We have classified this product as class 5 out of 7, which is a medium-high risk class.

This classifies the potential volatility from future performance at a medium-high level, and poor market conditions are likely to impact the capacity for you to receive a positive return on your investment. This classification is based on the volatility of the product's share price returns over 5 years.

Investments in shares of smaller companies are generally considered to carry a higher degree of risk. The performance of shares of smaller companies may be more volatile than the shares of larger companies over short time periods.
This product does not include any protection from future market performance so you could lose some or all of your investment.

Performance scenarios

Investment 10,000 GBP				
Scenarios		**1 year**	**3 years**	**5 years** (recommended holding period)
Stress scenario	**What might you get back after costs**	416.88 GBP	2,300.14 GBP	**1,362.92 GBP**
	Average return each year	-95.83%	-38.73%	-32.87%
Unfavourable scenario	**What might you get back after costs**	7,238.46 GBP	5,753.38 GBP	**4,929.21 GBP**
	Average return each year	-27.62%	-16.83%	-13.19%
Moderate scenario	**What might you get back after costs**	10,096.50 GBP	10,202.25 GBP	**10,309.11 GBP**
	Average return each year	0.96%	0.67%	0.61%
Favourable scenario	**What might you get back after costs**	13,881.26 GBP	17,832.08 GBP	**21,251.94 GBP**
	Average return each year	38.81%	21.26%	16.27%

The illustrative returns in this table are derived from historical data over a relatively short period of 5 years. Equity returns over this time have been influenced by the onset of Covid-19, as described in the “Other relevant information” section below.

This table shows the money you could get back over the recommended holding period, under different scenarios, assuming that you invest 10,000 GBP.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment.

The stress scenario shows what you might get back in extreme market circumstances.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

What happens if Aberforth Smaller Companies Trust plc is unable to pay out?

As a shareholder of the Company you would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that the Company is unable to pay out.

What are the costs?

Costs over time

The Reduction in Yield (RIY) illustrates the impact the total costs you pay may have on your investment return. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods, and assume you invest 10,000 GBP. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment 10,000 GBP	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	108.58 GBP	332.70 GBP	**566.37 GBP**
Impact on return (RIY) per year	1.09%	1.08%	1.08%

Composition of costs

The table below shows:

* The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.

* What the different cost categories mean.

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment.
	Exit costs	0.00%	The impact of the costs of exiting your investment.
Ongoing costs	Portfolio transaction costs	0.17%	The impact of the costs of Aberforth buying and selling underlying investments in the product's portfolio.
	Other ongoing costs	0.89%	The impact of the expenses necessarily incurred in the operation of the product. This includes the annual management fee paid to Aberforth and the cost of gearing employed.
Incidental costs	Performance fee	0.00%	There is no performance fee.
	Carried interests	0.00%	There are no carried interests.

How long should I hold it and can I take my money out early?

Recommended minimum holding period: 5 years

Any investment in this product should be viewed as a medium to long-term investment and therefore you should be prepared to stay invested for 5 years. You may sell your investment before the end of the recommended holding period without penalty/charge.

How can I complain?

As a shareholder of the Company, you do not have a right to complain to the Financial Ombudsman Service (FOS) about the management of the Company. Complaints about the Company, or this KID, should be sent to:

Address: 14 Melville Street, Edinburgh, EH3 7NS
Website: www.aberforth.co.uk/contact-us
E-mail: enquiries@aberforth.co.uk

Other relevant information

The cost, performance and risk calculations included in this KID follow the methodology prescribed by the PRIIPs Regulation.

As stated in the section "What are the risks and what could I get in return?" above, the scenarios of estimated future performance are based on evidence from the past on how the value of this product has varied and are not an exact indicator or guarantee of future performance. The cost figures shown in the "What are the costs?" section above may differ materially from the Ongoing Charges Figure published in the Company's Factsheet, Annual Report and on the Aberforth website. This is because the methodology for the calculation of costs mandated under the PRIIPs Regulation includes the costs of any borrowing and estimates of transaction costs of buying and selling investments in the portfolio. Further information on the Company, including its latest Annual Report, is available at www.aberforth.co.uk.

A detailed list of the risks associated with investing in this product, together with risks relevant to the market in which this Company invests, is available from the Risk Warnings section at www.aberforth.co.uk. Aberforth does not provide 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 product. Investors should consider seeking advice from an authorised financial adviser prior to making any investment decisions.

Covid-19 virus – in the context of market price risk, please note the exceptional circumstances arising from the Covid-19 pandemic and the responses to it. These have profoundly affected macro-economic activity, the operations of companies around the world and their stock market valuations. The Company's Board and Aberforth continue to monitor market developments as the impact of the pandemic progresses.