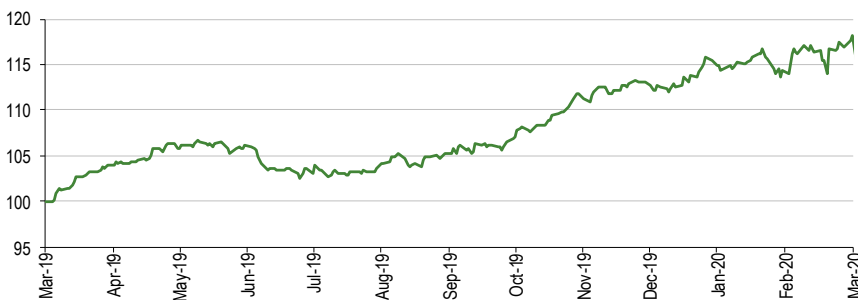


Standard Life UK Smaller Companies

Long-term record of outperformance

Standard Life UK Smaller Companies (SLS) is managed by Harry Nimmo at Aberdeen Standard Investments (ASI). He has a long-term record of meaningful outperformance versus the trust's benchmark. The manager has a clearly defined investment process, focusing on quality, growth and momentum, and uses a proprietary screening tool known as the Matrix to sift the investible universe of c 500 companies. Nimmo retains his disciplined approach regardless of the macro background; he says this has served him well across several market cycles. SLS's board has a progressive dividend policy and aims for a maximum 8% discount in normal market conditions.

Adding to positive record – strong NAV performance versus the benchmark over the 12 months to end-March 2020



Source: Refinitiv, Edison Investment Research

The market opportunity

While global markets are under pressure due to slowing growth as a result of the coronavirus outbreak, the significant pullback may be providing an opportunity for investors with a longer-term perspective. UK shares are attractively valued compared with the world market and UK small-cap stocks have outperformed their larger peers over the long term.

Why consider investing in SLS?

- Average NAV total returns of more than 13% per year over the last 10 years.
- Long-term record of outperformance versus the benchmark.
- Disciplined, repeatable investment process.
- Manager is able to draw on the broad resources of ASI's investment team.
- Trust has a progressive dividend policy, with average growth of 11.3% pa over the last five years.

Discount narrower than historical averages

SLS is currently trading at a 2.7% discount to cum-income NAV. This compares with the 6.0%, 5.6%, 5.9% and 4.6% average discounts over the last one, three, five and 10 years respectively. The FY19 annual dividend of 7.70p per share was 10% higher year-on-year, which was the largest increase in the last three years. SLS currently offers a 1.8% dividend yield, although it should be noted that c 60% of the trust's holdings have either suspended or deferred their dividends in recent weeks.

Investment trusts UK smaller companies

1 May 2020

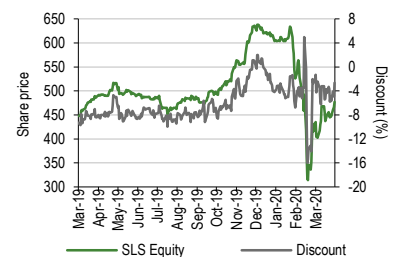
Price 477.0p
Market cap £477m
AUM £524m

NAV* 488.1p
Discount to NAV 2.3%
NAV** 490.0p
Discount to NAV 2.7%

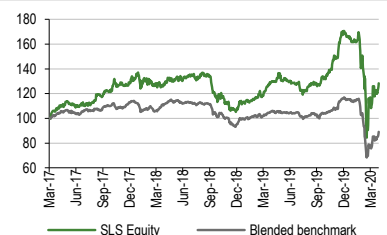
*Excluding income. **Including income. As at 28 April 2020.

Yield 1.8%
Ordinary shares in issue 100.1m
Code SLS
Primary exchange LSE
AIC sector UK Smaller Companies
Benchmark Numis Smaller Cos plus AIM ex-ICs

Share price/discount performance



Three-year performance vs index



52-week high/low 638.0p 314.0p
NAV** high/low 646.9p 371.4p

**Including income.

Gearing

Net cash* 1.7%

*As at 24 April 2020.

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**Standard Life UK Smaller Companies
Trust is a research client of Edison
Investment Research Limited**

Exhibit 1: Trust at a glance

Investment objective and fund background

Standard Life UK Smaller Companies Trust (SLS) aims to achieve long-term capital growth through investment in a diversified portfolio mainly consisting of UK-quoted smaller companies. SLS started life as Edinburgh Smaller Companies in 1993, with Standard Life Investments (now Aberdeen Standard Investments) assuming management from 2003. The trust merged with Dunedin Smaller Companies Investment Trust in October 2018.

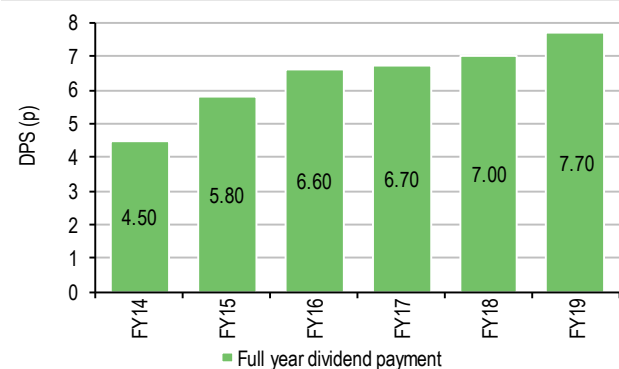
Recent developments

- 1 April 2020: Liz Airey succeeded Allister Langlands as chairman of the board.
- 27 February 2020: Six-month results to 31 December 2019. NAV TR +17.5% versus benchmark +11.3% TR. Share price TR +31.5%.
- 29 August 2019: Annual results to 30 June 2019. NAV TR -1.1% versus benchmark -7.2% TR. Share price TR -0.3%.
- 12 August 2019: Announcement of the appointment of Liz Airey as an independent non-executive director, with effect from 21 August 2019.

Forthcoming		Capital structure		Fund details	
AGM	October 2020	Ongoing charges	0.88% (H120)	Group	Aberdeen Standard Investments
Annual results	August 2020	Net cash	1.7%	Manager	Harry Nimmo
Year end	30 June	Annual mgmt fee	Tiered (see page 9)	Address	1 George Street, Edinburgh, EH2 2LL
Dividend paid	Apr and Oct/Nov	Performance fee	None	Phone	0808 500 0040
Launch date	August 1993	Trust life	Indefinite	Website	standardlifeuksmallercompaniestrust.co.uk
Continuation vote	N/A	Loan facilities	£45m (£25m drawn)		

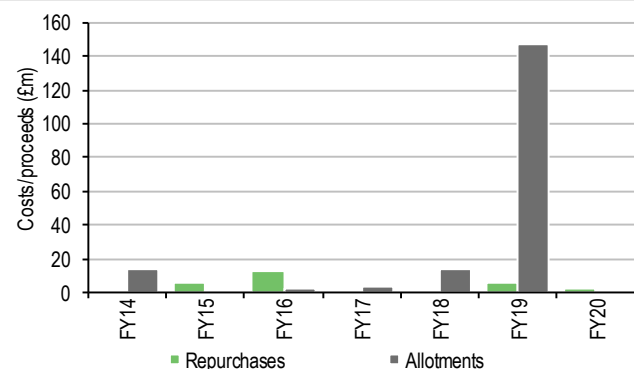
Dividend policy and history (financial years)

While focused on SLS's long-term capital growth objective, the manager pays close attention to the potential for dividend growth. SLS's ordinary dividends have compounded at an average rate of 17.0% pa over 10 years and 11.3% pa over the last five years.

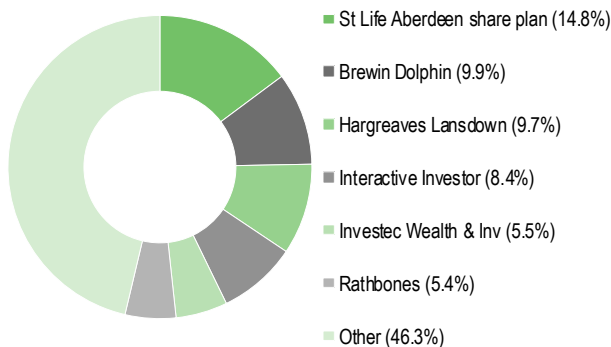


Share buyback policy and history (financial years)

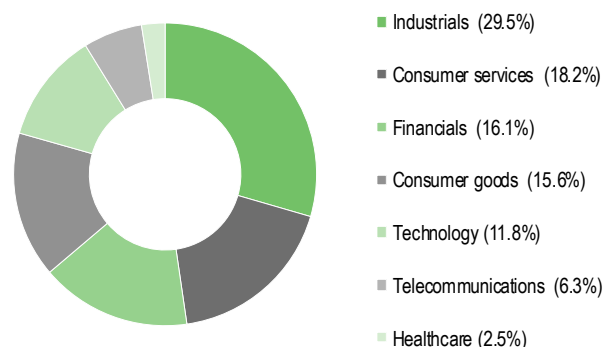
The board is focused on managing the discount such that the share price discount to cum-income NAV remains below 8%. FY19 allotments include 27.9m shares issued as a result of the merger with Dunedin Smaller Companies Investment Trust.



Shareholder base (as at 29 February 2020)



Portfolio exposure by sector (ex-cash and gearing as at 31 March 2020)



Top 10 holdings (as at 31 March 2020)

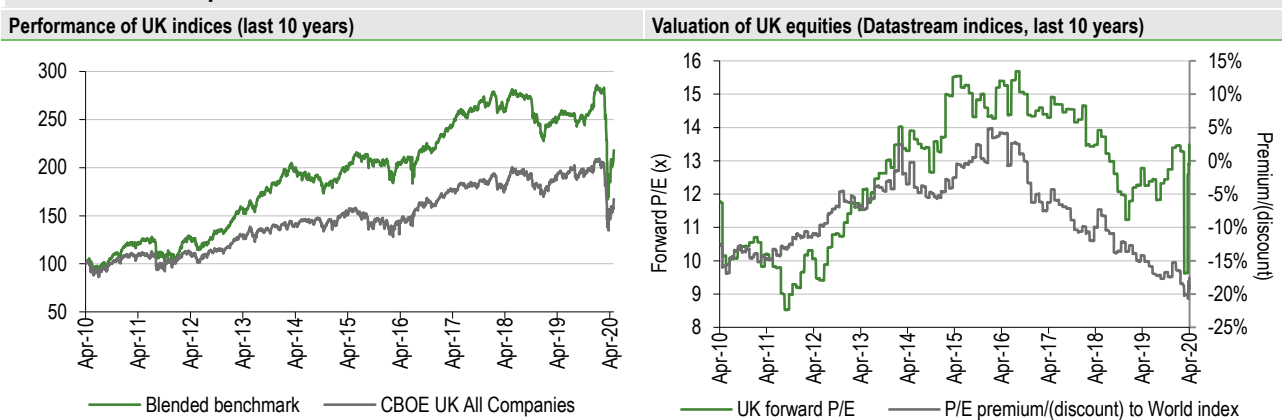
Company	Sector	Portfolio weight %	
		31 March 2020	31 March 2019*
Hilton Food Group	Consumer goods	3.9	3.3
Cranswick	Consumer goods	3.9	N/A
Gamma Communications	Telecommunications	3.8	3.6
Kainos Group	Technology	3.7	3.0
Diploma	Industrials	3.5	3.0
Marshalls	Industrials	3.5	3.5
Future	Consumer services	3.3	N/A
Safestore	Financials	2.8	N/A
Games Workshop	Consumer goods	2.8	N/A
Team 17	Consumer services	2.7	N/A
Top 10 (% of portfolio)		33.9	32.9

Source: SLS, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in end-March 2019 top 10.

Market outlook: Longer-term opportunities in UK

UK stocks have not been immune to the recent sell-off in global equities as the coronavirus outbreak is significantly affecting economic growth (Exhibit 2, left-hand side). The UK market has also been under a Brexit cloud since mid-2016, meaning domestic equity valuations are more attractive than other developed markets such as the US and Europe. This backdrop may provide an opportunity for investors with a longer-term perspective willing to look through current stock market volatility. Over the long term, UK small-caps – illustrated by SLS’s blended benchmark – have performed relatively well, generating a c 220% total return over the last decade versus a c 170% total return from the broader UK market. However, as shown in the left-hand chart below, UK small-cap stocks have declined much more sharply than the broader UK market during the recent stock market coronavirus-induced weakness.

Exhibit 2: Market performance and valuation



Source: Refinitiv, Edison Investment Research. Note: SLS’s blended benchmark is the Numis Smaller Companies ex-Investment Companies index to 31 December 2017 and the Numis Smaller Companies plus AIM ex-Investment Companies index thereafter. Data as at 29 April 2020.

Fund profile: UK small-cap specialist

SLS was launched in August 1993 and since 1 September 2003 has been managed by Harry Nimmo at ASI. He was formerly ASI’s global head of smaller companies, but in March 2020 changed his role to investment leader of the smaller companies team. Stepping back from his managerial and administrative duties will allow him more time to focus on fund management.

The manager aims to deliver long-term capital growth by investing in a diversified portfolio (c 50 holdings) of UK-quoted smaller companies. Performance is benchmarked against the Numis Smaller Companies plus AIM ex-Investment Companies index (before 1 January 2018, the Numis Smaller Companies ex-Investment Companies Index). At the time of purchase, SLS may hold a maximum 5% of total assets in a single position, up to 5% in companies with a market cap below £50m and tends not to hold ‘blue sky’ (more speculative) companies, considering them too risky. Up to 50% of the portfolio may be invested in companies that are constituents of the broad AIM index. Nimmo may vary SLS’s level of gearing between a net cash position of 5% and net gearing of 25% of NAV (at the time of drawdown). At 24 April 2020, the trust had a net cash balance of 1.7%. On 8 October 2018, SLS merged with Dunedin Smaller Companies Investment Trust (DNLD), increasing its net assets by c 38%.

The fund manager: Harry Nimmo

The manager's view: Focus on the process, not the macro

Nimmo says the emphatic Conservative Party win in the December 2019 general election was a confidence boost for both consumers and businesses. This led to a large bounce in UK mid-cap stocks in the last three weeks of the year. Fast forward to 2020 and stock markets are under significant pressure due to concerns about slowing global growth as a result of the coronavirus outbreak. The manager notes that macro events can affect SLS's performance, but he does not obsess about the top-down environment; he considers this to be 'futile' and continues to follow his tried-and-tested process for investing in UK small-cap stocks.

The manager suggests his focus on quality, growth and momentum represents a lower-risk approach to small-cap investing, providing an element of resilience in bear markets, especially if they are reflecting recession. Nimmo explains that SLS tends to underperform its benchmark when there is a 'dash for trash' market; he says his best years of relative performance were during the global financial crisis in 2007 and 2008, while his worst was in 2009 as the market rallied by c 45%, led by low-grade companies (SLS underperformed by c 12pp). The manager says he very rarely invests in 'blue sky' companies as they are too risky and he avoids the mining and oil and gas sectors given the concentrated nature of their businesses; he believes that 'resilience' is the watchword.

Nimmo is a long-term investor. Looking at the 23-year life of the Standard Life UK Smaller Companies fund (the open-ended equivalent of SLS), over a rolling six-year period, returns have been 10% pa or more for 86% of the time. This suggests that decent returns can be gained by holding small-cap stocks for at least six years regardless of market timing, although it should be noted that past performance is not necessarily a guide to future performance.

However, he does acknowledge shorter-term challenges, commenting that 'there are a lot of cheap stocks given question marks over whether companies can get through to the other side of the coronavirus'. Nimmo suggests the economic downturn is 'unprecedented in his experience', with high-quality businesses cutting dividends, including SLS's top 10 holding Diploma, to conserve cash across a broad range of sectors as the UK is in lockdown, with a lack of visibility as to when the situation will improve.

The manager and his team have been undertaking many company meetings to ascertain how their businesses are being affected by the coronavirus pandemic and to determine how financially secure they are. Nimmo says that dividend cuts are telling; in recessions, companies generally earn revenues, but in the current environment, some businesses have seen their sales evaporate. Despite this situation, there are some bright spots; for example, the manager highlights SLS's positions in food producers Cranswick (pork products) and Hilton Foods (beef and fish). He says these are high quality, well-capitalised companies, with defensive businesses that are currently trading strongly. SLS also has a position in Gamma Communications that is benefiting from the trend towards cloud-based telecoms systems and employees working from home.

Nimmo comments that during the global financial crisis, the monetary authorities 'got a grip and solved the banking crisis'. He expects around three months of volatility as global leaders grapple with the issues around COVID-19. However, the manager suggests that when the economy does improve, it could occur quite rapidly. He thinks that the current stock market weakness is encouraging people to think long-term in terms of small-cap investing. Nimmo's view is that 'time will bail you out; a year from now, we could be looking at a very different situation' and while bear markets are painful, recoveries can be rewarding. 'Do not lose hope', he concludes.

Asset allocation

Investment process: Focus on quality, growth and momentum

Nimmo aims to generate long-term capital growth from a diversified portfolio of UK small-cap equities, underpinned by the belief that quality growth stocks should outperform cyclical stocks over the long term. The manager employs a proprietary screening tool known as the Matrix to whittle the investible universe of around 500 stocks down to c 100 that are deemed worthy of further consideration. This screen focuses on quality, growth and momentum; its 13 proven indicators of financial performance include forecast earnings and dividend growth, earnings revisions, valuation, share price momentum, balance sheet strength and the level of directors' dealing. Earnings revision momentum is the most important factor at 35% of the Matrix weighting, as back-testing shows this is the most predictive measure of future share price performance. Stocks are assigned a Matrix score between +40 and -40 (those between +10 to +40 are deemed potential buy candidates, with those between -10 and -40 potential sells). Companies passing the Matrix screen undergo further in-depth analysis and meeting company managements is an integral part of the research process.

The manager does not actively trade to take advantage of stock market volatility; the average holding period for SLS's holdings is around six years, although a number of names have been in the fund for more than a decade. Positions may be trimmed or sold if there is a deterioration in the Matrix score, the original investment thesis no longer holds true, they have grown to more than 5% of the portfolio, or there is a higher-conviction name identified.

Nimmo shares his principles for successful small-cap investment:

- Focus on **quality** to enhance return and reduce risk
- Look for sustainable **growth**
- Run your winners and cut your losers (**momentum**)
- Concentrate your efforts using the Matrix
- Invest for the long term
- Look for management quality
- Be valuation aware, but this is a secondary consideration

The manager favours stable senior management teams and companies with a successful founder at the helm. In keeping with other ASI investment teams, Nimmo and his small-cap colleagues have a strong focus on a company's environmental, social and governance (ESG) credentials. Firms with a positive ESG rating are considered to be lower-risk investments.

Current portfolio positioning

At end-March 2020, SLS's top 10 positions made up 33.9% of the portfolio, which was modestly higher than 32.9% a year earlier; five positions were common to both periods. Over the last 12 months to end-March, the fund's weighting to Numis Smaller Companies plus AIM stocks has fallen (-12.7pp), with higher weightings in large-cap (+5.3pp) and mid-cap stocks (+8.4pp).

Exhibit 3: Portfolio market cap exposure (ex-cash and gearing, % unless stated)			
	Portfolio end-March 2020	Portfolio end-March 2019	Change (pp)
Large cap	5.3	0.0	5.3
Mid cap	30.5	22.1	8.4
Numis Smaller Companies plus AIM (ex-ICs)	59.3	72.0	(12.7)
AIM	5.0	5.9	(0.9)
	100.0	100.0	

Source: SLS, Edison Investment Research. Note: Numbers subject to rounding.

In terms of sectors (Exhibit 4), the largest changes over the last 12 months are a higher weighting in consumer services (+6.4pp) and a lower healthcare exposure (-5.0pp).

Exhibit 4: Portfolio sector exposure (ex-cash and gearing, % unless stated)

	Portfolio end-March 2020	Portfolio end-March 2019	Change (pp)
Industrials	29.5	32.4	(2.9)
Consumer services	18.2	11.8	6.4
Financials	16.1	16.8	(0.7)
Consumer goods	15.6	13.3	2.3
Technology	11.8	12.2	(0.5)
Telecommunications	6.3	5.9	0.5
Healthcare	2.5	7.4	(5.0)
Basic materials	0.0	0.2	(0.2)
	100.0	100.0	

Source: SLS, Edison Investment Research. Note: Numbers subject to rounding.

Nimmo comments that portfolio activity in recent months has been subdued. There is a new position in AB Dynamics, one of the world's leading specialists in automotive test systems across a range of applications, including the development of advanced technologies for autonomous driving. The company has a focus on quality, support and test efficiency, which has made it a long-term trusted partner for vehicle manufacturers and technology suppliers across the world.

UK bakery chain Greggs is back in the fund. The manager says that although the company was already benefiting from less high street and more travel destinations and from modernising units, a significant catalyst was the launch of the vegan sausage roll in January 2019. He says it alerted people to have another look at Greggs and is a timely reminder that 'things can change'. However, it should be noted the company has recently had to close its stores to help limit the spread of COVID-19.

Complete disposals due to poor Matrix scores include Accesso Technology Group (ticketing, mobile and e-commerce technologies and virtual queuing solutions); ECO Animal Health (veterinary medicines); Hostelworld (hostel-focused online booking platform); and Ted Baker (fashion retailer). Nimmo has also sold SLS's long-held position in mixer producer Fevertree Drinks, which was purchased at the time of listing in November 2014. The manager believes the company has gained as much market share as possible in the UK, with its competitors now launching premium products. In the US, Fevertree has changed its distributor from Brands of Britain to Southern Glazer's Brands & Spirits and its brand is taking longer than expected to gain traction in the country, which Nimmo suggests is a cultural issue. He says that gin and tonic is a far more popular drink in the UK and Europe than in the US, where tonic water tends to be on tap rather than served as a premium product in a bottle. The manager explains that Fevertree stopped beating earnings expectations and then 18 months ago its Matrix score started to deteriorate. He had been selling down the position and the January 2020 profit warning was the signal for a complete exit.

Magazine publisher Future has been a holding in SLS's portfolio since mid-2018. The company focuses on specialist-interest subjects such as cameras and bicycles; Nimmo says its publications are information rich and have lasting value, unlike a newspaper. Paper-based media companies have struggled to make the transition to online operations, but Future has made a significant investment in technology. Its CEO is Zillah Byng-Thorne, who the manager rates highly; he explains that she identified the scope for increasing click-through revenue, while retaining independent content. The firm is geographically diversified and has made a number of acquisitions in the US. A recent report from short-seller Shadowfall Research suggested Future is acquiring declining businesses and lacks organic growth, but Nimmo disagrees, he says he is very happy with the position and believes that the company has 'a great business and a great future'.

Performance: Consistently ahead of the benchmark

Exhibit 5: Five-year discrete performance data

12 months ending	Share price (%)	NAV (%)	Blended benchmark* (%)	Numis Smaller Cos plus AIM ex-ICs (%)	CBOE UK Smaller Cos (%)	CBOE UK All Companies (%)
31/03/16	18.9	17.2	4.2	3.6	5.3	(4.1)
31/03/17	18.5	20.8	18.8	21.4	18.9	22.6
31/03/18	28.3	18.3	6.1	7.0	7.0	1.2
31/03/19	(7.8)	0.5	(4.1)	(4.1)	(3.1)	6.2
31/03/20	(1.1)	(9.2)	(23.2)	(23.2)	(25.3)	(19.1)

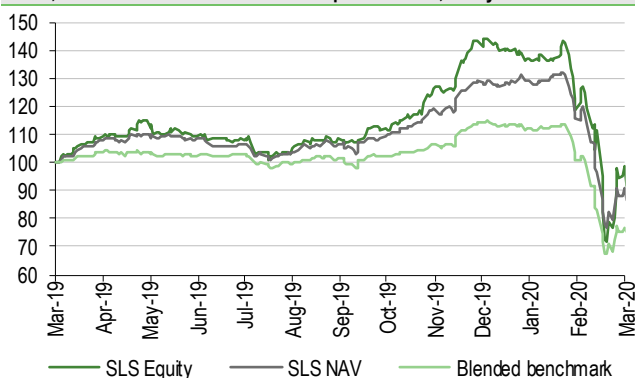
Source: Refinitiv. Note: All % on a total return basis in pounds sterling. Blended benchmark is Numis Smaller Cos ex-ICs to 31 December 2017 and Numis Smaller Cos plus AIM ex-ICs thereafter.

In H120 (ending 31 December 2019), SLS's NAV and share price returns of +17.5% and +31.5% respectively were significantly ahead of the benchmark's +11.3% total return. The portfolio outperformed in five of the six months (July was the outlier), with particular strength in October and November 2019. Nimmo comments that in uncertain economic and geopolitical times, the trust's focus on quality, growth and momentum 'was very beneficial'.

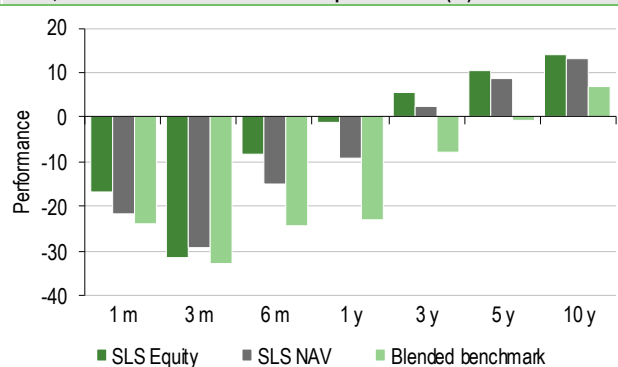
During H120, the largest contributors to total return were Dart Group (+2.5% – benefited from not having any Boeing 737 MAX planes in its fleet and from the demise of its competitor, Thomas Cook, although the stock fell precipitously in Q120 as COVID-19 struck); Future (+1.6% – the stock recovered from a short-selling attack and the company had good trading figures and announced further acquisitions); and JD Sports Fashion (+1.3% – released another strong set of results). The largest detractor was First Derivatives (-1.0% – the sudden death of its founder and CEO).

Exhibit 6: Investment trust performance to 31 March 2020

Price, NAV and benchmark total return performance, one-year rebased



Price, NAV and benchmark total return performance (%)



Source: Refinitiv, Edison Investment Research. Note: Three, five and 10-year performance figures annualised.

SLS has a long-term record of outperformance. Its NAV has outpaced the trust's blended benchmark over all periods shown in Exhibit 7. It is also resoundingly ahead of both the broader and small-cap UK market over the last one, three, five and 10 years.

Nimmo is 'very pleased' with how SLS's relative performance has held up in recent weeks, saying 'March has been, I think, our strongest month of relative performance ever. I am pleased to say that the defensive quality attributes of the investment process have come into their own, not unlike during the banking crisis in 2008 in particular'. However, he cautions that when the UK market rallies, if it is led by value rather than growth companies, SLS's relative performance is likely to come under pressure.

Exhibit 7: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to blended benchmark*	9.4	1.9	21.0	28.8	49.8	70.4	95.5
NAV relative to blended benchmark*	3.3	5.3	12.2	18.2	38.2	58.0	79.3
Price relative to Numis Smaller Cos plus AIM ex-ICs	9.4	1.9	21.0	28.8	48.5	66.3	127.2
NAV relative to Numis Smaller Cos plus AIM ex-ICs	3.3	5.3	12.2	18.2	37.0	54.2	108.4
Price relative to CBOE UK Smaller Companies	16.9	3.4	22.0	32.3	51.0	69.8	248.4
NAV relative to CBOE UK Smaller Companies	10.4	6.8	13.2	21.5	39.3	57.4	219.6
Price relative to CBOE UK All Companies	(1.9)	(7.8)	18.6	22.3	34.6	61.2	143.0
NAV relative to CBOE UK All Companies	(7.4)	(4.7)	10.0	12.2	24.1	49.5	122.9

Source: Refinitiv, Edison Investment Research. Note: Data to end-March 2020. Geometric calculation. *Blended benchmark is Numis Smaller Cos ex-ICs to 31 December 2017 and Numis Smaller Cos plus AIM ex-ICs thereafter.

Exhibit 8: NAV total return performance relative to blended benchmark over 10 years

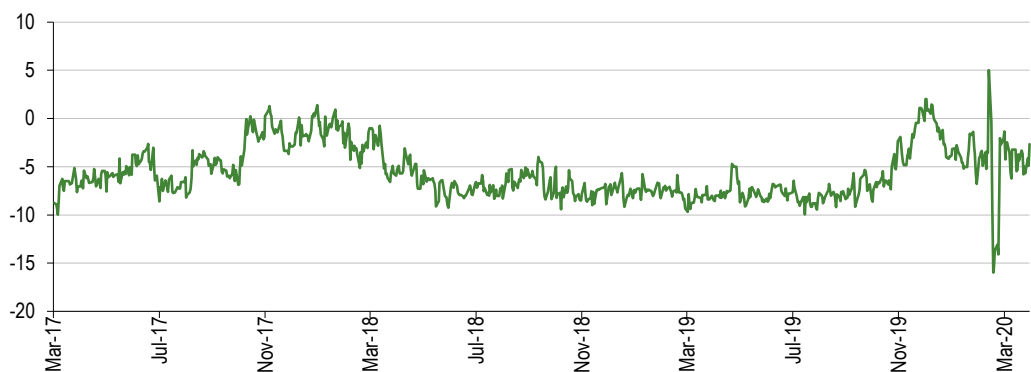


Source: Refinitiv, Edison Investment Research

Discount: Narrower than historical averages

SLS is currently trading at a 2.7% discount to cum-income NAV, compared with the range of a 5.0% premium to a decade-wide 16.0% discount over the last 12 months. It is narrower than the 4.6% to 6.0% range of average discounts over the last one, three, five and 10 years. The board aims to limit the trust's share price discount to cum-income NAV to 8% in normal market conditions. Renewed annually, it has authority to repurchase up to 14.99% of SLS's share capital. In H120, c 0.5m shares (0.5% of the end-FY19 base) were bought back at a cost of £2.3m. There is also a discretionary tender mechanism in place, although none have been undertaken since June 2015, as share buybacks are considered to be the primary method to manage SLS's discount.

Exhibit 9: Share price premium/discount to NAV (including income) over three years (%)



Source: Refinitiv, Edison Investment Research

Capital structure and fees

SLS is a conventional investment trust with one class of share; there are currently 100.1m ordinary shares in issue, with a further 4.1m held in treasury. The trust has a £45m unsecured loan agreement with Royal Bank of Scotland International, expiring on 31 October 2022, made up of a five-year, fixed-rate loan of £25m at 2.349% and an undrawn five-year £20m revolving credit facility. At 24 April 2020, SLS had a net cash position of 1.7%. The manager is keeping the trust's powder dry, as he anticipates there will be high-quality companies raising capital to ensure they survive the current economic weakness. He expects to participate in these issues selectively.

ASI is paid a tiered management fee of 0.85% per year up to £250m of NAV, 0.65% pa between £250m and £550m, and 0.55% pa above £550m. In H120, SLS's ongoing charges ratio (OCR) was 0.88%, which was 2bp lower than 0.90% in FY19. The OCR has declined for the last four financial years, helped by spreading fixed costs over a larger base following the merger with DNDL and a reduction in the management fee with effect from 1 July 2018.

Dividend policy and record

SLS pays semi-annual dividends in April and October or November. Over the last five years, the annual dividend has compounded at a rate of 11.3% per year, which is lower than the 17.0% per year over the last decade. This reflects the greater maturity of the trust's investee companies; money has been recycled from the larger firms into smaller businesses with lower, but faster-growing dividends. In addition, there are now fewer special dividends received than historically.

The board announced in SLS's FY19 annual report that it aims to distribute around a third of the expected total annual dividend as the interim dividend, compared to around a fifth in recent years. SLS's 2.70p per share H120 dividend compares with 1.60p per share in H119. During the period, the trust's revenue return was 4.62p per share (+20.3% year-on-year), while the total income from portfolio companies rose by 36.5%. The difference between the two increases is partly due to the October 2018 merger with DNDL, as H119 results only included just under three months' contribution from the enlarged company and a c 28% higher number of shares.

Based on its current share price, SLS offers a dividend yield of 1.8%. However, readers should note that around 60% of the trust's holdings have either suspended or deferred their dividend payments in recent weeks.

Peer group comparison

SLS is a member of the AIC UK Smaller Companies sector. In Exhibit 10, we show the 11 largest funds with market caps greater than £100m and a track record of more than three years. SLS's NAV total returns are above the averages over all periods shown, ranking third over the last 12 months (+4.8pp versus the mean), second over three years (+12.3pp), second over five years (+28.5pp) and third over the last decade (+38.6pp).

The trust's discount is narrower than average, its ongoing charge is in line with the mean and is currently ungeared. Befitting its focus on capital growth rather than income, SLS's dividend yield is below the mean of the selected peer group.

Exhibit 10: Selected peer group as at 30 April 2020*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (cum-fair)	Ongoing charge	Perf. fee	Net gearing	Dividend yield (%)
Standard Life UK Smaller Cos	477.5	(4.6)	15.0	68.4	273.6	(4.6)	0.9	No	100	1.8
Aberforth Smaller Companies	819.2	(28.1)	(26.1)	(10.3)	94.0	(7.4)	0.8	No	100	3.5
BlackRock Smaller Companies	655.3	(10.3)	3.5	47.5	257.8	1.5	0.7	No	105	2.3
BlackRock Throgmorton Trust	443.0	(5.5)	10.8	59.9	268.7	0.2	0.6	Yes	114	1.9
Henderson Smaller Companies	569.2	(12.9)	0.4	30.5	239.0	(8.7)	0.4	Yes	112	3.1
Invesco Perpetual UK Smaller	147.1	(13.2)	1.3	41.0	190.3	(4.9)	1.0	No	100	1.1
JPMorgan Smaller Companies	171.7	(3.1)	14.4	39.4	198.4	(11.0)	1.1	No	105	2.5
Montanaro UK Smaller Companies	188.3	(4.9)	7.2	26.5	149.5	(10.1)	0.8	No	102	4.7
Oryx International Growth	110.0	14.9	29.7	84.1	380.6	(29.9)	1.7	No	100	0.0
Rights & Issues Investment Trust	130.8	(24.3)	(19.3)	38.8	297.9	1.1	0.5	No	100	1.9
Strategic Equity Capital	119.0	(11.5)	(6.6)	13.5	235.4	(18.8)	1.1	Yes	100	0.8
Simple average	348.3	(9.4)	2.7	39.9	235.0	(8.4)	0.9		103	2.2
Rank (out of 11 funds)	4	3	2	2	3	4	5		11	8

Source: Morningstar, Edison Investment Research. Note: *Performance as at 27 April 2020 based on ex-par NAV. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets.

The board

There are five directors on SLS's board, all of whom are non-executive and independent of the manager. The chairman is Liz Airey, who joined the board on 21 August 2019 and assumed her current role on 1 April 2020 following the retirement of Allister Langlands. The other directors and their dates of appointment are Tim Scholefield (20 February 2017, senior independent director since 25 October 2018); Caroline Ramsay (22 August 2016); Ashton Bradbury (2 July 2018); and Alexa Henderson (8 October 2018).

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