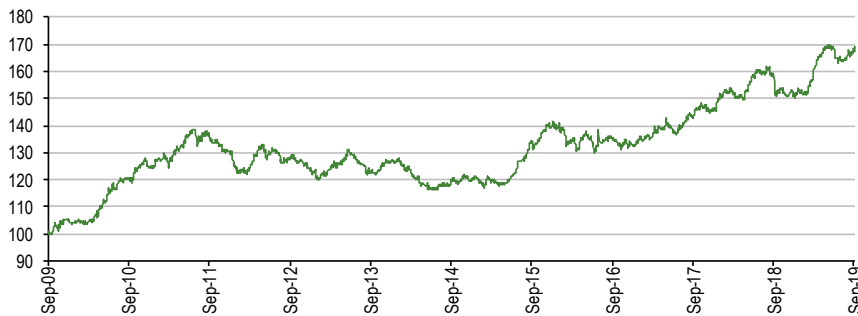


Standard Life UK Smaller Companies

Focus on quality, growth and momentum

Standard Life UK Smaller Companies (SLS) has a long-term record of significant outperformance versus its benchmark. Manager Harry Nimmo says that his disciplined investment process, which focuses on quality, growth and momentum, also provides an element of resilience in periods of market weakness. He is encouraged by the trust's growing level of income, which is allowing SLS to employ a progressive dividend policy, and argues that over the long term, investors have been well served by an allocation to smaller UK companies as they have outperformed the broader UK market. The trust's board actively employs a discount control mechanism, and has recently been repurchasing shares as SLS's discount has bumped up against its 8% target maximum.

SLS's NAV has outperformed its blended benchmark over the long term



Source: Refinitiv, Edison Investment Research

The market opportunity

Not unsurprisingly given continued Brexit uncertainty, sentiment towards UK equities is pretty depressed. The Datastream UK index is trading on a forward P/E multiple of 12.5x, a 17.5% discount to the world market, which is significantly wider than the 10-year 7.6% average discount. Investors with a longer-term perspective may consider this valuation differential an interesting opportunity.

Why consider investing in SLS?

- Proprietary process, which includes the Matrix screen, that has delivered outperformance over multiple investment cycles.
- Average NAV and share price total returns of c 17% pa over the last decade.
- Along with a focus on capital growth, SLS has a long-term record of dividend growth (average of +17.0% pa over the last 10 years).
- Board targets a maximum discount of 8%.

Active discount management

The board actively manages SLS's discount, aiming for a maximum 8% in normal market conditions; the primary method is via share repurchases. The trust's shares are currently trading at a 5.7% discount to cum-income NAV, which compares with the 5.0% to 7.6% range of average discounts over the last one, three, five and 10 years. SLS has a long-term history of dividend growth, compounding at an annual rate of 17.0% over the last decade; it currently yields 1.5%.

Investment trusts
UK smaller companies

25 October 2019

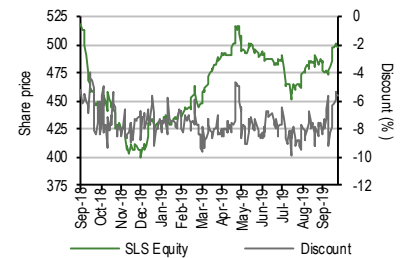
Price 498.0p
Market cap £499m
AUM £565m

NAV* 526.5p
Discount to NAV 5.4%
NAV** 527.8p
Discount to NAV 5.7%

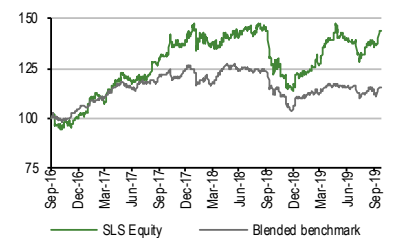
*Excluding income. **Including income. As at 23 October 2019.

Yield 1.5%
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 517.0p 400.0p
NAV** high/low 543.6p 432.3p

**Including income.

Gearing

Gross* 4.8%
Net* 1.9%

*As at 30 September 2019.

Analysts

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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

- 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.
- 26 February 2019: Six-month results to 31 December 2018. NAV TR -19.5% versus benchmark -15.5% TR. Share price TR -17.5%.

Forthcoming

AGM	October 2020
Interim results	February 2020
Year end	30 June
Dividend paid	Apr and Oct/Nov
Launch date	August 1993
Continuation vote	N/A

Capital structure

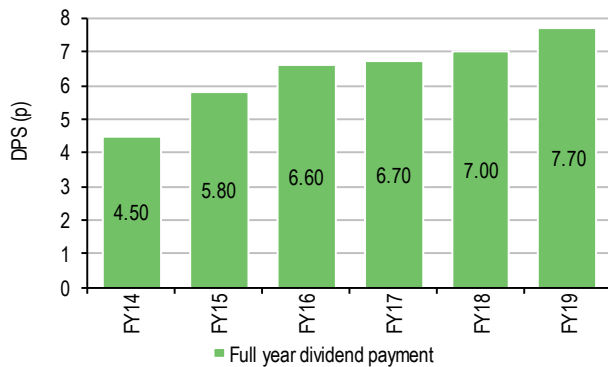
Ongoing charges	0.90% (FY19)
Net gearing	1.9%
Annual mgmt fee	Tiered (see page 8)
Performance fee	None
Trust life	Indefinite
Loan facilities	£45m

Fund details

Group	Aberdeen Standard Investments
Manager	Harry Nimmo
Address	1 George Street, Edinburgh, EH2 2LL
Phone	0808 500 0040
Website	standardlifeuksmallercompaniestrust.co.uk

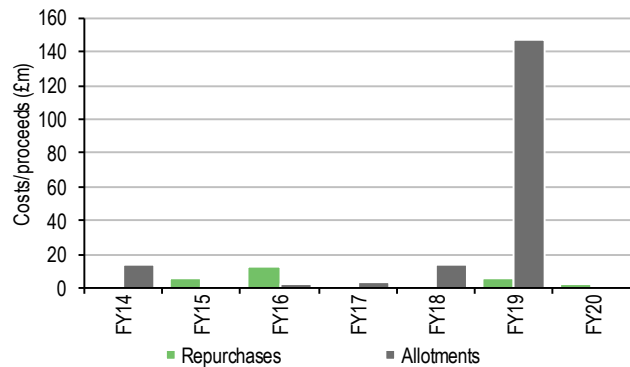
Dividend policy and history (financial years)

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.

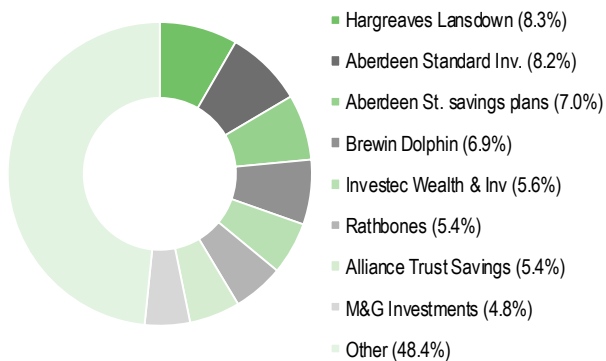


Share buyback policy and history (financial years)

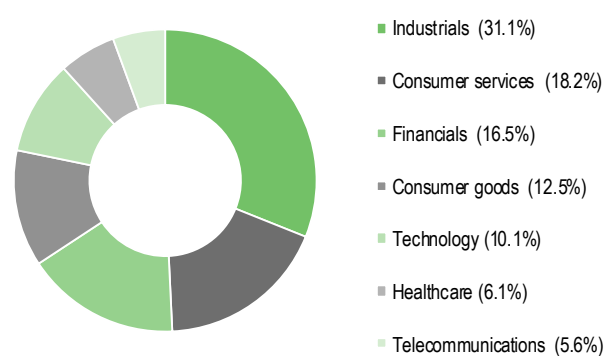
The board is focused on managing the discount such that the share price discount to cum-income NAV remains below 8%. FY19 allotments include 27.9m shares issued as a result of the merger with Dunedin Smaller Companies Investment Trust.



Shareholder base (as at 30 September 2019)



Portfolio exposure by sector (ex-cash and gearing, as at 30 Sept 2019)



Top 10 holdings (as at 30 September 2019)

Company	Sector	Portfolio weight %	
		30 September 2019	30 September 2018*
Gamma Communications	Telecommunications	3.8	2.9
RWS	Industrials	3.6	3.0
Marshalls	Industrials	3.5	N/A
Future	Consumer services	3.4	N/A
JD Sports Fashion	Consumer services	3.4	3.7
Dechra Pharmaceuticals	Healthcare	3.4	N/A
Diploma	Industrials	3.2	N/A
Hilton Food	Consumer goods	3.2	3.2
Intermediate Capital	Financials	3.0	N/A
4imprint	Consumer services	3.0	N/A
Top 10 (% of holdings)		33.5	35.1

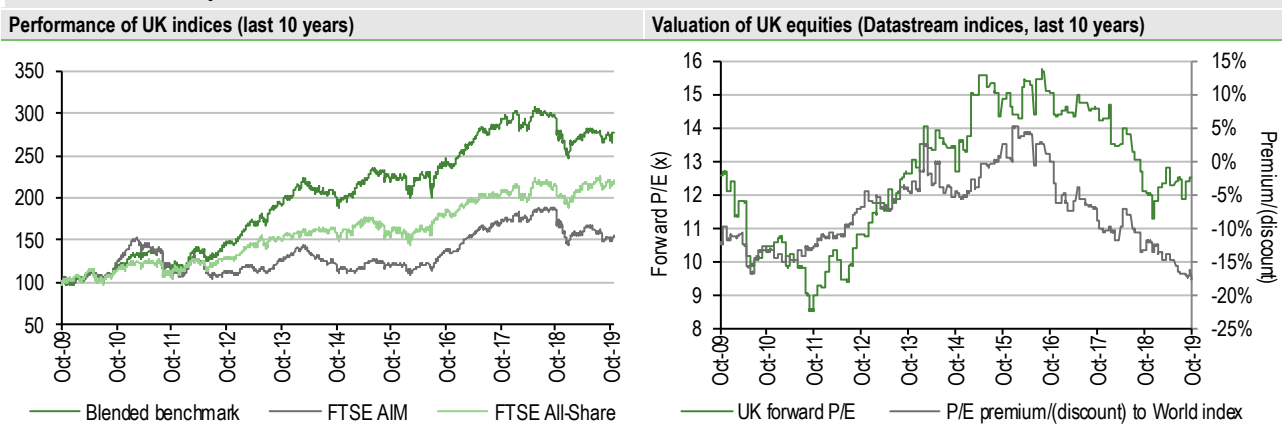
Source: Standard Life UK Smaller Companies Trust, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in end-September 2018 top 10.

Market outlook: UK valuations relatively attractive

Brexit concerns are clearly weighing on the UK stock market, and shares in companies with domestic operations are looking particularly unloved. The Datastream UK index is trading on a forward P/E multiple of 12.5x, which is a 17.5% discount to the world market, and significantly wider than the 7.6% average discount over the last 10 years (Exhibit 2, RHS).

As shown in Exhibit 2 LHS, over the last decade, smaller companies – illustrated by SLS’s blended benchmark – have generated superior total returns for investors than both the broader UK market and AIM stocks. Data from Bloomberg show that over the last 10 years to end-September, the mid-cap FTSE SmallCap Index had a total return of +151.3% compared with +121.1% for the FTSE All-Share Index, +110.9% for the large-cap FTSE 100 Index, and +52.1% for the historically more speculative FTSE AIM Index. Investors seeking exposure to high-quality smaller UK companies with long-term growth potential may consider that current valuations are providing attractive investment opportunities.

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 24 October 2019.

Fund profile: High-quality, smaller UK companies

Having launched in August 1993, since 1 September 2003 SLS has been managed by Harry Nimmo at Aberdeen Standard Investments (ASI; previously Standard Life Investments until the merger with Aberdeen Asset Management). On 8 October 2018, the trust merged with Dunedin Smaller Companies Investment Trust (DNLD); the deal increased the number of shares in issue by 27.6% and SLS’s net assets by c 38%, and follows on from the merger with Gartmore Smaller Companies Trust in February 2009.

SLS’s lead manager Nimmo is head of ASI’s smaller companies team. He aims to generate long-term capital growth from a diversified portfolio of UK smaller company equities (c 50 holdings). The trust’s performance is benchmarked against the Numis Smaller Companies plus AIM ex-Investment Companies index (prior to 1 January 2018, the Numis Smaller Companies ex-Investment Companies index). Investment guidelines state that SLS may hold a maximum 5% of total assets in a single position (at the time of purchase), up to 5% in companies with a market cap below £50m, and up to 5% in companies involved with ‘blue sky’ (more speculative) businesses. A maximum 50% of the portfolio may be invested in companies that are constituents of the FTSE AIM All-Share Index. Gearing between 5% net cash as a percentage of NAV and 25% net gearing (at the time of drawdown) is permitted; at end-September 2019, SLS had net gearing of 1.9%.

The fund manager: Harry Nimmo

The manager's view: Retains long-term bullish outlook

Nimmo comments that the UK market has been stronger than he would have expected so far in 2019, given the ongoing Brexit overhang. Economic growth is slowing, not just in the UK, meaning the manager is cautious on the near-term backdrop for equity returns. However, he stresses that he invests on a bottom-up basis with a long-term investment horizon, so with this in mind, he remains bullish on the outlook for smaller-cap UK equities. The manager continues to favour companies whose revenues and profits are generated outside the UK, which is reflected in a higher proportion of overseas business in the portfolio compared with the benchmark.

SLS's weighted average Matrix score (for more information, see the following Investment process section) is at the high end of the historical range; Nimmo explains that this is unusual and generally indicates a positive outlook for the trust's future relative performance. He says the majority of the trust's portfolio companies (including the top 10 holdings) have released positive trading statements and earnings reports. The manager focuses on quality companies with predictable growth; he says there are difficult parts of the UK economy including autos, retailers and other cyclicals, which are likely to continue to struggle and are therefore underrepresented in SLS's portfolio.

Although none of SLS's portfolio companies have been bid targets recently, Nimmo says the level of corporate activity in the UK appears to be picking up; he cites a couple of deals in the brewing sector, with Hong Kong-based CKA Group's bid for Greene King and Fuller's selling its brewery to Asahi (Japan). There have also been bids for businesses he suggests are struggling in the current environment, such as airline Flybe and theme park operator Merlin Entertainments.

In terms of valuation, in the UK, the manager says there is no question that companies with domestic and cyclical businesses have traded off; he suggests their low valuations anticipate troubles ahead. Nimmo contrasts these firms with those that are high quality, with predictable growth and/or international operations, which are increasingly becoming more highly valued. He says that while there have been periods of rotation in market leadership, including October 2018, he believes investors will continue to favour dependable growth stocks.

Asset allocation

Investment process: Proprietary Matrix screening tool

Nimmo aims to generate long-term capital growth from a diversified portfolio (c 50 holdings) of UK-quoted smaller companies. He seeks high-quality growth businesses that can execute their strategies even in tough market conditions, and can be held for the long term. Portfolio turnover is currently c 15% pa, which implies a holding period of around seven years.

The manager adheres to ASI's (formerly Standard Life Investments') 'Focus on Change' philosophy, which assumes that a company's share price will be driven by its fundamentals over the longer term, but that in the shorter term stock markets can be inefficient, leading to opportunities in underpriced securities. Nimmo screens the investable universe of c 700 stocks using a proprietary tool known as the Matrix, which focuses on quality, growth and momentum factors. The Matrix measures 13 proven indicators of financial performance, including earnings per share growth and estimate revisions; earnings valuation multiples and dividend yield; share price momentum; balance sheet strength; and the level of directors' dealing. Stocks are assigned a Matrix score between +35 and -35 (scores of +10 to +35 are deemed potential buy candidates, with scores between -10 and -35 potential sells). Companies passing the Matrix screen then undergo further in-depth analysis; meeting company managements is an important element of the research process. The largest

positions in SLS's portfolio are those with the highest Matrix scores and the manager's strongest level of confidence; the portfolio's current weighted average Matrix score is +9.5, which is at the high end of the +4.5 to +9.5 historical range. Positions may be trimmed or sold if there is deterioration in the Matrix score, or the original investment thesis no longer holds true, or they have become more than 5% of the portfolio.

The manager shares his six rules for successful investment in smaller companies: look for sustainable earnings and dividend growth; focus on high-quality companies; invest for the long term; concentrate your efforts; management longevity is a positive indicator; and valuation is a secondary consideration.

ASI has recruited another member to the UK small-cap team; Amanda Yeaman was previously a sell-side small- and mid-cap specialist at Investec and joins Nimmo and his colleague Abby Glennie. Nimmo says that an additional resource was necessary given the importance of UK small-cap equity investment to the combined Aberdeen and Standard Life businesses. Yeaman has been focusing her efforts on the bottom half of the universe (by market cap), providing deeper research coverage for the team.

Current portfolio positioning

At end-September 2019, SLS's top 10 positions made up 33.5% of the portfolio, which was a modest decrease in concentration from 35.1% a year earlier; four positions were common to both periods. As shown in Exhibit 3, at 30 September 2019, in terms of market cap weightings, SLS has lower FTSE AIM exposure (-5.6pp) compared with a year earlier versus a higher mid-cap FTSE 250 (+5.5pp) weighting.

Exhibit 3: Portfolio market cap exposure (ex-cash and gearing, % unless stated)			
	Portfolio end-Sept 2019	Portfolio end-Sept 2018	Change (pp)
FTSE 100	5.5	2.3	3.2
FTSE 250*	18.0	12.5	5.5
Numis Smaller Companies plus AIM (ex ICs)	72.3	74.5	(2.2)
FTSE AIM**	4.2	9.8	(5.6)
Other	0.0	0.9	(0.9)
	100.0	100.0	

Source: Standard Life UK Smaller Companies Trust, Edison Investment Research. Note: Numbers subject to rounding. *Mid-cap companies that are above the threshold for the Numis Smaller Companies plus AIM (ex-ICs) index. **FTSE AIM companies that are not included in the Numis Smaller Companies plus AIM (ex-ICs) index.

Looking at SLS's sector weightings (Exhibit 4), over the past year the largest changes are an increase in exposure to financials (+6.3pp) and industrials (+4.3pp), with lower weightings in technology (-5.6pp), healthcare (-3.6pp) and consumer goods (-3.4pp). The company has no holdings in the basic materials, oil & gas or utilities sectors.

Exhibit 4: Portfolio sector exposure (ex-cash and gearing, % unless stated)			
	Portfolio end-Sept 2019	Portfolio end-Sept 2018	Change (pp)
Industrials	31.1	26.8	4.3
Consumer services	18.2	17.8	0.5
Financials	16.5	10.2	6.3
Consumer goods	12.5	15.9	(3.4)
Technology	10.1	15.7	(5.6)
Healthcare	6.1	9.7	(3.6)
Telecommunications	5.6	3.9	1.6
	100.0	100.0	

Source: Standard Life UK Smaller Companies Trust, Edison Investment Research. Note: Numbers subject to rounding.

Nimmo participated in Trainline's June 2019 initial public offering. He believes that the company has good growth opportunities in Europe due to higher passenger numbers, and says that the high cost of developing Trainline's app provides a high degree of protection from competitors. Another new position in the fund is media company GlobalData, founded by Mike Danson, who successfully sold

his former business Datamonitor to Informa. Nimmo says that GlobalData has strong business momentum. More recently, the manager has initiated a position in AB Dynamics, which is a niche operator, supplying integrated testing systems for the global automotive industry.

Recent disposals include Genus and Victrex, which were holdings inherited following the DNDL merger; Ted Baker (negative publicity surrounding the now departed founder/CEO); and Hostelworld, which posted disappointing results and no longer met SLS's investment criteria.

Highlighting themes in the portfolio, the manager says he is particularly excited about SLS's media holdings, which make up c 9% of the fund. There are four holdings (4imprint, Future, GlobalData and Next Fifteen); all are in different business areas, but all have successful overseas operations, where the majority of their revenue is generated. Nimmo says that he 'had given up on the media sector seven to eight years ago', as he considered the companies had 'flaky' business models. However, he is comfortable with SLS's four media holdings, which he says are developing their revenue streams and delivering predictable earnings.

Nimmo remains upbeat on the prospects for SLS's niche players in the support services sector, such as Diploma, RWS and Robert Walters. The manager typically avoids recruitment companies, as their business is cyclical. However, he likes the fact that Robert Walters is run by its founder (who he meets with regularly), and points out that the firm has been able to grow organically and the majority of its revenues are generated overseas. Nimmo also notes that, unusually within the recruitment industry, the company has very low consultant turnover. Another of SLS's support services positions is Alpha Financial Markets (AFM). The manager generally does not favour companies employing consultants, as project work provides poor revenue visibility, but AFM deals with high-end financial companies, providing merger and acquisition services and solutions for firms under pressure to improve their operations. Nimmo notes AFM's low staff turnover and the fact that it has long-term relationships with its clients.

The manager describes another of SLS's positions, Dart Group, as 'a standout business in a sector that was historically seen as low grade'. The company operates airline and tour operator Jet2 and should therefore benefit from the collapse of Thomas Cook. Nimmo says that Dart pays a cash bonus of around 10–15% of annual salary to all of its staff, which leads to better customer service (Jet2 has the best TripAdvisor rating for a UK airline).

Performance: Long-term record of strong results

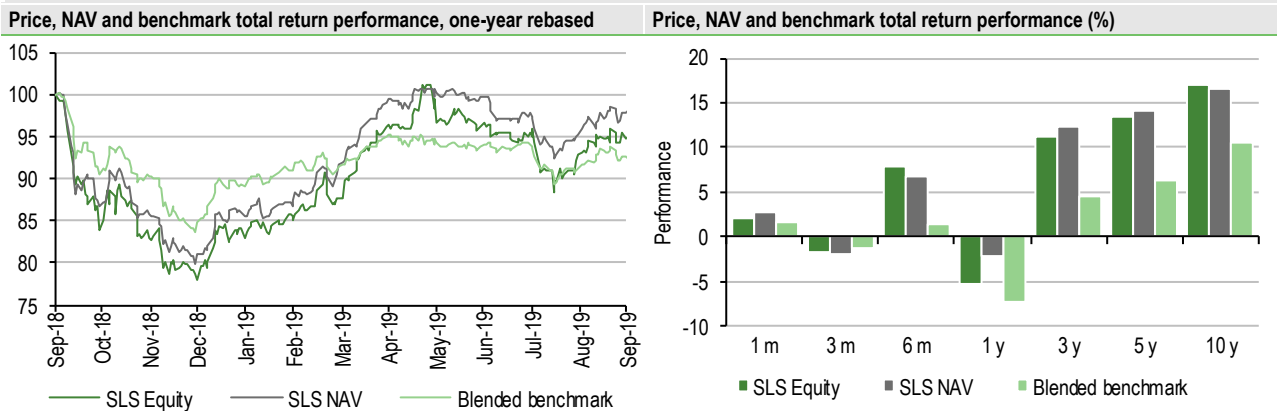
Exhibit 5: Five-year discrete performance data						
12 months ending	Share price (%)	NAV (%)	Blended benchmark* (%)	Numis Smaller Cos plus AIM ex-ICs (%)	FTSE AIM (%)	FTSE All-Share (%)
30/09/15	18.5	24.0	9.9	5.4	(2.1)	(2.3)
30/09/16	15.5	9.8	8.6	10.0	14.7	16.8
30/09/17	27.2	27.2	20.2	21.3	24.4	11.9
30/09/18	14.3	13.7	2.5	3.0	10.8	5.9
30/09/19	(5.3)	(2.2)	(7.3)	(7.3)	(19.4)	2.7

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

In FY19 (to 30 June), while SLS's NAV and share price total returns of -1.1% and -0.3% respectively were in negative territory, they were meaningfully better than the benchmark's -7.2% total return. The financial year was essentially one of two halves, as shown in Exhibit 6 below, with particularly strong performance in H219 (the strongest second half since the manager was appointed in 2003) following a very weak H119 (the worst first half since the six months ending 31 December 2008). Top contributors to SLS's performance in FY19 include paving company Marshalls, network operator Gamma Communications and data services firm Kainos Group, while

detractors included software company Accesso Technology and XP Power, which provides a range of power supplies.

Exhibit 6: Investment trust performance to 30 September 2019



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

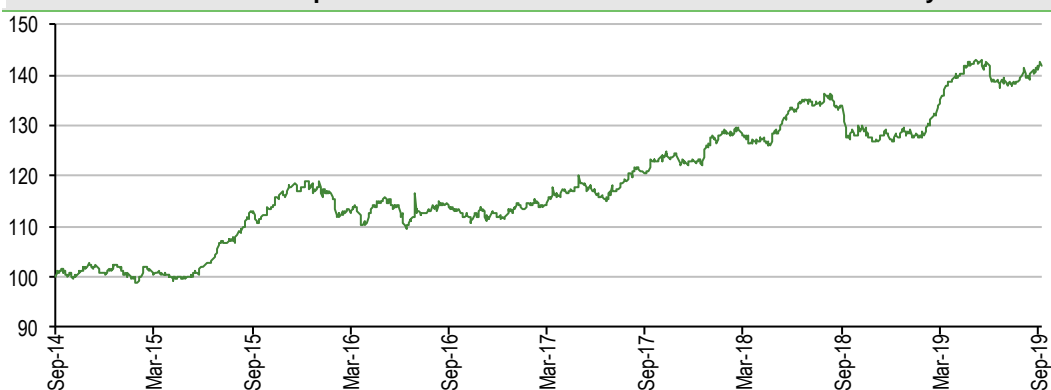
SLS's relative returns are shown in Exhibit 7; it has a consistent record of outperformance, with NAV and share price total returns in excess of the blended benchmark over the last one, three, five and 10 years. The trust has also significantly outperformed the bellwether FTSE All-Share Index over the last three, five and 10 years, although it has lagged more recently as smaller companies have been out of favour.

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*	0.5	(0.5)	6.5	2.2	20.6	38.2	75.3
NAV relative to blended benchmark*	1.2	(0.8)	5.3	5.6	23.9	41.3	67.7
Price relative to Numis Smaller Cos plus AIM ex-ICs	0.5	(0.5)	6.5	2.2	18.9	40.4	101.1
NAV relative to Numis Smaller Cos plus AIM ex-ICs	1.2	(0.8)	5.3	5.6	22.2	43.5	92.4
Price relative to FTSE AIM	1.7	3.3	12.4	17.5	24.0	51.0	217.8
NAV relative to FTSE AIM	2.4	2.9	11.2	21.4	27.4	54.4	204.1
Price relative to FTSE All-Share	(0.9)	(2.9)	3.2	(7.8)	13.1	35.7	117.7
NAV relative to FTSE All-Share	(0.2)	(3.2)	2.1	(4.7)	16.3	38.7	108.3

Source: Refinitiv, Edison Investment Research. Note: Data to end-September 2019. 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 five years



Source: Refinitiv, Edison Investment Research

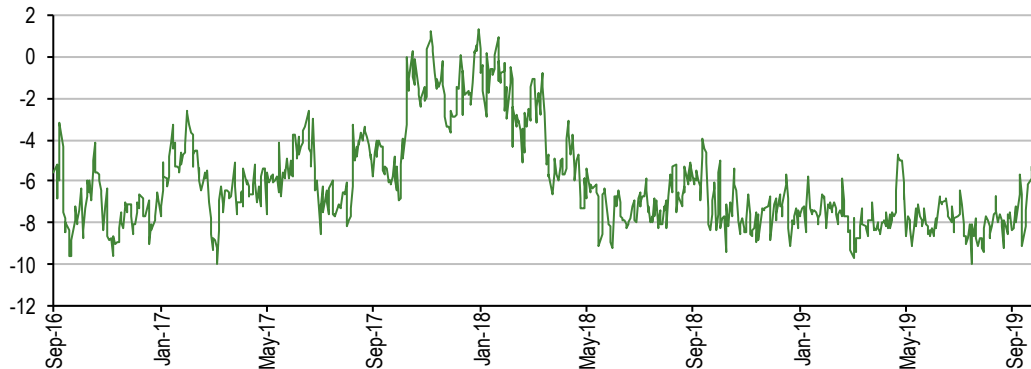
Discount: Broadly in line with historical averages

SLS's current 5.7% share price discount compares with the 5.0% to 7.6% range of average discounts over the last one, three, five and 10 years. The board suggests possible reasons for why the discount is not narrower, including an increased number of shareholders looking to sell following

the final conversion of convertible unsecured loan stock in April 2018, or the merger with DNDL in October 2018, which coincided with a period of equity market weakness.

The board aims to limit SLS'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 the trust's share capital. During FY19, 1.1m shares (1.1% of the share base) were bought back at a weighted average price of 468p. The board also has a tender mechanism in place; however, this is discretionary (no tender offers have been undertaken since June 2015), as buybacks are considered 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, which matures on 31 October 2022, comprising a five-year, fixed-rate loan of £25m at 2.349% (fully drawn) and a five-year £20m revolving credit facility (undrawn). Gearing is permitted within a range of 5% net cash to 25% net gearing as a percentage of NAV at the time of drawdown. At end-September 2019, net gearing was a modest 1.9%.

SLS has recently revised its fee structure and with effect from 1 July 2018, ASI is paid a management fee based on net rather than total assets, on a sliding scale of 0.85% pa up to £250m, 0.65% pa between £250m and £550m, and a new lower level of 0.55% pa on net assets above £550m. In FY19, SLS ongoing charges ratio declined by 14bp year-on-year from 1.04% to 0.90% (the fourth consecutive annual decrease), helped by spreading fixed costs over a larger base following the merger with DNDL, and the reduction in the management fee.

Dividend policy and record

Along with a focus on long-term capital growth, SLS also pays semi-annual dividends in April and October or November. Over the last 10 years, the annual dividend has compounded at an average rate of 17.0% pa; over the last five years the rate is lower at 11.3% pa, reflecting the greater maturity of SLS's portfolio companies.

The 7.70p per share FY19 total dividend was 10% higher year-on-year (the largest increase in the last three years) and was 1.1x covered by income. Revenue per share was 10.5% higher in FY19 than in the prior financial year; this was despite the DNDL merger, where the additional 38% of shares issued around three months into the financial year qualified for both the semi-annual

dividends, despite the increased asset base only contributing income for three-quarters of the year. The manager is encouraged by SLS's recurring revenue income, with the majority of the company's holdings paying out and building a track record of dividend growth. Recent examples of portfolio companies increasing their dividends include: 4imprint (interim, +29.5%); Dechra (final, +21.6%); Intermediate Capital Group (final, +66.7%); and Marshalls (interim, +17.5%).

Based on its current share price, SLS offers a 1.5% dividend yield. The board intends to continue its progressive dividend policy, and with effect from April 2020, will distribute around one-third of the expected annual payment at the end of the first half of the financial year compared with around one-fifth in recent years.

Peer group comparison

In Exhibit 10, we show the 12 members of the AIC UK Smaller Companies sector with market caps greater than £100m and at least a three-year track record. SLS's NAV total returns are above the selected peer group averages over all periods shown, ranking fourth over the last 12 months, second over three years, third over five years and fifth over 10 years. The trust has one of the narrower discounts, an ongoing charge that is now in line with the mean (for reasons stated in the Capital structure and fees section above), and a below-average level of gearing. Given its focus on capital growth rather than income, SLS's dividend yield is below the peer group average.

Exhibit 10: Selected peer group as at 24 October 2019*

% 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	498.5	13.5	45.9	100.0	351.2	(5.7)	0.9	No	102	1.5
Aberforth Smaller Companies	1,180.0	6.8	27.3	40.5	184.5	(7.4)	0.8	No	100	2.3
BlackRock Smaller Companies	705.7	6.7	42.6	88.3	354.3	(0.5)	0.7	No	104	2.1
BlackRock Throgmorton Trust	427.1	14.2	53.3	108.1	368.3	(0.7)	0.6	Yes	119	1.7
Crystal Amber	172.8	5.3	23.3	77.1	113.1	(21.4)	1.9	Yes	100	2.7
Henderson Smaller Companies	658.9	9.3	35.1	77.1	319.1	(6.6)	0.4	Yes	110	2.6
Invesco Perpetual UK Smaller	174.1	15.4	42.0	90.2	269.8	(2.1)	0.9	No	100	2.1
JPMorgan Smaller Companies	182.6	12.4	42.5	69.2	221.0	(13.6)	1.1	No	111	2.4
Montanaro UK Smaller Companies	184.1	8.7	25.4	50.8	185.1	(16.7)	0.8	No	104	4.8
Oryx International Growth	107.5	18.1	39.3	113.2	371.0	(29.6)	1.7	No	100	0.0
Rights & Issues Investment Trust	149.1	(3.8)	23.4	89.8	387.3	(7.9)	0.5	No	100	1.6
Strategic Equity Capital	139.4	6.7	21.1	46.8	302.6	(15.6)	1.1	Yes	100	0.7
Simple average	381.7	9.4	35.1	79.3	285.6	(10.7)	0.9		104	2.2
Rank (out of 12 funds)	4	4	2	3	5	4	5		6	10

Source: Morningstar, Edison Investment Research. Note: *Performance as at 23 October 2019 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 currently six independent, non-executive directors on SLS's board. Chairman Allister Langlands (since 22 August 2017, having joined the board on 1 July 2014) has announced his intention to step down in the next few months; his successor will be announced in due course. Tim Scholefield was appointed as a director on 20 February 2017 and assumed the role of senior independent director on 25 October 2018. Caroline Ramsay joined the board on 22 August 2016, Ashton Bradbury on 2 July 2018 and Alexa Henderson on 8 October 2018. The newest director is Liz Airey (appointed on 21 August 2019); she is non-executive chairman of Jupiter Fund Management, a non-executive director of Kirk Lovegrove & Company, a member of the corporate governance committee and investments committee of the Institute of Chartered Accountants in England and Wales, and chair of trustees of the Rolls-Royce UK pension fund.

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