

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 30 November 2024. 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 30/11/24)

Net asset value capital only (debt at par value)	1,503.60p
Net asset value capital only (debt at fair value)	1,556.55p
Net asset value incl. income (debt at par value) ¹	1,524.99p
Net asset value incl. income (debt at fair value) ¹	1,577.94p
Share price	1,368.00p
Discount to NAV incl. income (debt at par value)	10.3%
Discount to NAV incl. income (debt at fair value)	13.3%
Net yield ²	3.1%
Gross assets ³	£787.6m
Gearing range as a % of net assets	0-15%
Net gearing including income (debt at par)	11.6%
Ongoing charges ratio ⁴	0.7%
Issued capital – ordinary shares (excluding shares in treasury) ⁵	47,084,792

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 21.39p.

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 final dividend of 27.00 pence per share (announced on 14 May 2024, ex-date on 23 May 2024, and paid 24 June 2024) and 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).

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 29 February 2024.

⁵ Excludes 2,908,731 ordinary shares held in treasury.

Annual performance to the last quarter end (as at 30 September 2024)

Sterling	30/09/23 30/09/24 %	30/09/22 30/09/23 %	30/09/21 30/09/22 %	30/09/20 30/09/21 %	30/09/19 30/09/20 %
Net asset value	15.2	5.3	-36.7	57.8	-3.2
Share price	20.1	6.2	-39.5	72.1	-9.5
Benchmark ¹	14.1	3.3	-26.9	45.7	-2.8

Cumulative performance (as at 30/11/24)

Sterling	1M%	3M%	1Y%	3Y%	5Y%
Net asset value	0.4	-5.4	14.1	-17.7	13.8
Share price	-2.4	-9.2	7.7	-23.6	-0.8
Benchmark ¹	0.7	-3.5	14.1	-11.5	14.5

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Source: BlackRock and Datastream, 30 November 2024

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.

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.

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 November the Company's NAV per share returned 0.4% to 1,577.94p on a total return basis, while our benchmark index returned 0.7%.¹

Equity markets around the world rose during November, as Donald Trump secured victory in the US presidential election. In the UK, the Bank of England reduced the base rate by 25bps, from 5% to 4.75% - a move widely anticipated by markets. Meanwhile, the UK's Consumer Prices Index revealed

inflation rose to 2.3% in the 12-months to October, driven by a surge in gas and electricity prices. Andrew Bailey, the Governor of the Bank of England indicated that further rate cuts are likely to be gradual, in an effort to control inflation in the wake of increased National Insurance Contributions in the Autumn Budget announcement. Sterling weakened, which resulted in the FTSE 100 Index outperforming UK small and mid-caps due to the translational impact on profits for international earners, meanwhile M&A remained a theme as investors continued to find value in the 'out of favour' UK market.

The largest contributor to performance was electronics components manufacturer, TT Electronics, which rose after receiving and rejecting two bids during the month. Post month end, main bidder Volex pulled out of its pursuit of TT given the valuation required to secure the deal. Avoiding shares in companies that fell significantly during the month was also beneficial to relative performance, notably John Wood Group and Pets at Home. IntegraFin, the operator of the UK's Transact investment platform, continued to rise following a solid Q4 trading update in October and benefitting from overall strength in financial markets.

The largest detractor in November was ingredients manufacturer Treat, frustratingly on no stock specific newsflow. Low-cost housebuilder, MJ Gleeson fell after reporting a "lack of conviction" in the housing market during the Autumn, which has impacted sales activity and therefore full-year results would be more second-half weighted than usual. The company also highlighted ongoing margin pressures as a result of the use of sales incentives and increased build costs, which gave investors cause for concern. Shares in Secure Trust Bank (STB) were also a top detractor. As mentioned in our October update, the company was unexpectedly drawn into the vehicle financing issues following the unfavourable court ruling on other business in the industry, and shortly after STB warned that profits for the full year would be between £10m and £15m below expectations due to the performance of its vehicle finance business.

As previously discussed, the budget was not the clearing event that we as a team had hoped for. However, while the impact on growth, debt, inflation and interest rates, is incrementally more negative in the near term, some of the potential benefits from investments could come through further out. Importantly, we do still believe that the Budget

was an important milestone to get past in order for the UK SMID (small and mid-cap) market to make any progress. Certain announcements, notably national insurance, will put pressure on profit margins of many domestic businesses into next year and companies will have to adjust to the new cost base, hiring intentions may change and companies without pricing power are going to feel the squeeze.

We also continue to keep a close eye on inflation and UK unemployment, which as of now this remains low. Finally, and importantly, the valuation of UK SMID companies is attractive on a historic basis. As we move through this near-term noise, the opportunity presented by the UK small and mid-cap will present itself, and maybe we will finally see investors looking to allocate back to what has historically been a profitable asset class.

We thank shareholders for your ongoing support and look forward to updating you in the New Year.

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¹Source: BlackRock as at 31 November 2024

Unless otherwise stated all data is sourced from BlackRock as at 30 November 2024.

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.

Ten Largest Equity Investments (as at 30/11/24)

Company	% of portfolio
IntegraFin	2.8
Breedon	2.8
Hill & Smith	2.7
XPS Pensions	2.3
Gamma Communications	2.3
Chemring Group	2.3
Bloomsbury Publishing	2.1
Workspace Group	2.1
Tatton Asset Management	2.0
Morgan Sindall	1.9

Sector allocations (as at 30/11/24)	% of portfolio
Industrials	29.4
Financials	22.4
Consumer Discretionary	14.7
Basic Materials	12.9
Technology	6.0
Real Estate	4.4
Consumer Staples	3.4
Health Care	2.5
Telecommunications	2.3
Communication Services	1.4
Energy	0.6
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 30 September 2024 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 30/11/24)	% of total assets
United Kingdom	98.1
United States	1.9
Total	100.0

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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.

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.

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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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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.

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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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