

# Portfolio Update

The information contained in this release was correct as at **31 March 2026**. Information on the Company's up to date net asset values can be found on the London Stock Exchange Website at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

## **BLACKROCK SMALLER COMPANIES TRUST PLC (LEI:549300MS535KC2WH4082)**

All information is at **31 March 2026** and unaudited.

**Performance at month end is calculated on a Total Return basis based on NAV per share with debt at fair value**

	<b>One month %</b>	<b>Three months %</b>	<b>One year %</b>	<b>Three years %</b>	<b>Five years %</b>
Net asset value	-11.2	-5.7	3.5	1.9	-14.6
Share price	-14.8	-8.9	0.8	1.3	-23.2
Benchmark*	-11.7	-6.6	11.0	13.9	-3.4

Sources: BlackRock and Deutsche Numis

\*With effect from 15 January 2024 the Numis Smaller Companies plus AIM (excluding Investment Companies) Index changed to Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies).

### **At month end**

Net asset value Capital only (debt at par value):	1,262.52p
Net asset value Capital only (debt at fair value):	1,358.43p
Net asset value incl. Income (debt at par value) <sup>1</sup> :	1,307.04p
Net asset value incl. Income (debt at fair value) <sup>1</sup> :	1,402.95p
Share price:	1,194.00p
Discount to Cum Income NAV (debt at par value):	8.7%
Discount to Cum Income NAV (debt at fair value):	14.9%
Net yield <sup>2</sup> :	3.7%
Gross assets <sup>3</sup> :	£444.2m
Gearing range as a % of net assets:	0-15%
Net gearing including income (debt at par):	5.1%
Ongoing charges ratio (actual) <sup>4</sup> :	0.8%
Ordinary shares in issue <sup>5</sup> :	28,665,211

1. Includes net revenue of 44.52p
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 28.50 pence per share (announced on 31 March 2026, ex-date on 09 April 2026, and payable on 08 May 2026) and Interim dividend of 16.00 pence per share (announced on 24 October 2025, ex-date on 06 November 2025, and pay date 10 December 2025).
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 28 February 2025.
5. Excludes 10,180,731 ordinary shares held in treasury.

### **Sector Weightings**

	<b><u>% of portfolio</u></b>
Industrials	32.6
Financials	24.2
Consumer Discretionary	11.2
Consumer Staples	

	8.4
Basic Materials	7.2
Real Estate	4.1
Health Care	3.9
Communication Services	3.2
Energy	3.2
Technology	2.0
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Total	100.0
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<u>Country Weightings</u>	<u>% of portfolio</u>
United Kingdom	97.2
United States	2.8
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Total	100.0
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#### Ten Largest Equity Investments

<u>Company</u>	<u>% of portfolio</u>
XPS Pensions	3.1
Greencore Group Plc	3.1
IntegraFin	3.0
Serco Group	2.9
Boku	2.8
Morgan Sindall	2.7
Tatton Asset Management	2.6
Helios Towers Plc	2.5
Great Portland Estates	2.4
Young & Co's Brewery - A Shares	2.1

#### **Commenting on the markets, Roland Arnold, representing the Investment Manager noted:**

During March the Company's NAV per share returned -11.2% to 1,402.95p on a total return basis, while our benchmark index, the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index, returned -11.7%.

The UK equity market weakened in March amid a sharp risk-off move driven by an energy price shock, which pushed inflation expectations higher and led to rising discount rates. This resulted in broad valuation compression, with small and mid caps particularly affected given their sensitivity to growth expectations, financing conditions and investor risk appetite. The impact was most pronounced in domestically exposed sectors.

Energy stocks outperformed on higher oil and gas prices, while rate-sensitive areas lagged as tighter financial conditions and concerns around consumer demand weighed on sentiment. Investors increasingly favoured companies with stronger balance sheets, pricing power and more visible earnings. Monetary policy remained a key factor. The Bank of England held rates at 3.75% and maintained a cautious tone, as elevated energy costs risk prolonging above-target inflation. As a result, expectations for near-term rate cuts have been pushed further out, adding to pressure on rate-sensitive parts of the market.

Global market dynamics provided additional context but were secondary to the impact of the energy shock. Commodity markets played a central role, with oil and gas driving the move, while gold failed to provide consistent diversification as tighter liquidity and a stronger US dollar weighed on prices.

The largest contributor was **Ithaca Energy**, which rose following solid full-year results demonstrating strong financial performance in 2025 and increased production capacity. This reflected the successful delivery of new wells, leaving the business well positioned heading into 2026. **Bloomsbury Publishing** shares jumped after the company announced the release of two new Sarah J. Maas novels, resulting in a material upgrade to expectations for FY27 profits. The market welcomed the visibility and scale of earnings uplift, as consensus had previously assumed no meaningful Maas contribution in that year despite her

proven global sales record. The announcement highlighted both the strength of Bloomsbury's author assets and the valuation upside, with the stock having traded on an undemanding multiple prior to the news. Elsewhere, not owning Vistry and Goodwin contributed positively given significant share price falls of both companies during the month.

**Genuit** shares weakened in March as renewed concerns over UK housing demand and construction activity drove a de-rating of building materials stocks. While full-year results showed resilience and strong cash generation, the lack of a near-term recovery signal left the shares exposed to broader macro and technical selling pressure. **Alfa Financial Software** shares fell following its full-year results, as the absence of an earnings upgrade and broker target price cuts sent the shares lower. The decline was amplified by broader selling away from UK mid-cap tech shares, despite continued strong margins, cash generation and broadly supportive analyst sentiment. **Bellway** fell following a downgrade to full-year guidance due to rising cost pressures and increased sales incentives. Concerns around softening forward indicators and rising mortgage rates added further pressure to the housebuilding sector as a whole.

The current backdrop remains uncertain, with geopolitical tensions, fiscal pressures and structural industry changes continuing to shape the investment environment. In the UK, recent policy decisions have increased the burden on businesses and may slow the pace at which interest rates can be reduced. This has contributed to sustained outflows from UK equities, with small and mid-cap companies particularly affected. However, history suggests that this part of the market has demonstrated resilience through previous periods of disruption, including the Global Financial Crisis, Brexit and the pandemic. We also note that elevated levels of M&A (Mergers & Acquisitions) activity in the UK point to the attractiveness of valuations, with strategic and financial buyers recognising the opportunity. In our view, this reinforces the long-term investment case for UK smaller companies, even as near-term sentiment remains subdued.

We thank shareholders for your ongoing support.

1 May 2026

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