

Aberdeen Smaller Companies High Income Trust

ASCH

Morningstar Peer Group Classification

UK High Income

Investment Objective

To provide a high and growing dividend and capital growth from a portfolio invested principally in the ordinary shares of small companies and UK fixed income securities.

Valuation statistics (NAVs estimated¹) GBX

	02 Feb 2012	12 m High	Low
Price	115.25	135.50	102.50
Fair Cum NAV	144.81		
Fair Ex NAV	144.41		
Par Cum NAV	144.81		
Par Ex NAV	144.61	166.14	126.08
Fair Cum Discount	-20.41		
Fair Ex Discount	-20.19		
Par Cum Discount	-20.41		
Par Ex Discount	-20.30	-11.42	-22.93
Peer Group Discount	-1.47		
Z-Statistic ²	-1.25		

Last Actual NAVs (GBX) as at 01 Feb 2012

Fair Cum NAV	143.70
Fair Ex NAV	143.30
Par Cum NAV	143.70
Par Ex NAV	143.30

Key Data

Domicile	UK
Launch Date	25 Jul 1992
Financial Year-end	31 Dec
Exchange	London (LSE)
Next AGM	Apr 2012
NAV Frequency	Daily
Dividend Frequency	Quarterly
Total Assets (GBP)	42.0m
Net Assets (GBP)	32.0m
Shares Outstanding	22,109,765
Gross Gearing ³	131
Net Gearing ⁴	127
Average Daily Shares Traded (1yr)	0.013m
Average Daily Value Traded (1yr)	0.026m
Total Expense Ratio ⁵ (2010)	1.86%
Market Capitalisation (GBP)	25.5m
Net Dividend Yield ⁶	5.21%

Dividend Policy

The fund intends to pay quarterly dividends

Year-on-Year Dividend Growth % (financial year 31 Dec)

2012	2011	2010	2009	2008
-	0.00	-14.29	-53.64	1.00

Dividend Growth % (annualised on current financial year)⁷

1 year	2 years	3 years	4 years	5 years
0.00	0.00	-5.01	-20.60	-16.69

Directors

Carolann Dobson (Chairman), Carolann Dobson, Dinah Nichols, Barry M Rose, James West

Fund Manager: Susan Anderson (14 Apr 2008) / Phil Webster (14 Apr 2008)

Aberdeen Asset Managers Ltd

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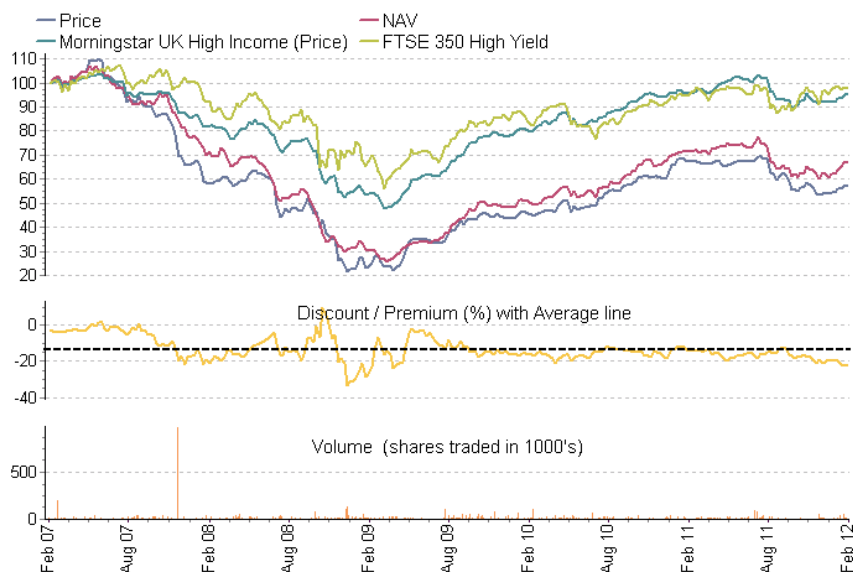
Website: www.shiressmallercompanies.co.uk

Stockbroker: N/A

Management Fee Summary

Management fee 0.75% p.a. of Net Assets. Contract terminable on one years notice.

Total Return Performance (GBP) over 5 years (or since inception)



Performance (Total Return %)⁸ GBP

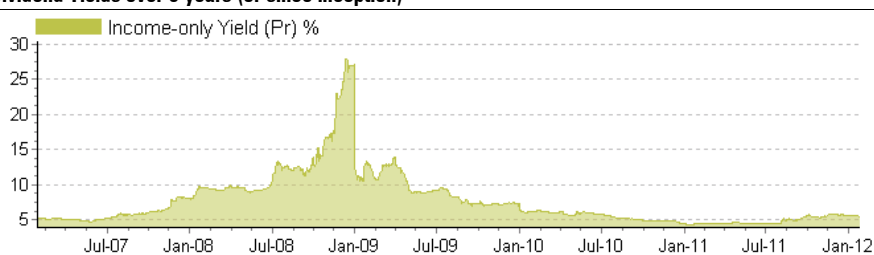
	1 month	3 months	6 months	1 year	YTD	3 years	5 years
Price	+10.52	+4.82	-11.58	-9.93	+10.52	+158.79	-39.42
NAV	+10.72	+8.91	-4.88	-3.55	+10.72	+127.82	-30.93
Peer Group (Price)	+5.93	+4.21	-3.00	+2.13	+5.93	+84.25	-2.22
Peer Group (NAV)	+6.15	+5.48	-0.49	+2.14	+6.28	+85.29	+1.16
Benchmark	+0.18	+3.05	+2.38	+2.72	+0.18	+48.44	-1.65

Peer Group: Morningstar IT UK High Income P

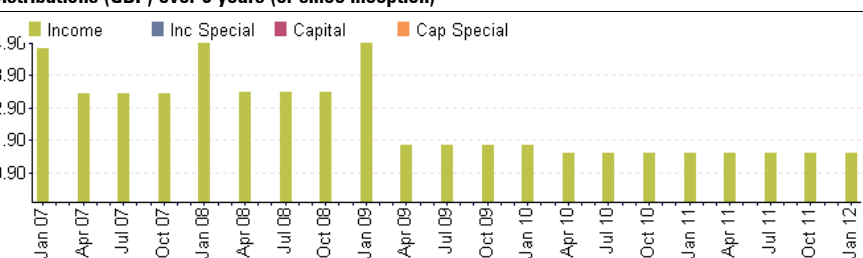
Morningstar Benchmark: FTSE 350 High Yield

Fund distributions reinvested on ex-dividend date⁹

Dividend Yields over 5 years (or since inception)



Distributions (GBP) over 5 years (or since inception)



Latest Dividend History (GBP)

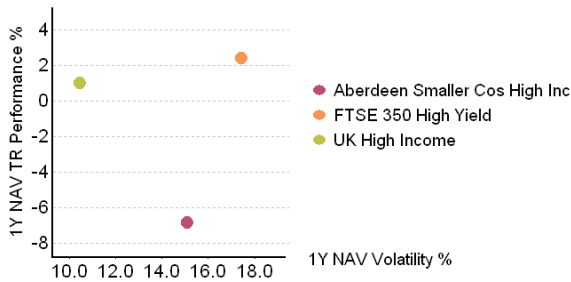
Type	Dividend	Declared Date	Ex Div Date	Record Date	Payment Date	Financial Year
Income	1.500	16 Dec 11	04 Jan 12	06 Jan 12	31 Jan 12	2011
Income	1.500	05 Oct 11	12 Oct 11	14 Oct 11	31 Oct 11	2011
Income	1.500	29 Jun 11	06 Jul 11	08 Jul 11	29 Jul 11	2011
Income	1.500	28 Mar 11	06 Apr 11	08 Apr 11	28 Apr 11	2011
Income	1.500	15 Dec 10	05 Jan 11	07 Jan 11	28 Jan 11	2010
Income	1.500	30 Sep 10	06 Oct 10	08 Oct 10	29 Oct 10	2010
Income	1.500	29 Jun 10	07 Jul 10	09 Jul 10	30 Jul 10	2010
Income	1.500	26 Mar 10	07 Apr 10	09 Apr 10	30 Apr 10	2010
Income	1.750	30 Dec 09	06 Jan 10	08 Jan 10	29 Jan 10	2009
Income	1.750	01 Oct 09	07 Oct 09	09 Oct 09	30 Oct 09	2009
Income	1.750	01 Jul 09	08 Jul 09	10 Jul 09	31 Aug 09	2009
Income	1.750	07 Apr 09	15 Apr 09	17 Apr 09	30 Apr 09	2009

Initial Public Offering

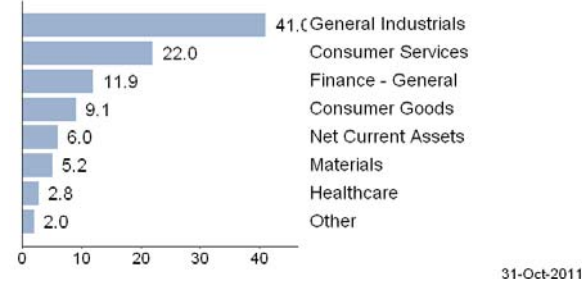
12,524,435 Ordinary shares at 100.00 GBX on 27 Jul 1992 raising 12.5m gross and 12.0m net of expenses

Aberdeen Smaller Companies High Income Trust

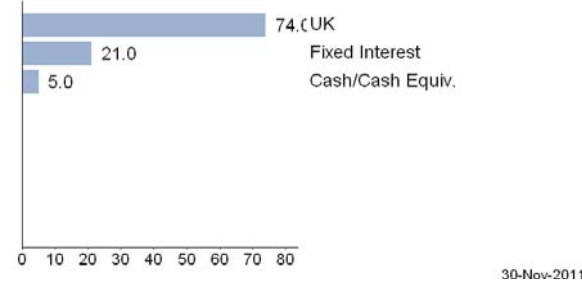
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Risk & Return⁹

Sector Breakdown (%)



Geographic Breakdown (%)

Largest Holdings (% Portfolio¹⁰) as at 31 Dec 2011

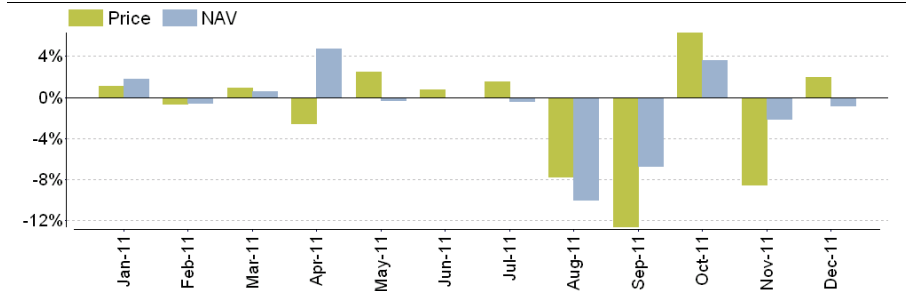
Company	Percentage (%)
Fenner Plc	3.6%
RPC Group	3.2%
Weir Group	3.2%
Balfour Beatty Cum Conv	10.75%
Dechra Pharmaceuticals	2.9%
Oxford Instruments	2.9%
XP Power	2.6%
Aviva	8.75%
Bellway Plc	2.6%
Morgan Sindall PLC	2.6%
Total	29.0%

Capital Structure

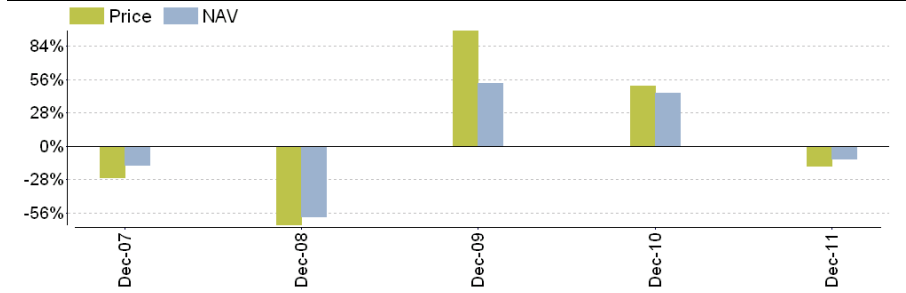
Number of Shares	Share Type
22,109,765	Ord 50p

Loan CCY	£m	Redemption	Coupon
GBP	10.0		2.702%

Discrete Monthly Price & NAV Total Return % (GBP)



Discrete Yearly Price & NAV Total Return % (GBP)



Risk & Correlation

	3 months	6 months	1 year	3 years	5 years
Alpha (NAV) ¹¹	0.05	-0.08	-1.43	1.11	-0.45
Beta (NAV) ¹²	0.68	0.68	1.06	1.09	1.28
R-squared (NAV) ¹³	0.54	0.62	0.66	0.61	0.64
Sharpe (NAV) ¹⁴	1.20	-0.93	-0.83	1.07	-0.28
Price Volatility ¹⁵	14	20	15	19	24
NAV Volatility ¹⁵	14	18	15	14	17
Benchmark Volatility ¹⁵	15	21	17	18	23
Peer Group Price Volatility ¹⁵	8	13	11	12	14
Peer Group NAV Volatility ¹⁵	9	13	11	10	15

Additional Performance (Total Return⁸) GBX

Period	Price	NAV	Peer Price	Peer NAV	Benchmark
2012	+10.52	+10.72	+5.93	+6.28	+0.18
2011	-17.60	-11.24	-3.42	-2.35	+5.49
2010	+50.34	+44.39	+19.98	+20.15	+6.19
2009	+96.56	+52.76	+43.40	+38.81	+18.82
2008	-66.39	-59.59	-35.85	-37.67	-26.69
2007	-27.00	-16.65	-12.04	-4.68	+1.18
Since FTSE 2009 Low (13 Mar 09)	+154.08	+152.72	+102.45	+103.93	+73.75
Since Sub-Prime (20 Nov 07)	-21.04	-18.65	+9.47	+7.73	+0.99
Since FTSE 2007 Peak (13 Oct 07)	-30.45	-27.84	+0.93	+0.61	-7.27
Since FTSE 2003 Low (12 Mar 03)	+88.47	+98.77	+103.60	+115.51	+124.60
Since NASDAQ Recovery (30 Sep 02)	+50.18	+86.68	+125.00	+112.31	+101.99

Wind-up Provisions/Buy Back Policy

A continuation resolution will be proposed at the AGM in 2015. The Fund has the authority allot shares and to repurchase up to 14.99% of its share capital - subject to renewal at each AGM. The Board may disapply pre-emption rights.

1 **NAV Estimation** - Fair value of debt refers to the market price of the debt if it is traded or, if it is not traded, an estimation of its value calculated using points over gilt methodology.
Cum Income NAVs include net revenue in the financial year to date. All estimates are fully diluted for the effects of warrants, convertibles or treasury shares. NAV estimations are created and maintained by Morningstar. For more detailed methodology document please contact FD.Support@morningstar.com

2 **Z-Statistic 1y** - Shows whether the fund's current discount is significantly higher or lower than the average over the past year, calculated as (Current Discount - Mean) / Std Dev

3 **Gross Gearing** - The ratio of estimated gross Assets to the Net Assets, expressed as a percentage

4 **Net Gearing** - The ratio of estimated Gross Assets minus cash and fixed interest to the Net Assets, expressed as a percentage. Cash and fixed interest represents not-equity exposure.

5 **Total Expense Ratio** - (Total Expenses - Performance Fees - Cost of Leverage - Tax - Restructuring Costs) / Average Net Assets

6 **Net Dividend Yield** - This is calculated by dividing the current financial years dividends (this will include prospective dividends) by the current price.

7 **Dividend Growth** - The annualised percentage growth in dividends. Based upon the current financial year, including any future estimates or forecasts.

8 **Performance** - Calculated using start and end period Share Prices or NAV Dividends are reinvested on the ex-dividend date at the prevailing Share Price or NAV.

9 **Risk & Return** - 1 Year ex income par NAV total return performance against 1 Year NAV volatility. Please see notes 8 and 15 for performance and volatility definitions respectively.

10 **Portfolio** - In order to calculate the portfolio value we deduct any holdings in cash only (Note that Fixed Interest is not included).

11 **Alpha** - The difference between the fund's average excess total return and the benchmark's average excess total return.

12 **Beta** - The sensitivity of the fund to broad market movements. A Beta of 0.5 would imply the fund will move by half as much as the index.

13 **R-squared** - A measure of correlation between the fund and index. A value of 0.8 means that 80% of the fund's NAV changes can be explained by changes in the index.

14 **Sharpe** - A risk-adjusted return measure, calculated by dividing the fund's average monthly excess total return over the risk-free rate by the standard deviation of those returns. The figure shown is the annualized Sharpe Ratio.

15 **Volatility** - The annualized standard deviation of the logged daily returns, adjusting for distributions from capital.