

Dunedin Smaller Companies Investment Trust PLC

Performance Data and Analytics to 31 December 2011



Investment objective

The achievement of long term growth from a portfolio of smaller companies in the United Kingdom.

Benchmark

FTSE SmallCap (ex Investment Companies) Index.

Cumulative performance (%)

	as at 31/12/11	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	121.4p	(2.5)	(6.2)	(17.1)	(8.8)	95.8	(0.1)
NAV ^A	136.3p	(0.5)	(0.3)	(15.1)	(11.6)	85.0	(1.9)
Subscription Share Price 2012	0.5p	(55.8)	(73.5)	(85.4)	(89.1)	(57.6)	(97.1)
FTSE SmallCap ex IC		0.2	(3.5)	(17.4)	(15.2)	56.4	(33.7)

Discrete performance (%)

Year ending:	31/12/11	31/12/10	31/12/09	31/12/08	31/12/07
Share Price	(8.8)	48.2	44.9	(32.4)	(24.5)
NAV ^A	(11.6)	41.7	47.7	(39.4)	(12.5)
Subscription Share Price 2012	(89.1)	144.0	60.0	(90.7)	(27.0)
FTSE SmallCap ex IC	(15.2)	16.9	57.7	(48.3)	(17.9)

Total return; NAV to NAV, net income reinvested, GBP. NAV returns based on NAVs with debt valued at par.

Source: Aberdeen Asset Managers Limited, Factset and Morningstar.

^A Excluding current year revenue.

Past performance is not a guide to future performance. The value of shares may go down as well as up and an investor may not get back the amount invested.

Fund managers' report

December was a fairly quiet month for both corporate and economic news flow and this was reflected in the performance of smaller companies which were virtually unchanged over the month. The European debt crisis remained at the forefront of investors' minds and during the month the European Central Bank reduced interest rates by a further 0.25%. The politicians held another summit, and whilst no immediate solutions were identified there were proposals that will lead to tighter fiscal and political unity.

One new holding was introduced over the month. BBA Aviation has a leading position in the operation of flight support stations for private business jets in the US. This is a recovering market with ample scope for additional growth through consolidation. The barriers are high as the ability to provide a national network of bases is very attractive to customers whilst being difficult to replicate. They also have a unique business that provides out of production spares to the aviation industry.

Elsewhere we top-sliced the holdings in RPC and Bellway and re-invested the proceeds into Robert Walters, Helical Bar, XP Power and Savills.

Investors are struggling to reconcile the fundamentals of the markets with the potential risks posed by a disorderly resolution to the sovereign debt crisis. Equities appear to represent good value if one takes a medium term view. Valuations are attractive both relative to history and other asset classes. It is unclear if economic recovery will continue or if we will slip into another slowdown or even recession. However, it does seem that equity markets recognise these risks and are priced for all but the most severe of recessions. But, as we have commented previously, these fundamentals will count for little if we experience a disorderly default or even a breakup of the eurozone. Consequently it seems likely to be sentiment and policy making that will determine the course of markets over the year rather than the underlying trading of companies.

The risks outlined overleaf relating to gearing, single country market exposure, small companies and specialist sectors are particularly relevant to this trust but should be read in conjunction with all warnings and comments given.

IMPORTANT INFORMATION OVERLEAF

Ten largest equity holdings

	%
Fenner	4.1
RPC	3.9
Oxford Instruments	3.4
Morgan Sindall	3.2
Fuller Smith & Turner	3.2
Dechra Pharmaceuticals	3.1
Bellway	3.1
XP Power	2.8
Helical Bar	2.7
Restaurant Group	2.6
Total	32.1
Total number of investments	45

Market capitalisation (%)

£m	Invested portfolio
sub 50	2.0
50 - 100	8.3
100 - 150	6.6
150 - 200	6.7
200 - 250	15.1
250 - 300	3.7
300 - 400	3.3
400 - 500	10.6
500+	43.6
Total	100.0

Sector allocation

	%
Industrials	41.5
Consumer Services	20.4
Financials	10.3
Consumer Goods	9.9
Basic Materials	4.7
Technology	3.9
Health Care	3.1
Cash	6.2
Total	100.0

Figures may not add up to 100 due to rounding.

Private investors 0500 00 00 40
Institutional investors Ian Massie
+44 (0)131 528 4000

All sources (unless indicated):
Aberdeen Asset Managers Limited 31 December 2011.

Dunedin Smaller Companies Investment Trust PLC

Key information

Calendar	
Year end	31 October
Accounts published	January
AGM	February
Dividend paid	February, July
Established	1927
Fund manager	Ed Beal
Total expense ratio	1.4%
Annual management fee	0.4%
Premium/(Discount)	(10.9)%
Yield	4.0%
Actual gearing ^B	0.5%
Assets	
	£m
Cash	3.0
Investments	67.2
Gross assets	70.2
Net assets	66.9
<small>^B Actual gearing is expressed as a percentage of investments divided by net assets.</small>	
Capital structure	
Ordinary shares	47,855,443
Subscription shares	8,526,157
Allocation of management fees and finance costs	
Capital	75%
Revenue	25%
Trading details	
Reuters/Epic/ Bloomberg code	DNDL
Stockbrokers	Canaccord Genuity
Market makers	SETSmm

Important information

Risk factors you should consider prior to investing:

- In common with most investment companies, investment trusts may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that a relatively small movement, down or up, in the value of a trust's assets will result in a magnified movement, in the same direction, of that NAV.
- The Trust invests in small companies, and / or companies investing in technology or venture and development capital stocks where the potential volatility may increase the risk to the value of your investment. Above average price movements may be expected.
- The value of shares and the income from them can go down as well as up and you may get back less than the amount invested.
- Past performance is not a guide to the future.
- Exposure to a single country market increases potential volatility.
- There is no guarantee that the market price of shares in the Trust will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments, the value of investment trust share purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread.

Other important information:

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