

## 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 in 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 or near the last market price quoted or at a value considered to be fair.

Derivatives may be used substantially for complex investment strategies. These include the creation of short positions where the Investment Manager artificially sells an investment it does not own.

Derivatives can also be used to generate exposure to investments greater than the net asset value of the Company. Investment Managers refer to this practice as obtaining market leverage or gearing. As a result, a small positive or negative movement in stock markets will have a larger impact on the value of these derivatives than owning the investments. The use of derivatives in this manner may have the effect of increasing the overall risk profile of the Company.

Approximately 30% of the Company's net assets may be invested in Contracts for Difference ("CFDs"). Please refer to the glossary for a fuller definition

The information contained in this release was correct as at 31 July 2021. 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/exchange/news/market-news/market-news-home.html>

## Company objective

To provide shareholders with long term capital growth and an attractive total return through investment primarily in UK smaller companies and mid-capitalisation companies traded on the London Stock Exchange.

### Fund information (as at 31/07/21)

Net asset value capital only:	943.75p
Net asset value incl. income:	951.40p
Share price	966.00p
Premium to cum income NAV	1.5%
Net yield <sup>1</sup> :	1.1%
Total gross assets <sup>2</sup> :	£916.7m
Net market exposure as a % of net asset value <sup>3</sup> :	118.3%
Ordinary shares in issue <sup>4</sup> :	96,347,973
2020 ongoing charges (excluding performance fees) <sup>5,6</sup> :	0.60%
2020 ongoing charges ratio (including performance fees) <sup>5,6,7</sup> :	1.60%

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.

<sup>1</sup> Calculated using the 2021 interim dividend declared on 26 July 2021 and payable on 27 August 2021, together with the 2020 final dividend declared on 10 February 2021 and paid on 1 April 2021.

<sup>2</sup> Includes current year revenue and excludes gross exposure through contracts for difference.

<sup>3</sup> Long exposure less short exposure as a percentage of net asset value.

<sup>4</sup> Excluding 0 shares held in treasury.

<sup>5</sup> Calculated as a percentage of average net assets and using expenses, excluding performance fees, finance costs, direct transaction costs, custody transaction charges, and taxation) for the year ended 30 November 2020.

<sup>6</sup> With effect from 1 August 2017 the base management fee was reduced from 0.70% to 0.35% of gross assets per annum.

<sup>7</sup> Effective 1st December 2017 the annual performance fee is calculated using performance data on an annualised rolling two year basis (previously, one year) and the maximum annual performance fee payable is effectively reduced to 0.90% of two year rolling average month end gross assets (from 1% of average annual gross assets over one year). Additionally, the Company now accrues this fee at a rate of 15% of outperformance (previously 10%). The maximum annual total management fees (comprising the base management fee of 0.35% and a potential performance fee of 0.90%) are therefore 1.25% of average month end gross assets on a two year rolling basis (from 1.70% of average annual gross assets). On the first day of the financial year outperformance from the previous financial year (if any) is carried forward and accrues in the daily NAV released to the London Stock Exchange.

## Annual performance to the last quarter end (as at 30/06/2021)

	30/06/20 30/06/21 %	30/06/19 30/06/20 %	30/06/18 30/06/19 %	30/06/17 30/06/18 %	30/06/16 30/06/17 %
Net asset value	64.9	-2.3	-3.8	23.9	45.2
Share price	67.7	0.4	3.1	34.3	46.8
Benchmark <sup>1</sup>	52.3	-10.7	-7.2	7.4	29.1

## Cumulative performance (as at 31/07/21)

Sterling	1M%	3M%	1Y%	3Y%	5Y%
Net asset value	4.9	8.8	68.0	61.8	170.7
Share price	4.3	9.0	71.1	82.4	236.8
Benchmark <sup>1</sup>	1.0	1.1	50.3	27.1	64.7

Country allocations (as at 31/07/21)	% of total assets
United Kingdom	90.7
United States	7.3
Australia	0.7
Sweden	0.7
France	0.7
Israel	0.2
Germany	-0.3
<b>Total</b>	<b>100.0</b>

Allocations are as of date shown and do not necessarily represent current or future portfolio holdings.

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.

<sup>1</sup>With effect from 22 March 2018 the Numis Smaller Companies plus AIM (excluding Investment Companies) Index replaced the Numis Smaller Companies excluding AIM (excluding Investment Companies) Index as the Company's benchmark. The performance of the indices have been blended to reflect this.

Source: BlackRock, Datastream

The latest performance data can be found on the BlackRock Investment Management (UK) Limited website at [blackrock.com/uk/thrg](https://blackrock.com/uk/thrg).

The above Net Asset Value (NAV) performance statistics are based on an NAV with income included with any income reinvested on the ex-dividend date, net of ongoing charges and any applicable performance fee. Share price performance figures are calculated on a mid market basis in sterling terms with income reinvested on the ex-dividend date. A fuller definition of ongoing charges, which includes the annual management fee, is given in the Glossary. Details of the management and performance fees are given in the fund information table overleaf. 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.

A full disclosure of portfolio investments for the Company as at 31 March 2021 has been made available on the Company's website at the link given below:

<https://www.blackrock.com/uk/individual/literature/policies/throgmorton-portfolio-disclosure.pdf>

## Top 10 investments (as at 31/07/21)

Company	% of total gross assets
Gamma Communications	3.1
Electrocomponents	3.1
Watches of Switzerland	2.9
Impax Asset Management	2.8
Oxford Instruments	2.5
YouGov	2.1
Breedon	2.1
Integrafin	2.0
Pets at Home	2.0
Auction Technology	2.0

Holdings are as at the 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.

Sector allocations (as at 31/07/21)	% of total assets
Industrials	30.6
Consumer Discretionary	21.6
Financials	19.4
Technology	8.0
Consumer Staples	7.9
Health Care	5.1
Telecommunications	3.5
Basic Materials	2.0
Net current assets	1.9
<b>Total</b>	<b>100.0</b>

Allocations are as of date shown and do not necessarily represent current or future portfolio holdings.

Market exposure – quarterly	31.08.20 %	30.11.20 %	28.02.21 %	31.05.21 %
Long	121.0	120.4	126.8	121.3
Short	2.4	1.9	1.5	1.5
Gross exposure	123.4	122.3	128.3	122.8
Net exposure	118.6	118.6	125.3	119.8

Source: BlackRock as at 31 May 2021

## Awards

**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.**



AJ Bell Online Personal Wealth Awards 2021: Best Investment Trust for Growth  
Effective date: 3 March 2021.



Money Observer Investment Trust Awards 2020 UK Growth  
Effective date: 30 April 2020.



ADVFN International Financial Awards 2020 Best UK Smaller Companies  
Trust  
Effective date: 18 March 2020



Kepler rated fund in the Growth Category awarded to companies which  
have added the most value to their benchmarks, relative to the extra risk  
taken on.  
Effective date: 30 January 2020.

## Comments from the portfolio manager:

Please note that the commentary below includes historic information in respect of the performance of portfolio investments, index performance data and the Company's NAV and share performance.

**The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results.**

The Company returned 4.9%<sup>1</sup> in Jul, outperforming its benchmark, the Numis Smaller Companies +AIM (excluding Investment Companies) Index, which returned 1.0%<sup>1</sup>. The long book continued to be the key driver of outperformance though during the month.

Equity markets rose for a sixth straight month in July as positive and strengthening earnings results more than outweighed the negatives from the spread of the Delta variant. July also saw a continuation of the recent rotation to growth outperforming value, with many of the winners of 2020 continuing to deliver positive results and showing that they are more than just 'Covid-beneficiaries', most notably within Technology, Industrials and Healthcare.

Breaking down performance over the month we saw strong share price moves across a wide range of companies, showcasing the depth and breadth of the holdings in the long book. Shares in **Auction Technology Group** (ATG) rose to new highs after their recent equity raise to fund the acquisition of LiveAuctioneers, the leading curated US Arts and Antiques (A & A) marketplace. This is an equity raise we supported in a material way. Currently ATG is a leader in UK A & A and US I & C (Industrial and Commercial), so the strategic rationale of this deal is compelling, enabling ATG to gain fast access to the leading player in the US A & A market, a market that is 2x bigger than the UK, and with the online segment forecast to grow over 20% per annum. M&A (Mergers & Acquisitions) activity for UK listed companies continued during the month with our holding in video game developer, **Sumo Group**, receiving an offer from Chinese gaming giant Tencent. **Baltic Classifieds Group**, an owner of locally dominant online advertising websites, continued to rise after a successful IPO (Initial Public Offering) in late June.

Given the strong outperformance during the month and impressive trading that we have continued to see across the long book, stock specific detractors were limited. The largest detractor was **Moonpig** which fell despite a strong update with upgrades to outer year forecasts as the markets hoped for more. Concerns across the market are increasing for many consumer internet services companies that did experience a benefit from the pandemic, like Moonpig and how growth might be impacted as people return to old habits, however, we believe that the investment case for Moonpig to grow customers, order frequency and basket size remains intact. Shares in **Dunelm** fell despite the company raising profit guidance for the full year, as it also announced plans to increase investment spend.

Overall, nothing has changed our positive disposition with regard to the fundamental strength of many of our differentiated investments and the power and enduring nature of many secular trends we are witnessing right now. As stated in last month's update, we are now seeing more opportunities to introduce short positions back into the portfolio, reflecting tougher trading conditions (competition, costs and further COVID-19 disruption) and where we think expectations have got carried away. In many cases these shares trade at high valuations that we haven't seen in years so if our analysis is correct then this could be a useful source of incremental alpha. We thank shareholders for their ongoing support.

Source:

Unless otherwise stated all data is sourced from BlackRock as at 31 July 2021.

<sup>1</sup> Datastream as at 31 July 2021

Any opinions or forecasts represent an assessment of the market environment at a specific time and are 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.

**Risk:** 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.

## Key company details

Fund characteristics:	
Incorporation date	December 1957
Date BlackRock took over management	1 July 2008
Dealing currency	Sterling
Association of Investment Companies sector (AIC)	UK Smaller Companies
Benchmark	Numis Smaller Companies plus AIM (excluding Investment Companies) Index*
*With effect from 22 March 2018 the Numis Smaller Companies plus AIM (excluding Investment Companies) Index replaced the Numis Smaller Companies excluding AIM (excluding Investment Companies) Index as the Company's benchmark.	
Traded	London Stock Exchange

Management:	
Alternative investment fund manager (with effect from 2 July 2014)	BlackRock Fund Managers Limited
Portfolio manager	Dan Whitestone
Annual Management fee	0.35% per annum on gross assets (the annual management fee forms part of the ongoing charges as disclosed in the Fund Information section)
Performance fee	15% of the outperformance of the net asset value total return against the benchmark index, measured on an annualised two year rolling average basis. The performance fee is effectively capped at 0.9%.

Financial calendar:		Ordinary share codes:	
Year end	30 November	ISIN	GB0008910555
Results announced	July (half yearly) February (final)	Sedol	0891055
Annual General Meeting	March	Bloomberg	THRG:LN
Dividends paid	August (interim) April (final)	Reuters	THRG.L
		Ticker	THRG/LON

### NMPI Status

The Company currently conducts its affairs so that its securities can be recommended by IFAs (Independent Financial Adviser) to ordinary retail investors in accordance with the FCA's (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 FCA's restrictions which apply to non-mainstream pooled investment because they are shares in an investment trust.

### Want to know more?

[blackrock.com/uk/thrg](http://blackrock.com/uk/thrg) | Tel: 0207 743 3000 | [cosec@blackrock.com](mailto:cosec@blackrock.com)

## Glossary of Terms

### Alternative Investment Market (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.

### CFD (Contracts for Difference)

Under a CFD contract the seller undertakes to pay to the buyer the difference between the current value of an asset and its value at a specified end date; this may be a positive or negative amount dependant on how the price has moved. A CFD contract may be used to profit from the price of the underlying asset falling as well as rising; if the buyer enters into a contract where the transaction will generate a profit if the price of the underlying holding falls, this is called a short position. A CFD contract also enables the Company to take advantage of price movements by paying only a small margin and without the cost outlay of purchasing the underlying stock. CFD contracts are not without risks. They may generate losses as well as profits if the price of the underlying asset moves in an unfavourable direction. CFDs also involve counterparty risk – the risk the CFD provider or another counterparty to a trade fails to fulfil their obligations – and liquidity risk, which means market conditions/the mechanics of trading could alter in such a way that trades cannot be made.

### 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.

### Long and short positions

Holding a long position in a security means that the holder owns the security or has gained exposure to the security via a CFD contract in the expectation that the stock will rise in value in the future.

A short position generally refers to an arrangement to sell

at a future date a stock that is not currently owned by the investor. Investors who sell short believe the price of the stock will decrease in value. If the price drops, they can buy the stock at the lower price and make a profit. If the price of the stock rises and they buy it back later at the higher price, a loss will be incurred. CFD contracts may be used to take short positions.

### Market exposure

Gross exposure is calculated by adding the 'long' and 'short' positions together. For example, if the Company has 120% 'long' exposure through a combination of securities and 'long' CFDs and 10% held in 'short' CFDs it has a gross exposure of 130%. Net exposure refers to the exposure of the Company when the short positions are deducted from total long exposure. For example, if the Company has 120% 'long' exposure through securities and CFDs and 10% 'short' exposure through CFD positions the net exposure is 110%; this measurement provides a guide to the net directional market exposure and takes into account the fact that long and short positions can often offset one another when the market moves in a particular direction

### NAV (Net Asset Value)

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.

### 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 month end share price.

### 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.

## 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.

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.

## Trust Specific risks

**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.

**Complex derivative strategies.** Derivatives can also be used to generate exposure to investments greater than the net asset value of the investment trust. Investment Managers refer to this practice as obtaining market leverage or gearing. As a result, a small positive or negative movement in stock markets will have a larger impact on the value of these derivatives than owning the physical investments. The use of derivatives in this manner may have the effect of increasing the overall risk profile of the Company.

**Financial markets, counterparties and service providers.** The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Company to financial loss.

**Gearing risk.** Investment strategies, such as borrowing, used by the Company can result in even larger losses suffered when the value of the underlying investments fall.

## 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.

BlackRock Throgmorton Trust plc currently conducts its affairs so that its securities can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to nonmainstream investment products and intend 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 investment products because they are securities issued by investment trusts.

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](http://www.blackrock.com/uk/its). We recommend you seek independent professional advice prior to investing.

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