

## 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 March 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/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 31/03/24)

Net asset value capital only:	650.37p
Net asset value incl. income:	653.68p
Share price	587.00p
Discount to cum income NAV	10.2%
Net yield: <sup>1</sup>	2.5%
Total gross assets: <sup>2</sup>	£609.7m
Net market exposure as a % of net asset value: <sup>3</sup>	118.4%
Ordinary shares in issue: <sup>4</sup>	93,278,514
2023 ongoing charges (excluding performance fees): <sup>5,6</sup>	0.54%
2023 ongoing charges ratio (including performance fees): <sup>5,6,7</sup>	0.87%

**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 Interim Dividend declared on 07 July 2023 paid on 29 August 2023, together with the Final Dividend declared on 05 February 2024 to be paid on 28 March 2024.

<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 9,931,350 shares held in treasury.

<sup>5</sup> 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 performance fees, finance costs, direct transaction charges, VAT recovered, taxation and certain other non-recurring items for the year ended 30 November 2023.

<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. 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, including performance fees, but excluding finance costs, direct transaction charges, VAT recovered, taxation and certain other non-recurring items for the year ended 30 November 2022.

<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).

## Annual performance to the last quarter end (as at 31/03/2024)

Sterling	31/03/23 31/03/24 %	31/03/22 31/03/23 %	31/03/21 31/03/22 %	31/03/20 31/03/21 %	31/03/19 31/03/20 %
Net asset value	10.2	-17.2	-3.8	76.1	-14.1
Share price	3.4	-21.4	-4.6	75.6	-7.3
Benchmark <sup>1</sup>	3.0	-13.4	-2.1	71.3	-23.2

## Cumulative performance (as at 31/03/24)

Sterling	1M%	3M%	1Y%	3Y%	5Y%
Net asset value	3.4	2.7	10.2	-12.6	32.1
Share price	1.7	-3.2	3.4	-22.5	26.2
Benchmark <sup>1</sup>	3.0	-0.8	3.0	-12.7	14.9

**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. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index.**

<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 as stated

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

## Top 10 investments (as at 31/03/24)

Company	% of total gross assets
FTSE 250 Index Future	3.6
Breedon	3.2
Gamma Communications	3.1
4imprint Group	3.0
Oxford Instruments	2.9
WH Smith	2.9
Grafton Group	2.9
Rotork	2.5
Hill & Smith Holdings	2.5
YouGov	2.3

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.

Country allocations (as at 31/03/24)	% of total assets
United Kingdom	91.6
United States	4.8
Ireland	1.4
Australia	0.8
France	0.8
Switzerland	0.5
Canada	0.4
Sweden	-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.

A full disclosure of portfolio investments for the Company as at 31 December 2023 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>

Sector allocations (as at 31/03/24)	% of total assets
Industrials	36.0
Consumer Discretionary	22.8
Financials	15.7
Basic Materials	6.8
Technology	6.5
Telecommunications	3.8
Health Care	2.2
Consumer Staples	1.9
Energy	1.2
Communication Services	1.1
Real Estate	0.9
Other	0.1
Net Current Assets	1.0
<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	31.05.23 %	31.08.23 %	30.11.23 %	29.02.24 %
Long	111.7	112.7	111.3	117.9
Short	3.6	4.5	3.8	3.2
Gross exposure	115.3	117.2	115.1	121.1
Net exposure	108.1	108.2	107.5	114.7

Source: BlackRock as at 29 February 2024

## 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.**



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: 17 January 2022.



AJ Bell Fund & Investment Trust Awards 2021: Winner - UK Smaller Companies Active category

Effective date: 3 September 2021.



AJ Bell Online Personal Wealth Awards 2021: Best Investment Trust for Growth

Effective date: 3 March 2021.

## 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 3.4% in March, outperforming its benchmark the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index which returned 3.0%.<sup>1</sup>

March was another strong month for risk assets broadly, with equity markets globally delivering solid returns across the board on back of positive macro data points and falling rates of inflation. Specifically, within the UK, CPI data continued to come in below forecast and is heading towards the Bank of England's (BOE) target. Indeed, if we annualise the last seven months of UK CPI then inflation is already below 2%. This leaves the path open for cuts to UK rates before the Federal Reserve, something unthinkable in June last year.

The largest positive contributor to performance during March was UK wealth manager **Mattioli Woods**, which received a cash bid from financial private equity specialist Pollen Street Capital. The sale of Mattioli Woods marks another name in a long (and growing) list of UK listed businesses, which have been targeted by Private Equity firms or Corporates taking advantage of the attractive valuations currently placed on the UK market, particularly when compared to comparable companies in other listed markets. The second largest contributor was **Gamma Communications**, the UK listed cloud communications company, which delivered robust results with organic revenues growing around 9%. Additionally, the company initiated its first buyback, utilising some of its £130m net cash pile while leaving enough capacity to continue to do bolt on acquisitions. The shares have re-rated to a mid-teens PE (price to earning ratio) this year, but this is still at a steep discount to other stable high single digit organic growth companies. **4imprint** also contributed positively after reporting a 36% rise in pre-tax profit and a 16% increase in total revenue, once again demonstrating their market leading position and ongoing market share gains.

The largest detractor was veterinary services business, **CVS Group**. The shares fell in response to an announcement from the CMA (Competition and Markets Authority) that they would be progressing to a full Market Investigation into the veterinary market in the UK. The CMA had

announced an initial review in September last year and we reduced the position to reflect uncertainty then. Our work at the time indicated that the market was functioning reasonably well for consumers and there was limited evidence of overcharging or anticompetitive practices so we were surprised and disappointed by the CMA's decision. Alas, this is now a cloud that will hang over the shares for 18 months so reflecting that prolonged uncertainty we have reduced the position size further. **YouGov** was the second biggest detractor after a set of results which, although in line with expectations, demonstrated a larger than anticipated slowdown in the core Data Products business and a larger than expected weighting to H2 to meet their FY guidance. We have moderated the position but retain a holding as we still believe in the long term growth potential for YouGov's proprietary data and sophisticated analytics platform. Shares in IT reseller **Computacenter** fell in response to providing a cautious outlook for 2024, despite delivering another year of record revenue and profits.

March was a positive month, rounding out a positive first quarter in 2024. We remain pleased with the breadth of returns in the portfolio, with positive contributions across a broad range of holdings both in the month and year-to-date. We are also reassured that the returns are primarily driven by stock specifics rather than any one factor or macro bet. Though it remains a source of frustration for us, the continued underperformance of UK small & mid-caps remains the biggest opportunity for the strategy. There were some tentative signs of increasing breadth within markets in March, but largely within large caps, if this were to spread to small & mid-caps, it would provide an even more positive environment for the strategy. The net of the fund is around 113% while the gross is around 119%.<sup>2</sup>

We thank shareholders for your ongoing support.

**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.

<sup>1</sup> Datastream and London Stock Exchange as at 31 March 2024.

<sup>2</sup> Please refer to Glossary for definition of net and gross exposure.

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.

## 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	Deutscher Numis Smaller Companies plus AIM (excluding Investment Companies) Index*
*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).	
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:

Year end	30 November
Results announced	July (half yearly) February (final)
Annual General Meeting	March
Dividends paid	August (interim) April (final)

### Ordinary share codes:

ISIN	GB0008910555
Sedol	0891055
Bloomberg	THRG:LN
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](https://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.



## **Glossary of Terms (continued)**

### **Gross and net exposure**

Market exposure gained through a CFD (Contract for Differences) contract refers to the gross market value of the underlying securities to which the investor is exposed through the CFD contract. Gross exposure refers to the total exposure the investor has through both long and short positions added together. For example, an investor who has 110% long market exposure through CFDs and 20% short market exposure through CFDs has gross market exposure of 130%.

Net exposure refers to the exposure the investor has through long positions less any short positions. For example, an investor who has 110% long market exposure through CFDs and 20% short market exposure through CFDs has net market exposure of 90%; this method of measurement is looking at the net directional market exposure and takes into account the fact that long and short positions theoretically offset one another when the market moves in a particular direction.

### **Price to Earnings Ratio (PE) and Book Value**

Price to Earnings Ratio is a way to value a company that measures its current share price relative to its EPS (earnings per share). PE is generally used as a measure to assess if a company's stock is overvalued or undervalued. The book value of a company is the difference between a company's total assets and total liabilities, for example, the amount of money that would be paid out to shareholders if a company was liquidated and all liabilities paid off.

## 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.

### 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.

**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.

**Investors should refer to the 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.

BlackRock Throgmorton Trust plc currently conducts its affairs so that their 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. Investors should understand all characteristics of the funds objective before investing. For information on investor rights and how to raise complaints please go to <https://www.blackrock.com/corporate/compliance/investor-right> available in in local language in registered jurisdictions.

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