The information contained in this release was correct as at 28 February 2025.Â Information on the Companyâ€™s up to date net asset values can be found on the London Stock Exchange Website at:
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https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.Â
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BLACKROCK THROGMORTON TRUST PLC (LEI: 5493003B7ETS1JEDPF59)
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All information is at **28 February 2025** and unaudited.
Performance at month end is calculated on a cum income basis
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Â	**One Month**	**Three months**	**One year**	**Three years**	**Five years**
	%	**%**	**%**	**%**	**%**
Net asset value	-5.0	-7.3	0.7	-14.0	12.8
Share price	-5.6	-4.0	-0.8	-21.5	4.0
Benchmark*	-3.6	-2.8	6.2	-7.5	17.2

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Sources: BlackRock and Deutsche Numis
*With effect from 15 January 2024 the Numis Smaller Companies plus AIM (excluding Investment Companies) Index to Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies).
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At month end		
Net asset value capital only:	Â	616.38p
Net asset value incl. income:		618.67p
Share price		555.00p
Discount to cum income NAV		10.3%
Net yield[1]:		3.2%
Total Gross assets[2]:		Â£498.5m
Net market exposure as a % of net asset value[3]:		112.9%
Ordinary shares in issue[4]:		80,574,864
2024 ongoing charges (excluding performance fees)[5,6]:		0.56%
2024 ongoing charges ratio (including performance fees)[5,6,7]:		0.82%

1. Calculated using the Final Dividend declared on 20 February 2025 payable on 11 April 2025, together with the Interim Dividend declared on 24 July 2024 paid on 21 August 2024.
2. Includes current year revenue and excludes gross exposure through contracts for difference.
3. Long exposure less short exposure as a percentage of net asset value.
4. Excluding 22,635,000 shares held in treasury.
5. The Companyâ€™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 2024.
6. With effect from 1 August 2017 the base management fee was reduced from 0.70% to 0.35% of gross assets per annum. The Companyâ€™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 2023.
7. 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).
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Sector Weightings	**% of Total Assets**
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Industrials	32.9
Financials	23.2
Consumer Discretionary	12.4
Basic Materials	8.2
Technology	6.9
Real Estate	4.1
Consumer Staples	3.2
Communication Services	1.7
Health Care	1.6
Telecommunications	1.4
Energy	0.6
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Net Current Assets	3.8
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Total	100.0
Â	=====
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Country Weightings	**% of Total Assets**
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United Kingdom	93.1
United States	3.7
Ireland	1.3

Australia	0.9
France	0.5
Canada	0.5

Total	100.0
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Market Exposure (Quarterly)

	31.05.24	**31.08.24**	**30.11.24**	**28.02.25**
	%	%	%	%
Long	114.9	111.7	111.9	117.8
Short	2.3	2.7	3.4	4.9
Gross exposure	117.2	114.4	115.3	122.7
Net exposure	112.6	109.0	108.5	112.9

Ten Largest Investments

Company	**% of Total Gross Assets**
Breedon	3.2
Hill & Smith Holdings	3.2
Rotork	3.1
Tatton Asset Management	3.1
IntegraFin	2.8
GPE	2.8
Bellway	2.7
XPS Pensions Group	2.6
Oxford Instruments	2.5
Grafton Group	2.3

Commenting on the markets, Dan Whitestone, representing the Investment Manager noted:

The Company returned -5.0% in February, underperforming its benchmark, the Deutsche Numis Smaller Companies +AIM (excluding Investment Companies) Index, which returned -3.6%.[1]

February proved to be a very volatile month; a difficult start catalysed by tariff threats followed by a risk rally (when a last-minute extension was granted for Canada and Mexico), before finally ending with a large sell-off on tariffs plus concerns on higher inflation. The Magnificent 7 fared particularly badly, posting their worst month since December 2022 which in turn dragged down US equities more broadly (Nasdaq -4%, S&P 500 -2.1%) and catalysed a broad rotation amidst hedge fund deleveraging and large US retail selling. Closer to home, the FTSE 100 Index delivered another positive month, but the return was unusually concentrated by name and sector, only 30% of shares outperformed the index and outperformance was concentrated in banks and mega-cap pharmaceuticals. The FTSE 250 Index fell -2.9% and is now at a new 5-year low relative to UK large-caps, with almost 10% performance differential between the two indices just this year-to-date. The shape of these broader index trends was unhelpful to the Companyâ€™s positioning, and despite a momentum reversal, many cheap UK mid-cap shares that we own continued to fall. A frustrating reminder that despite weak share prices, low valuations, and resilient updates, if thereâ€™s a risk off event somewhere in the world, whatever the catalyst, the chances are high that UK small and mid-caps will fall and perhaps fall even more. That said, this makes watching a UK housebuilder trading on <0.7x TNAV (tangible net asset value) at the bottom of the cycle falling mid-teens in a month amidst a tech rotation and global tariff tussle between the US and Mexico/Canada/China no easier to accept. Or indeed, watching a recovery in European industrials whilst the UK industrials with similar end market exposures fall!

Shares in **Bellway** fell amidst a broader sell off in UK domestics and rate sensitives. However, the company did publish a trading update for H125 reiterating their prior guidance for the full year on volumes, prices, and adjusted profit margins. There definitely seems to have been some miscommunication/confusion around the numbers, with some analysts downgrading numbers on slower delivery, but management sounded far more positive on the road than the outlook statement would suggest. Indeed, current trading sounds encouraging (borne out by peers in recent updates, as well as industry data) and their guidance assumes no increase in selling rates or pricing. We think Bellway is a very well-run housebuilder, with a prudent management team, and remain well positioned with their sites to be leveraged into an upturn. Trading on less than 0.7x TNAV for 2025 when UK housing volumes are almost 30% below the 20-year average, with a Government focused on increasing production (some form of support for first time buyers surely goes up by the week?) seems a very asymmetric risk reward to us. We continue to hold and like this stock. Similarly, Graton was caught up in the sell-off in UK small and mid-caps, with the shares falling by 10% on no stock specific news flow. **Grafton** has subsequently published full year results in March which came in ahead of expectations. Whilst the outlook for â€œRMIâ€ (Repair, Maintenance, Improvement) remains challenging there are early signs of improving trends. With a net cash balance sheet and valued on sub 12x current yearâ€™s earnings for an earnings base that is depressed post the volume reduction witnessed in the last couple of years strikes us as a very good risk reward. Shares in **IntegraFin** also weakened during the month, frustratingly giving back some of their outperformance after their positive trading update in January.

On the positive side, the largest positive contributor during the month was **Chemring**, which rose after US Private Equity business, Bain Capital, reportedly offered Â£1 billion for the UK-based defence business. Chemring issued a solid trading update at the end of the month with a Â£40 million share buyback and a positive outlook for future growth. Shares in **XPS Pensions** rose after upgrading full year revenue guidance as the business has continued to see strong demand for its services driven by regulatory changes, new client wins and the inflation-linked nature of its contracts. **Alfa Financial Software** continued to rise following strong

full-year results at the end of January, which showed operating profits that were 5% of market expectations. The company has benefited from shifting its business towards software as a service license model to meet customer demand and has a strong pipeline to support future growth.
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In summary, February was undoubtedly a frustrating month. Not just because of the negative return, both in absolute and relative terms, but specifically how and why we got there. The compounding effect of risk-off sentiment driven by tariffs and the impact that this might have on global growth or inflation has catalysed a wave of fresh selling across the UK small and mid-cap market, regardless of industry or end market exposure. Liquidity in this market continues to remain scarce, and we ourselves are having to sell holdings we think are materially undervalued every day to manage the current daily share buyback underway.Â
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As stated in many recent updates, the valuation for many of the highest quality UK domestic assets are very attractive on a medium-term view and trading remains resilient. However, this has been little consolation and provided little protection from the ongoing selling pressure that UK small and mid-cap equities continue to face. As such any comments on the outlook for the economy or underlying businesses, seems slightly redundant at this time, and the real challenge facing the asset class is outflows, which needs to moderate for the value in many of these businesses to be realised. Considering this outlook and the challenging flow backdrop, we are trying to reduce the gross and net exposure, as communicated in previous updates, but this is made a more complex challenge due to the share buyback programme. The net is currently around 112% and the gross around 119%.
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We thank shareholders for your patience and ongoing support.
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[1]Source: BlackRock as at 28 February 2025
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24 March 2025
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Latest information is available by typing www.blackrock.com/uk/thrg on the internet, "BLRKINDEX" on Reuters, "BLRK" on Bloomberg or "8800" on Topic 3 (ICV terminal).Â Neither the contents of the Managerâ€™s website nor the contents of any website accessible from hyperlinks on the Managerâ€™s website (or any other website) is incorporated into, or forms part of, this announcement.
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