



# Aberforth UK Small Companies Fund

## Monthly Factsheet

31 August 2017

### Fund structure

The Fund is an authorised unit trust scheme under the Financial Services & Markets Act 2000 and also a UCITS scheme as defined by the Collective Investment Schemes Sourcebook. The Fund is open-ended and issues Accumulation (Acc) and Income (Inc) units.

### Manager: Aberforth Partners

The Fund is managed by Aberforth's investment team of six fund managers:

Euan Macdonald	Keith Muir
Richard Newbery	Peter Shaw
Christopher Watt	Alistair Whyte

Further information on the investment team is available at [www.aberforth.co.uk](http://www.aberforth.co.uk).

### Benchmark: NSCI (XIC)

The Fund's benchmark and primary investment universe is the Numis Smaller Companies Index (excluding Investment Companies). This index is rebalanced every January and its current profile is:

Number of companies	337
Total market value	£174bn
Largest constituent	£2.3bn
Largest constituent (if rebalanced at Factsheet date)	£1.5bn

### Key Fund information

Total investments	£264m
Number of investments	82
Active share	75.6%
Total net assets	£270m
Issue price (Acc)	£258.91
Cancellation price (Acc)	£254.51
Issue price (Inc)	£200.12
Cancellation price (Inc)	£196.72
Launch date	20 Mar 91
Next year-end	31 Dec 17

### Fees & charges

Ongoing charges (at 30 Jun 17 & includes Management fee)	0.78%
Management fee	0.75%
Performance fee	None
Initial/exit charges	0%
Dealing spread	1.71%

### Yield & distributions (Inc units)

Yield	2.5%
Interim distribution (paid 31 Aug 17)	303.3928p
Final distribution (paid 28 Feb 17)	184.6361p

### Objective

The Fund's objective is to achieve a total return greater than that of the NSCI (XIC) over the long term by investing in a diversified portfolio of small UK quoted companies.

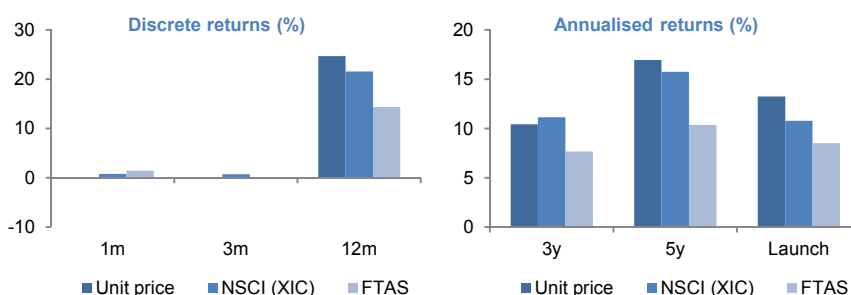
### Investment style: Value

Aberforth are value investors who buy shares in companies that they calculate to be selling below their intrinsic value. This is determined through detailed financial and industrial analysis, combined with a valuation approach that focuses on both stockmarket and corporate worth.

### Investment performance (annualised total returns)

Growth (%)	1m	3m	12m	3y	5y	Launch
Unit price	0.0	0.1	24.7	10.4	16.9	13.3
NSCI (XIC)	0.8	0.7	21.6	11.1	15.8	10.8
FTAS	1.4	0.0	14.3	7.7	10.4	8.5

Notes: 1m & 3m returns not annualised; Launch date = 20 Mar 91; Unit price = Cancellation price of the Fund's Accumulation units; FTAS = FTSE All-Share Index.



### Investment commentary

The NSCI (XIC) generated a total return of 0.8% in August, which lagged the FTSE All-Share's return of 1.4%. The Fund was flat and thus under-performed the benchmark. Style influences were balanced. Dollar weakness, positive economic output from Europe and strong Chinese demand were in the value style's favour, but these factors were offset by risk aversion stemming from terror attacks, North Korean missile tests and the continued soap opera of the US administration. Meanwhile, the incidence of profit warnings across the market rose: the disappointments came from a variety of sectors but revealed a skew to domestic UK businesses, perhaps a delayed effect of last year's referendum.

At the stock level, Anglo Pacific, the mining royalty company, and McColl's, the convenience store operator, were the top performers, both reporting strong results. McColl's also announced a new supply chain partnership with Morrisons, which should improve their product offering. Vesuvius, the metal flow engineer, continues to benefit from sterling weakness and improving global economic growth. Meanwhile, Computacenter was buoyed by a positive trading update and the promise of a sizeable special dividend.

EnQuest, SDL and Gulf Marine Services were the main detractors from relative performance: all warned that profits would be lower than expectations. EnQuest, the North Sea oil producer, delivered its floating production vessel on time and budget. This is an important achievement, but commissioning is taking longer than expected. SDL, the translation software company, disappointed as margins were squeezed by an unexpected increase in the use of freelance translators. Gulf Marine, which rents support vessels to oil producers, was affected by contract delays.

### Top 10 equity investments

Name	Activity	%
Vesuvius	Metal flow engineering	3.7
FirstGroup	Bus & rail operator	3.0
Bovis Homes Group	Housebuilding	2.9
Brewin Dolphin Holdings	Private client fund manager	2.6
Coats Group	Manufacture of threads	2.5
TT Electronics	Sensors & other electronic components	2.3
Vitec Group	Photographic & broadcast accessories	2.2
Nostrum Oil & Gas	Oil & gas exploration and production	2.2
RPS Group	Energy & environmental consulting	2.1
Computacenter	IT services	2.1

## Risk warnings

- Capital may be at risk as the value of investments may go down as well as up and is not guaranteed; therefore investors may not get back the amount originally invested. Past performance is not a guide to future performance, or a reliable indicator of future results or performance.
- Investments in shares of smaller companies are generally considered to carry a higher degree of risk as the market for their shares may be less liquid than that for shares of larger companies, making shares of smaller companies more difficult to buy and sell.
- The performance of shares of smaller companies may be more volatile than the shares of larger companies over short time periods; therefore investors should regard such investments as long term.
- There can be no guarantee that the investment objective of the Fund will be achieved or provide the returns sought by the Fund.
- The dealing spread of the Fund, which represents the difference between the buying and selling prices, will have an impact on the realisable value of any investment made in the Fund, particularly in the short term. To mitigate the impact of capital erosion, investors should regard investments in the Fund as long term.

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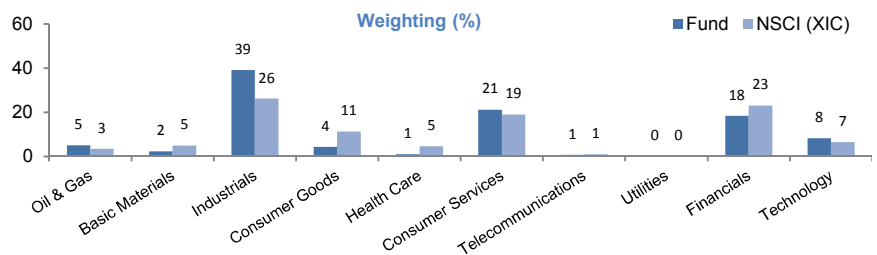
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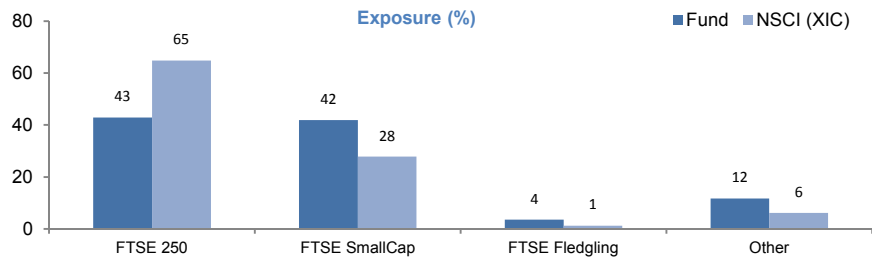
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## Sector exposure



## Size exposure



## Standardised past performance

Discrete total return performance over 12 month periods to 30 June:

Growth (%)	2017	2016	2015	2014	2013
Unit price	34.4	-14.5	13.5	30.5	33.3
NSCI (XIC)	29.1	-6.6	10.4	20.3	31.8

Notes: the table above is updated on a calendar quarter basis in accordance with the Financial Conduct Authority's regulations; Unit price = Cancellation price of the Fund's Accumulation units.

## Dealing & pricing information

Dealings in the Fund normally take place every business day between 9.00am and the Valuation Point that day - normally 4.30pm. Orders may be placed by calling the Fund's Dealing Line on 0345 608 0940 or contacting Aberforth using the details in the Subscribe & contact section.

The dealing spread shown in the Fees & charges section is the difference between the Issue and Cancellation prices and reflects the underlying spread on the Fund's portfolio.

## Data sources & calculations

All data supplied by Aberforth, except NSCI (XIC) data (from Numis/Paul Marsh and Elroy Dimson – London Business School) and FTSE data (from FTSE International Limited).

Performance returns are total returns after all expenses and assume reinvestment of dividends. Yield is based on the Fund's trailing 12 months dividends. Active share is a measure of how the Fund's portfolio differs from the NSCI (XIC). Small companies are represented by NSCI (XIC). Large companies are represented by FTAS.

## Security codes

Acc units	SEDOL: 0007272	ISIN: GB0000072727	MEXID: HIUKSC
Inc units	SEDOL: B2N9GS7	ISIN: GB00B2N9GS70	MEXID: HIUKSI

## Subscribe & contact

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