



Aberforth UK Small Companies Fund

Monthly Factsheet

31 August 2019

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 seven fund managers:

Sam Ford	Jeremy Hall
Euan Macdonald	Keith Muir
Peter Shaw	Christopher Watt
Alistair Whyte	

Further information on the investment team is available at www.aberforth.co.uk.

Benchmark: NSCI (XIC)

The Fund's benchmark and primary investment universe is the Numis Smaller Companies Index (excluding Investment Companies). More information on the use of this benchmark can be found in the Investment Strategy section of the Fund's Prospectus. This index is rebalanced every January and its profile at the date of this Factsheet was:

Number of companies	344
Total market value	£147bn
Largest constituent	£2.1bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

Key Fund information

Total investments	£173m
Number of investments	78
Active share	78.2%
Total net assets	£173m
Issue price (Acc)	£245.70
Cancellation price (Acc)	£240.41
Issue price (Inc)	£179.32
Cancellation price (Inc)	£175.46
Launch date	20 Mar 91
Next year-end	31 Dec 19

Fees & charges

Ongoing charges (at 30 Jun 19 & includes Management fee)	0.78%
Management fee	0.75%
Performance fee	None
Initial/exit charges	0%
Dealing spread	2.18%

Yield & distributions (Inc units)

Yield	3.1%
Interim distribution (paid 30 Aug 19)	279.1645p
Final distribution (paid 28 Feb 19)	262.5189p

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.

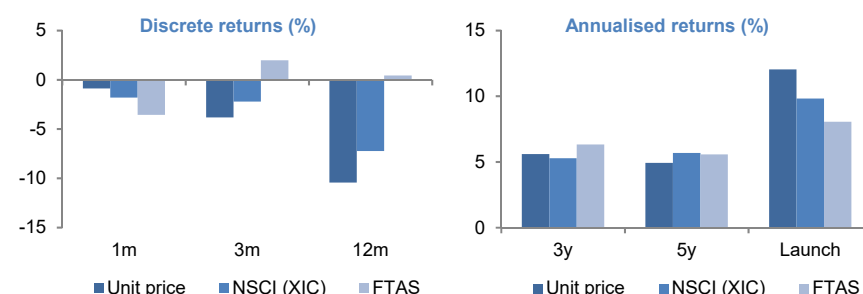
Investment style: Value

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	-0.9	-3.8	-10.4	5.6	4.9	12.0
NSCI (XIC)	-1.8	-2.2	-7.2	5.3	5.7	9.8
FTAS	-3.6	2.0	0.4	6.3	5.6	8.1

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 effects of the trade war continue to emerge, with Germany's export-oriented economy perhaps the most significant victim to date. The uncertainty of Brexit brings additional uncertainty to UK assets. The FTSE All-Share's return was -3.6%, which compares with -1.8% for the NSCI (XIC). The Fund proved slightly more resilient with a -0.9% return, aided by a better month for the value investment style. Size exposure was, however, unhelpful: the share prices of "smaller small" companies, presently favoured by the Fund, struggled relative to the NSCI (XIC)'s larger constituents.

Turning to stocks, performance was assisted by FirstGroup: the announcement of an experienced new chairman promises a fresh look at the company's structure and strategy. Mitchells & Butlers, the pub operator, was buoyed by further M&A activity in the sector, this time in the form of an overseas bid for Greene King. Also noteworthy was Ultra Electronics, whose interim results confirmed the improvement in trading conditions.

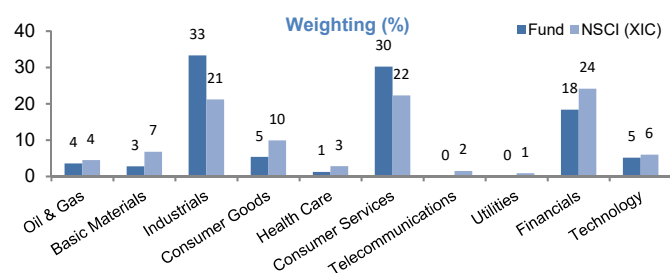
Among the losers, two of the most significant were the oil companies EnQuest and Nostrum Oil & Gas: sentiment towards these was affected by the weakness of the oil price in the month. Meanwhile, the price of Huntsworth, the PR business, fell despite decent interim results at the end of the previous month.

Sam Ford has joined the investment team. He previously managed UK equity portfolios for M&G, prior to which he was an investment manager with Alliance Trust.

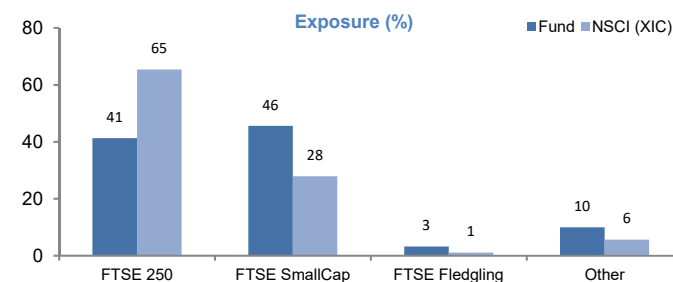
Top 10 equity investments

Name	Activity	%
FirstGroup	Bus & rail operator	4.5
Urban&Civic	Property - investment & development	3.6
Ultra Electronics Holdings	Specialist electronic & software technologies	3.4
Mitchells & Butlers	Operator of restaurants, pubs & bars	3.3
Future	Special interest consumer publisher	3.3
Brewin Dolphin Holdings	Private client fund manager	2.9
Ei Group	Leased & managed pub operator	2.9
Grainger	Property - residential rentals	2.8
Vitec Group	Photographic & broadcast accessories	2.6
SDL	Software - translation & content management	2.3

Sector exposure



Size exposure



Dealing & pricing information

Dealings in the Fund normally take place every business day between 9.00am and the Valuation Point that day - usually 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 the NSCI (XIC). Large companies are represented by the FTAS.

Standardised past performance

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

Growth (%)	2019	2018	2017	2016	2015
Unit price	-10.1	9.6	34.4	-14.5	13.5
NSCI (XIC)	-5.4	7.6	29.1	-6.6	10.4

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.

Security codes & other information

Acc units	Inc units	Other information
SEDOL: 0007272	SEDOL: B2N9GS7	Launched: 20 Mar 91
ISIN: GB0000072727	ISIN: GB00B2N9GS70	Next year-end: 31 Dec 19
MEXID: HIUKSC	MEXID: HIUKSI	LEI: 213800ONHC5DGL7RPF30

Subscribe & contact

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(T) 0131 220 0733 [\(E\) investors@aberforth.co.uk](mailto:investors@aberforth.co.uk)

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, nor 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.

An investment in the Fund is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise from such an investment (which may be equal to the whole amount invested). Such an investment should be regarded as long term in nature and complementary to existing investments in a range of other financial assets and should not form a major part of an investment portfolio.

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.

Neither Aberforth Partners LLP or Aberforth Unit Trust Managers Limited provide retail investors with investment advice.

This document has been issued for information purposes only. It does not contain any investment recommendations or an invitation to invest in the Fund. Investors should seek advice from an authorised financial adviser prior to making investment decisions.

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