



Aberforth UK Small Companies Fund

Monthly Factsheet

31 August 2020

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	328
Total market value	£120bn
Largest constituent	£2.4bn
Largest constituent if index rebalanced at Factsheet date	£1.4bn

Key Fund information

Total investments	£97m
Number of investments	78
Active share	81.2%
Total net assets	£98m
Issue price (Acc)	£191.61
Cancellation price (Acc)	£187.17
Issue price (Inc)	£137.45
Cancellation price (Inc)	£134.26
Launch date	20 Mar 91
Next year-end	31 Dec 20

Fees & charges

Ongoing charges (at 30 Jun 20 & includes Management fee)	0.84%
Management fee	0.75%
Performance fee	None
Initial/exit charges	0%
Dealing spread	2.34%

Yield & distributions (Inc units)

Yield	2.4%
Interim distribution (paid 28 Aug 20)	58.0017p
Final distribution (paid 28 Feb 20)	272.3161p

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.

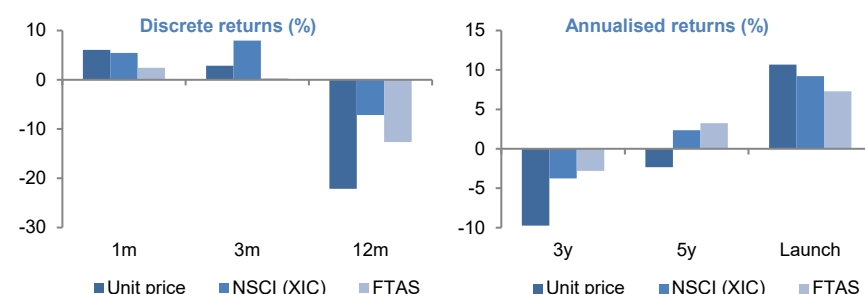
Investment style: Value

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	6.1	2.8	-22.1	-9.7	-2.3	10.7
NSCI (XIC)	5.5	7.9	-7.1	-3.8	2.3	9.2
FTAS	2.4	0.3	-12.6	-2.8	3.2	7.3

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.



Monthly investment commentary: August

Global equities continued their recovery in August, buoyed by improving forward looking economic indicators. The FTSE All-Share rose by 2.4% but lagged the technology heavy US stockmarket. Smaller companies, however, fared better than their larger peers as the appetite for cyclicals improved and the index was unburdened by concentrated positions in oil and gas and pharmaceutical mega caps. The NSCI (XIC) rose by 5.5% and the Fund returned 6.1%. Consistent with recent style trends, value underperformed growth in the month. Positive stock selection in the portfolio was the core driver of the Fund's out-performance.

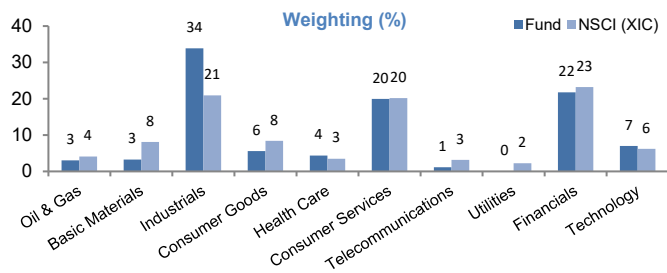
Despite the coronavirus-induced shock to economic growth, the on-going results season evidences that companies are addressing liquidity issues and are looking through the downturn to the inevitable recovery. Provident Financial rose in response to interim results that showcased the funding strength of the group relative to competition. The business should be well positioned to benefit from enhanced demand across consumer finance markets. Elsewhere, M&A activity is showing signs of a return. Following a strong operational update, translation solutions provider SDL was subject to an agreed all share bid by larger rival RWS. Despite the optics of a 50% premium, subsequent declines in the share price of RWS have compressed the uplift and leave the attractions of the deal fluid. Meanwhile, having been particularly affected by lockdown, FirstGroup responded well to news of extended government support as the company awaits a recovery in public transport passenger volumes.

Detracting from performance were Premier Oil, which signalled a larger than expected equity raise to appease creditors, and RM, demand for whose services is about to be tested by the re-opening of schools. More broadly, there is an expectation that equity issuance will continue as the results season progresses.

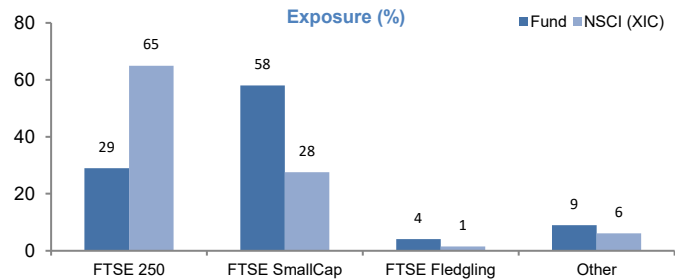
Top 10 equity investments

Name	Activity	%
SDL	Software - translation & content management	4.0
Provident Financial	Personal credit provider	3.3
CMC Markets	Financial derivatives dealer	2.9
Brewin Dolphin Holdings	Private client fund manager	2.8
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.7
Urban&Civic	Property - investment & development	2.5
Vectura Group	Inhaled pharmaceuticals - respiratory specialism	2.5
Vesuvius	Metal flow engineering	2.4
Wincanton	Logistics	2.3
SIG	Specialist building products distributor	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 (%)	2020	2019	2018	2017	2016
Unit price	-23.8	-10.1	9.6	34.4	-14.5
NSCI (XIC)	-15.0	-5.4	7.6	29.1	-6.6

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 20
MEXID: HIUKSC	MEXID: HIUKSI	LEI: 213800ONHC5DGL7RPF30

Subscribe & contact

If you wish to subscribe to this Factsheet, or have any queries regarding its content, please contact Aberforth's Investor Support team:

(T) 0131 220 0733

(E) investors@aberforth.co.uk

Risk warnings

COVID-19 virus – in the context of market price risk, please note the exceptional circumstances arising from the COVID-19 pandemic and the responses to it. These have profoundly affected macro-economic activity, the operations of companies around the world and their stockmarket valuations. The universe of UK small quoted companies market invested in by the Fund, has seen a significant fall in its aggregate valuation due to the uncertainties arising from the spread of this virus. Aberforth Partners LLP and the Directors of Aberforth Unit Trust Managers Limited are closely monitoring market developments as the impact of the pandemic progresses.

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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