



# Aberforth UK Small Companies Fund

## Monthly Factsheet

31 August 2023

### 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:

Sam Ford	Jeremy Hall
Euan Macdonald	Rob Scott Moncrieff
Peter Shaw	Christopher Watt

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

### Benchmark: NSCI (XIC)

The Fund's primary investment universe is the Numis Smaller Companies Index (excluding Investment Companies). It is used as a target and comparator benchmark. The NSCI (XIC) index is rebalanced every January and its profile at the date of this Factsheet was:

Number of companies	334
Total market value	£135bn
Largest constituent	£2.8bn
Largest constituent if index rebalanced at Factsheet date	£1.7bn

### Key Fund information

Total investments	£131m
Number of investments	78
Active share	75.6%
Total net assets	£134m
Issue price (Acc)	£285.80
Cancellation price (Acc)	£280.45
Issue price (Inc)	£188.74
Cancellation price (Inc)	£185.21
Launch date	20 Mar 91
Next year-end	31 Dec 23

### Fees & charges

Ongoing charges (at 31 Dec 22 & includes Management fee)	0.83%
Management fee	0.75%
Performance fee	None
Initial/exit charges	0%
Dealing spread	1.89%

### Yield & distributions (Inc units)

Yield	3.8%
Interim distribution (paid 31 Aug 23)	365.7168p
Final distribution (paid 28 Feb 23)	337.1592p

### Objective

The investment objective of the Fund is to seek to achieve a total return, calculated on an income reinvested basis, greater than the Numis Smaller Companies Index (excluding Investment Companies) over the long term, with the focus on rolling five year periods.

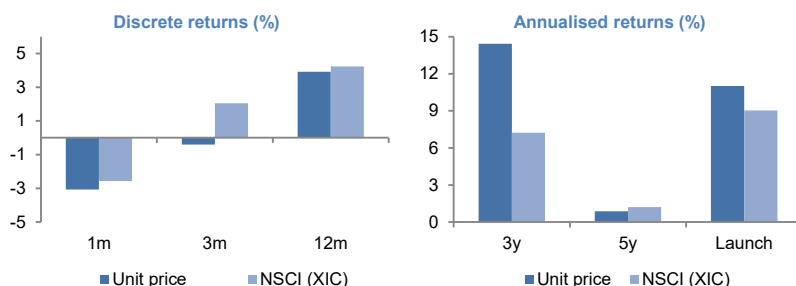
### Investment style: Value

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	-3.1	-0.4	3.9	14.4	0.9	11.0
NSCI (XIC)	-2.6	2.0	4.2	7.2	1.2	9.0

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



### Monthly investment commentary: August

Equity markets remain beholden to US monetary policy. The prospect of a turn in the interest rate cycle seemed more distant in August: US ten year bond yields rose above 4% to their highest level since 2007. The UK stockmarket also felt the effects of mounting pressure on the housing market. The FTSE All-Share's return was -2.5% while the NSCI (XIC) was down by 2.6% and the Fund by 3.1%. Style and size factors were not significant, which leaves it to individual stocks to explain performance.

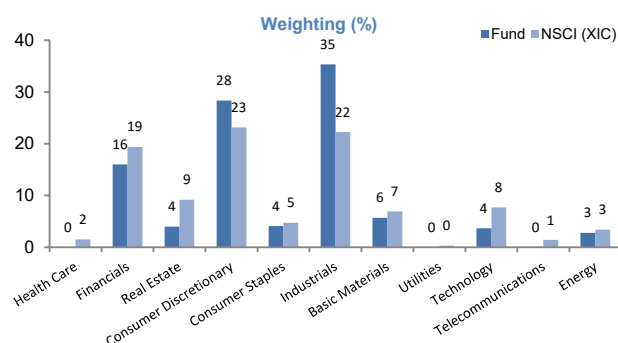
Shares in **CMC Markets** (financial derivatives dealer) fell in response to a profit warning. After updating on lower trading and investing revenues in July, weak market conditions continued through August. Higher operating costs are set to coincide with lower revenues, which will see profits squeezed this year. **Ricardo** (environmental & engineering consultant) was also a poor performer. There was no company specific news, but the share price decline in the month saw it give back some of its strong performance year-to-date.

On the positive side, **International Personal Finance** (home credit provider) added another good month to what has been a strong year so far. Half year results indicated that the business is performing well, with its receivables books rebuilding and good control on costs. Meanwhile, the share price of **SIG** (building products distribution) recovered from July's profit warning with a reassuring set of interim results. This adds to tentative evidence that, with valuations already very low, the share prices of housing related companies are not falling to the same extent as the profit downgrades.

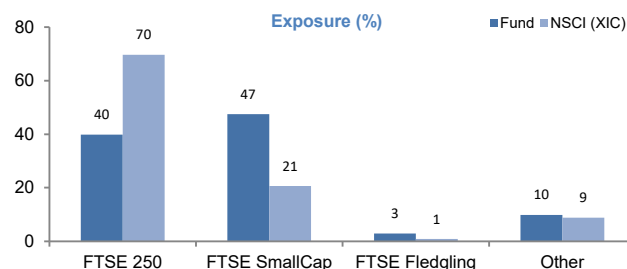
### Top 10 equity investments

Name	Activity	%
<b>FirstGroup</b>	Bus & rail operator	3.3
<b>Wilmington</b>	Business publishing & training	2.9
<b>Morgan Advanced Materials</b>	Manufacture of carbon & ceramic materials	2.6
<b>Vesuvius</b>	Metal flow engineering	2.6
<b>International Personal Finance</b>	Home credit provider	2.4
<b>Redde Northgate</b>	Van rental	2.4
<b>Wincanton</b>	Logistics	2.3
<b>Senior</b>	Aerospace & automotive engineering	2.2
<b>Just Group</b>	Individually underwritten annuities	2.1
<b>Card Factory</b>	Retailing - greetings cards	2.0

## 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).

## Standardised past performance

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

Growth (%)	2023	2022	2021	2020	2019
Unit price	8.0	-16.9	70.8	-23.8	-10.1
NSCI (XIC)	4.4	-17.2	49.8	-15.0	-5.4

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 23
MEXID: HIUKSC	MEXID: HIUKSI	LEI: 2138000NHCSDDL7RPF30

## 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](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.**

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