



Aberforth UK Small Companies Fund

Monthly Factsheet

31 January 2018

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.

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 profile at the date of this Factsheet was:

Number of companies	348
Total market value	£165bn
Largest constituent	£1.8bn
Largest constituent (if rebalanced at Factsheet date)	£1.5bn

Key Fund information

Total investments	£245m
Number of investments	86
Active share	76.2%
Total net assets	£246m
Issue price (Acc)	£264.67
Cancellation price (Acc)	£259.60
Issue price (Inc)	£202.29
Cancellation price (Inc)	£198.41
Launch date	20 Mar 91
Next year-end	31 Dec 18

Fees & charges

Ongoing charges (at 31 Dec 17 & includes Management fee)	0.79%
Management fee	0.75%
Performance fee	None
Initial/exit charges	0%
Dealing spread	1.93%

Yield & distributions (Inc units)

Yield	2.7%
Interim distribution (paid 31 Aug 17)	303.3928p
Final distribution (payable 28 Feb 18)	232.1606p

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.

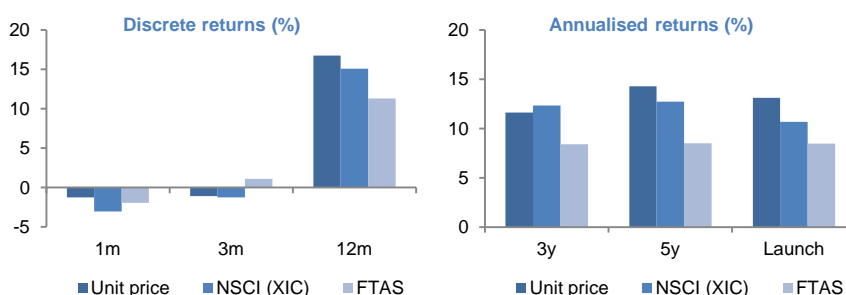
Investment style: Value

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	-1.2	-1.1	16.8	11.6	14.3	13.1
NSCI (XIC)	-3.1	-1.3	15.1	12.3	12.7	10.7
FTAS	-1.9	1.1	11.3	8.4	8.5	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

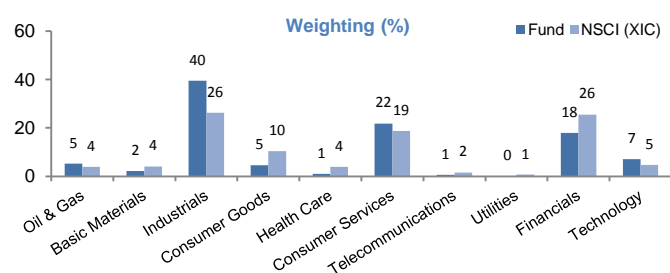
January was far from a quiet month for smaller companies, with the share prices of almost 30% of the NSCI (XIC)'s constituents moving up or down by at least 10%. The high incidence of profit warnings noted in recent commentaries continued, with several overseas companies now citing the effects of the weaker dollar. The NSCI (XIC) trailed the FTSE All-Share index by 1.2% in generating a total return of -3.1%. The Fund outperformed the benchmark by 1.9% in producing a return of -1.2%. Style factors counted for little, which might be considered surprising given the rise in bond yields over the month. However, the size factor was more influential: the NSCI (XIC)'s "smaller small" companies, in which the Fund has an over-weight position, performed more strongly than the larger constituents.

At stock level there were several notable winners. These included property development company Urban&Civic and North Sea oil producer EnQuest. The share price of the latter rose on expectation of success with the Kraken field, one of the cornerstones of the company's production portfolio. Specialist recruitment consultant Robert Walters' shares responded favourably to a trading update and engineered ceramics company Vesuvius outperformed the falling market. Not owning funeral services business Dignity helped the relative return as its share price fell sharply in the wake of a significant profits warning. Performance was hindered by floor coverings retailer Carpetright, with the share price falling in response to a warning of weak trading since the turn of the year. Specialist distributor Connect Group also issued a profit warning, reporting delays to contracts and weaker margins in its freight business; allied to that, the planned disposal of their Books division failed to complete. Annuity provider Just Group's price fell after placings of stock by private equity shareholders.

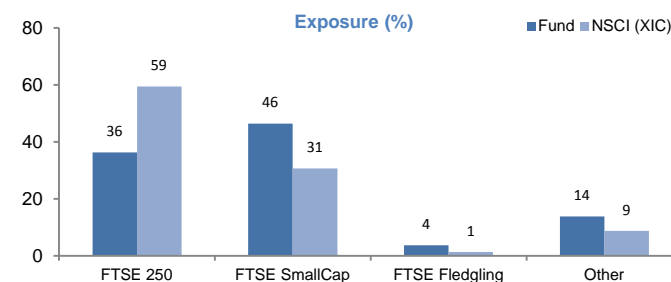
Top 10 equity investments

Name	Activity	%
Vesuvius	Metal flow engineering	3.6
Brewin Dolphin Holdings	Private client fund manager	2.7
FirstGroup	Bus & rail operator	2.6
Urban&Civic	Property - investment & development	2.5
Bovis Homes Group	Housebuilding	2.4
Robert Walters	Recruitment	2.4
Vitec Group	Photographic & broadcast accessories	2.4
Keller Group	Ground engineering services	2.3
Coats Group	Manufacture of threads	2.3
Huntsworth	Public relations	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 - 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 the NSCI (XIC). Large companies are represented by the FTAS.

Standardised past performance

Discrete total return performance over 12 month periods to 31 December:

	2017	2016	2015	2014	2013
Growth (%)					
Unit price	21.6	5.6	10.3	-0.2	49.4
NSCI (XIC)	19.5	11.1	10.6	-1.9	36.9

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 18
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)
(F) 0131 220 0735

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.

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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