



# Aberforth UK Small Companies Fund

## Monthly Factsheet

31 July 2024

### 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      | Rowan Marron |
| Rob Scott Moncrieff | Peter Shaw   |

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

### Benchmark: DNSCI (XIC)

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

|   |        |
|---|--------|
| Number of companies                                       | 337    |
| Total market value  | £155bn |
| Largest constituent                                       | £2.5bn |
| Largest constituent if index rebalanced at Factsheet date | £1.8bn |

### Key Fund information

|                          |           |
|--------------------------|-----------|
| Total investments        | £164m     |
| Number of investments    | 79        |
| Active share             | 73.0%     |
| Total net assets         | £169m     |
| Issue price (Acc)        | £367.46   |
| Cancellation price (Acc) | £361.11   |
| Issue price (Inc)        | £234.25   |
| Cancellation price (Inc) | £230.20   |
| Launch date              | 20 Mar 91 |
| Next year-end            | 31 Dec 24 |

### Fees & charges

|  |       |
|--|-------|
| Ongoing charges (at 31 Dec 23 & includes Management fee) | 0.82% |
| Management fee   | 0.75% |
| Performance fee  | None  |
| Initial/exit charges                                     | 0%    |
| Dealing spread   | 1.74% |

### Yield & distributions (Inc units)

|  |           |
|--|-----------|
| Yield                                    | 3.2%      |
| Interim distribution (payable 30 Aug 24) | 356.8716p |
| Final distribution (paid 28 Feb 24)      | 392.8468p |

### Objective

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

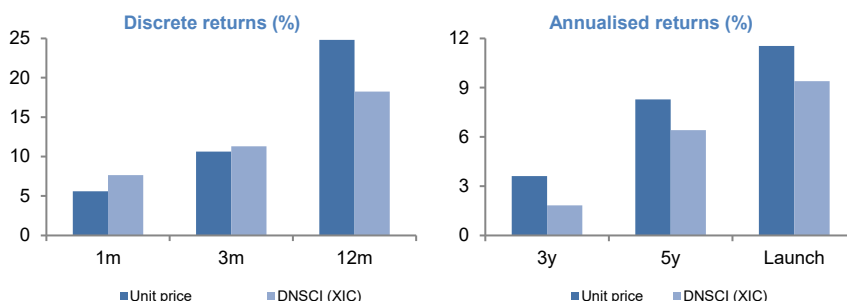
### Investment style: Value

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  | 5.6 | 10.6 | 24.8 | 3.6 | 8.3 | 11.5   |
| DNSCI (XIC) | 7.7 | 11.3 | 18.2 | 1.8 | 6.4 | 9.4    |

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



### Monthly investment commentary: July

In a month that began with the election of a new government, July was positive for the UK equity market. It outperformed its global peers, with the large-cap dominated FTSE All-Share rising by 3.1%. Within the Fund's opportunity set, "larger small" companies tend to lead the way against "smaller smalls" during sharp market rallies. This was in evidence in the DNSCI (XIC)'s 7.7% jump in July. The Fund, which has a relatively low exposure to the "larger smalls", generated a total return of 5.6%.

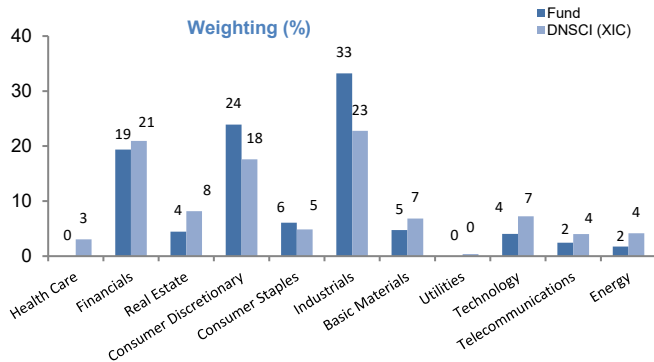
The Fund's laggards included **Robert Walters**, the recruiter. A trading update detailed the difficult conditions the sector continues to face and pushed out the expectations for any material improvement in trading. **XP Power**, the power controls manufacturer, was weak in the wake of a takeover approach from Advanced Energy falling away in June. Sticking to the theme of heightened M&A interest in the UK market, not owning Ascential in the Fund hindered relative performance after the company received a takeover bid from Informa.

Leading positive contributors were **Galliford Try**, the contractor, and **Marston's**, the pub company. Galliford released an update that pointed to its performance for the full year reaching the top end of expectations and presented a positive trading outlook. Marston's had a busy month, starting with the appointment of Ken Lever as chairman. The sale of its stake in the brewing JV to Carlsberg was announced, which helped to reduce the company's debt. Finally, a trading update confirmed the business was on track to meet year end expectations.

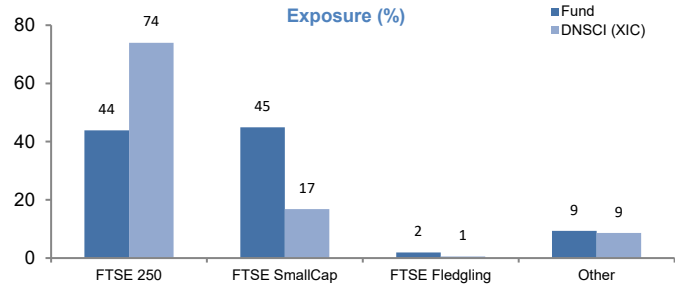
### Top 10 equity investments

| Name                           | Activity                                  | %   |
|--------------------------------|---|-----|
| Wilmington                     | Business publishing & training            | 3.1 |
| CMC Markets                    | Financial derivatives trading platform    | 3.0 |
| Morgan Advanced Materials      | Manufacture of carbon & ceramic materials | 3.0 |
| Just Group                     | Annuity provider                          | 2.6 |
| ZIGUP                          | Van rental                                | 2.6 |
| International Personal Finance | Home credit provider                      | 2.5 |
| Bakkavor Group                 | Food manufacturer                         | 2.4 |
| Centamin                       | Gold miner                                | 2.2 |
| Mitchells & Butlers            | Operator of restaurants, pubs & bars      | 2.1 |
| Crest Nicholson Holdings       | Housebuilding                             | 2.1 |

## 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 DNSCI (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 DNSCI (XIC). Small companies are represented by the DNSCI (XIC).

## Standardised past performance

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

| Growth (%)  | 2024 | 2023 | 2022  | 2021 | 2020  |
|-------------|------|------|-------|------|-------|
| Unit price  | 21.1 | 8.0  | -16.9 | 70.8 | -23.8 |
| DNSCI (XIC) | 14.5 | 4.4  | -17.2 | 49.8 | -15.0 |

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 24  |
| 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](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.

Further information on the Fund, including the Key Investor Information Document, is available on request or via the Aberforth website [www.aberforth.co.uk](http://www.aberforth.co.uk).

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

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