



# Aberforth UK Small Companies Fund

## Monthly Factsheet

31 July 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](http://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	£113bn
Largest constituent	£2.4bn
Largest constituent if index rebalanced at Factsheet date	£1.3bn

### Key Fund information

Total investments	£95m
Number of investments	79
Active share	81.1%
Total net assets	£94m
Issue price (Acc)	£180.98
Cancellation price (Acc)	£176.46
Issue price (Inc)	£129.82
Cancellation price (Inc)	£126.58
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	2.53%

### Yield & distributions (Inc units)

Yield	2.6%
Interim distribution (payable 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.

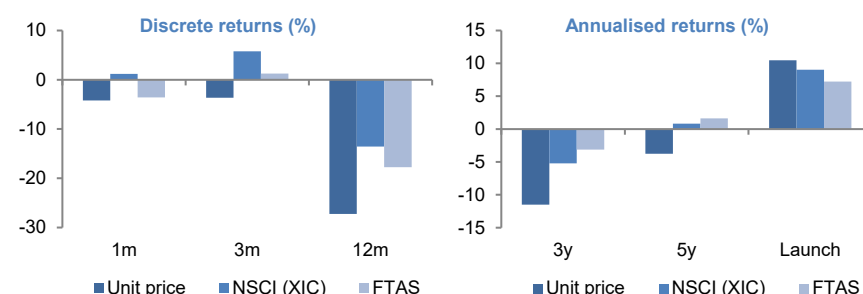
### Investment style: Value

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	-4.2	-3.7	-27.2	-11.5	-3.8	10.5
NSCI (XIC)	1.2	5.8	-13.6	-5.2	0.8	9.0
FTAS	-3.6	1.2	-17.8	-3.1	1.6	7.2

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: July

Most equity markets rose during the month, responding to a large EU stimulus package alongside improving economic data. The FTSE All-Share fell by 3.6%, hindered by its exposure to oil & gas and banks. Less encumbered in this respect, the NSCI (XIC) gained 1.2%. The Fund's return was -4.2%. Style was the most significant influence on the under-performance. Despite tentative signs of a rotation to value in late May and early June, value trailed growth in July. Size offered no mitigation since the "smaller smalls", presently favoured by the Fund, trailed the larger constituents of the NSCI (XIC).

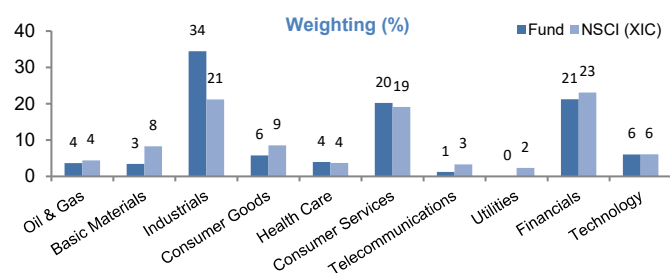
Turning to stocks, amid the market's enthusiasm for growth companies, Kainos, S4 Capital, Integrafina and Pets at Home all performed especially well and detracted from the relative return. Among the holdings, Premier Oil was weak. Despite reiterating production guidance, focus was on its acquisition of BP assets and the associated equity raise and refinancing. Meanwhile, bus and rail operator FirstGroup fell in response to results and news publisher Reach fell in the wake of a trading update. Elsewhere, brick manufacturer Forterra performed poorly following a 14% equity placing. More generally, equity issues from companies affected by the Covid-19 recession are expected to continue through the third quarter, with August likely to be busy as many companies announce their results.

More positively, CMC Markets and inkjet printing technology group Xaar responded well to robust trading updates.

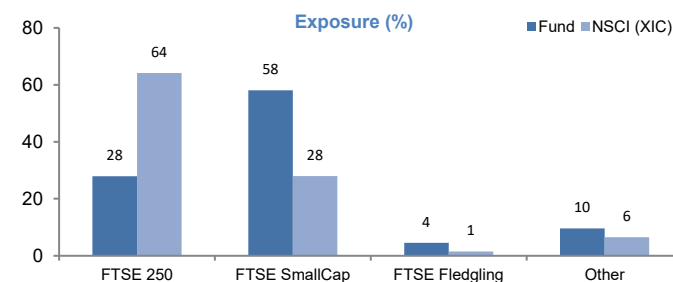
### Top 10 equity investments

Name	Activity	%
CMC Markets	Financial derivatives dealer	3.2
Brewin Dolphin Holdings	Private client fund manager	3.0
SDL	Software - translation & content management	2.7
Robert Walters	Recruitment	2.7
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.6
Urban&Civic	Property - investment & development	2.6
Vesuvius	Metal flow engineering	2.5
Future	Special interest consumer publisher	2.4
Vectura Group	Inhaled pharmaceuticals - respiratory specialism	2.3
TI Fluid Systems	Automotive parts manufacturer	2.2

## 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](mailto: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.**

**Aberforth Partners LLP and Aberforth Unit Trust Managers Limited are authorised & regulated by the Financial Conduct Authority in the UK.**

FTSE® is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data and no party may rely on any FTSE indices, ratings and/or underlying data contained in this communication. No further distribution of FTSE data is permitted without FTSE's express written consent. FTSE does not promote, sponsor or endorse the content of this communication.