



# Aberforth UK Small Companies Fund

## Monthly Factsheet

30 June 2021

### 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    |
| Sonya Kim        | Euan Macdonald |
| Keith Muir       | 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 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                                       | 324    |
| Total market value  | £163bn |
| Largest constituent                                       | £3.5bn |
| Largest constituent if index rebalanced at Factsheet date | £1.6bn |

### Key Fund information

|                          |           |
|--------------------------|-----------|
| Total investments        | £223m     |
| Number of investments    | 77        |
| Active share             | 75.6%     |
| Total net assets         | £241m     |
| Issue price (Acc)        | £320.29   |
| Cancellation price (Acc) | £314.61   |
| Issue price (Inc)        | £228.30   |
| Cancellation price (Inc) | £224.25   |
| Launch date              | 20 Mar 91 |
| Next year-end            | 31 Dec 21 |

### Fees & charges

|  |       |
|--|-------|
| Ongoing charges (at 31 Dec 20 & includes Management fee) | 0.83% |
| Management fee   | 0.75% |
| Performance fee  | None  |
| Initial/exit charges                                     | 0%    |
| Dealing spread   | 1.79% |

### Yield & distributions (Inc units)

|  |           |
|--|-----------|
| Yield                                    | 0.8%      |
| Interim distribution (payable 31 Aug 21) | 220.9820p |
| Final distribution (paid 26 Feb 21)      | 111.9923p |

### 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.

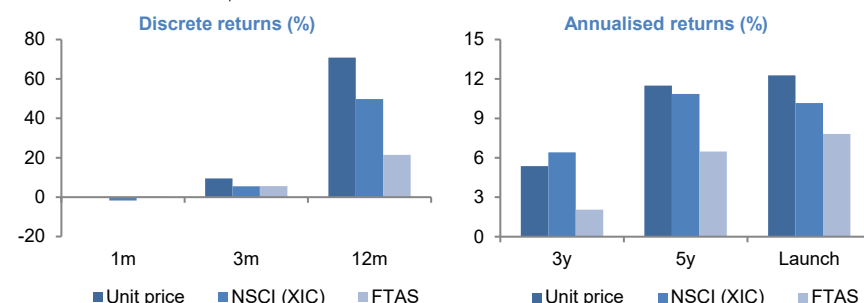
### Investment style: Value

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 | -0.4 | 9.5 | 70.8 | 5.4 | 11.5 | 12.3   |
| NSCI (XIC) | -1.7 | 5.5 | 49.8 | 6.4 | 10.9 | 10.2   |
| FTAS       | 0.2  | 5.6 | 21.5 | 2.0 | 6.5  | 7.8    |

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: June

The themes of reflation and re-opening, which have dominated financial markets since the vaccine announcements, were challenged in June. In the US, the Fed sought to reassure investors that it was on top of inflationary risks – bond yields dropped and the S&P 500 rose, led by the FANGs. In the UK, the FTSE All-Share was up by 0.2%, but the NSCI (XIC) fell by 1.7%. The Fund's decline of 0.4% was less severe, despite the value style lagging growth. For another month, the Fund was helped by its greater exposure to the NSCI (XIC)'s smaller, and more attractively valued companies, which out-performed their mid cap peers.

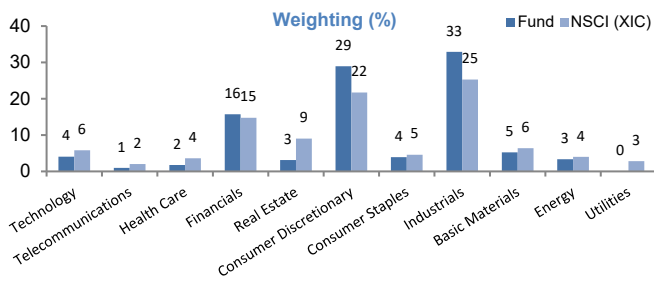
Among the holdings, the biggest winners had little in common, besides attractive valuations. **Reach**, the news publisher, made no announcements but continues to benefit from the stockmarket's reappraisal of its evolving on-line offering. **EnQuest**, the oil producer, was buoyed by the persistent strength of the oil price and by a refinancing that was structured alongside an acquisition. Finally, **RPS**'s consulting businesses were seen as well-placed for governments' spending programmes and a recovery in corporate investment.

The Fund's principal laggards were **SIG** (the building products distributor), **Just Group** (the annuity provider) and **Rank Group** (the gambling operator). There was no news from these companies in June, but they are united by their exposure to the re-opening of the UK economy. This has helped all three enjoy strong recoveries over the past eight months and against such a backdrop a pause for breath is perhaps unsurprising.

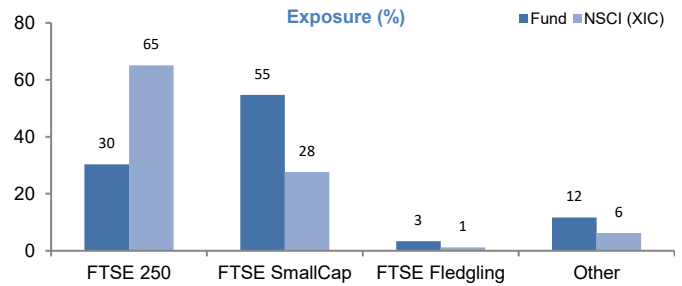
### Top 10 equity investments

| Name                             | Activity                                  | %   |
|----------------------------------|---|-----|
| <b>Reach</b>                     | UK newspaper publisher                    | 4.3 |
| <b>Redde Northgate</b>           | Van rental                                | 2.8 |
| <b>Morgan Advanced Materials</b> | Manufacture of carbon & ceramic materials | 2.7 |
| <b>Vitec Group</b>               | Photographic & broadcast accessories      | 2.6 |
| <b>Wincanton</b>                 | Logistics                                 | 2.6 |
| <b>TI Fluid Systems</b>          | Automotive parts manufacturer             | 2.5 |
| <b>Robert Walters</b>            | Recruitment                               | 2.5 |
| <b>SIG</b>                       | Specialist building products distributor  | 2.4 |
| <b>Brewin Dolphin Holdings</b>   | Private client fund manager               | 2.4 |
| <b>FirstGroup</b>                | Bus & rail operator                       | 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 2021:

| Growth (%) | 2021 | 2020  | 2019  | 2018 | 2017 |
|------------|------|-------|-------|------|------|
| Unit price | 70.8 | -23.8 | -10.1 | 9.6  | 34.4 |
| NSCI (XIC) | 49.8 | -15.0 | -5.4  | 7.6  | 29.1 |

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 21  |
| MEXID: HIUKSC      | MEXID: HIUKSI      | LEI: 2138000NHC5DGL7RPF30 |

## 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. 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 recommendation 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.