



# Aberforth UK Small Companies Fund

## Monthly Factsheet

**30 September 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](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). This index is rebalanced every January and its profile at the date of this Factsheet was:

Number of companies	339
Total market value	£158bn
Largest constituent	£1.9bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

### Key Fund information

Total investments	£175m
Number of investments	84
Active share	75.9%
Total net assets	£179m
Issue price (Acc)	£269.86
Cancellation price (Acc)	£265.07
Issue price (Inc)	£203.12
Cancellation price (Inc)	£199.51
Launch date	20 Mar 91
Next year-end	31 Dec 18

### Fees & charges

Ongoing charges (at 30 Jun 18 & includes Management fee)	0.80%
Management fee	0.75%
Performance fee	None
Initial/exit charges	0%
Dealing spread	1.79%

### Yield & distributions (Inc units)

Yield	2.7%
Interim distribution (paid 31 Aug 18)	318.8306p
Final distribution (paid 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.

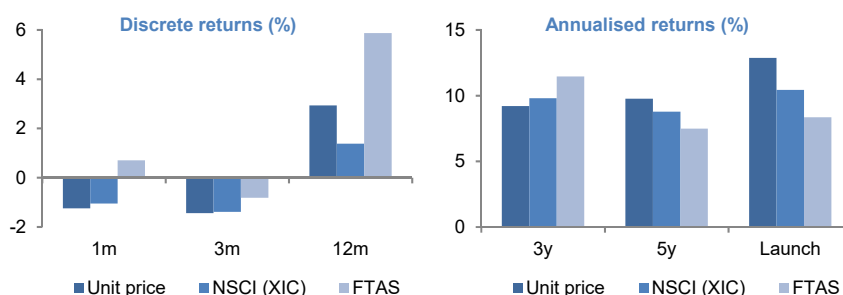
### Investment style: Value

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	-1.4	2.9	9.2	9.8	12.9
NSCI (XIC)	-1.1	-1.4	1.4	9.8	8.8	10.4
FTAS	0.7	-0.8	5.9	11.5	7.5	8.4

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

September was a weak month for smaller companies: the NSCI (XIC) generated a return of -1.1%, which may be compared with a 0.7% gain for the FTSE All-Share. The divergence reflected Brexit continuing to dominate the UK's macro-economic discourse, this hindering the more domestically orientated NSCI (XIC). Allied to that, commodities stocks rallied after a weak period, hampering the small and mid-cap indices in relation to the FTSE 100. The Fund generated a total return of -1.2%. Size and style dynamics were modestly favourable over the month. The more important influence on performance was the fortunes of individual stocks.

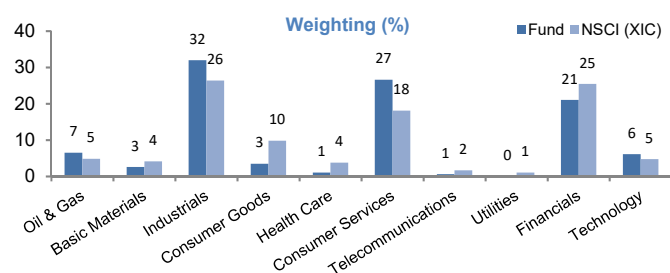
Performance was hindered by performance materials manufacturer Low & Bonar. It warned that higher raw material costs and increased competition would reduce profits. Meanwhile, specialist recruitment consultant Robert Walters succumbed to profit taking in September and consumer lender Non-Standard Finance was also a weak performer. Non-holding SolGold was the other notable impact: the miner announced that BHP Billiton had acquired a minority stake.

However, non-holdings in miners were not exclusively unhelpful: avoiding Sirius Minerals, which is incurring greater costs in developing its potash mine, boosted relative performance. Among the holdings, the share prices of Future, the media company, and Vitec, the photography supplier, responded favourably to trading updates. Elsewhere, an absence of news did not prevent the share price of telecoms test company Spirent generating a double-digit return.

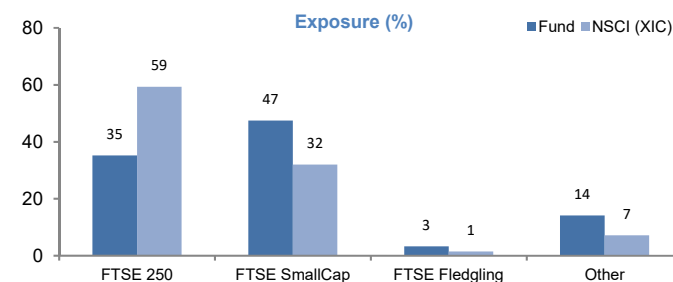
### Top 10 equity investments

Name	Activity	%
Urban&Civic	Property - investment & development	3.0
Future	Special interest consumer publisher	2.8
Keller Group	Ground engineering services	2.7
FirstGroup	Bus & rail operator	2.6
Brewin Dolphin Holdings	Private client fund manager	2.6
Vitec Group	Photographic & broadcast accessories	2.5
Robert Walters	Recruitment	2.5
Spirent Communications	Telecoms test equipment	2.4
Grainger	Property - residential rentals	2.4
EnQuest	Oil & gas exploration and production	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 30 September:

Growth (%)	2018	2017	2016	2015	2014
Unit price	2.9	25.8	0.6	8.5	12.8
NSCI (XIC)	1.4	20.2	8.6	9.9	4.7

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

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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