



# Aberforth UK Small Companies Fund

## Monthly Factsheet

30 September 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	325
Total market value	£119bn
Largest constituent	£2.9bn
Largest constituent if index rebalanced at Factsheet date	£1.3bn

### Key Fund information

Total investments	£93m
Number of investments	79
Active share	81.3%
Total net assets	£93m
Issue price (Acc)	£185.03
Cancellation price (Acc)	£180.65
Issue price (Inc)	£132.73
Cancellation price (Inc)	£129.59
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	2.40%

### Yield & distributions (Inc units)

Yield	2.5%
Interim distribution (paid 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.

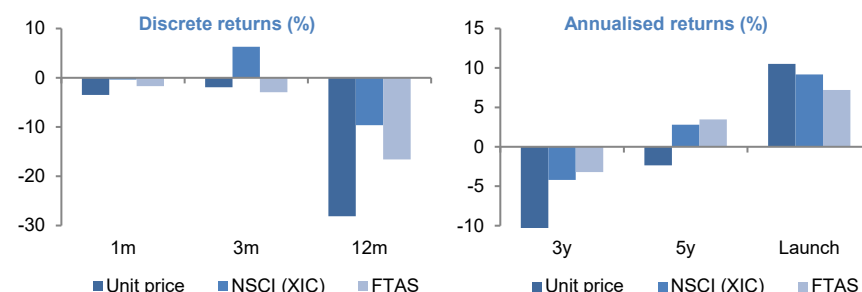
### Investment style: Value

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	-3.5	-1.9	-28.1	-11.1	-2.4	10.5
NSCI (XIC)	-0.4	6.3	-9.6	-4.2	2.8	9.2
FTAS	-1.7	-2.9	-16.6	-3.2	3.5	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: September

September was a more challenging month for stockmarkets. The FTSE All-Share fell by 1.7% as concerns developed about the economic fall-out from the coronavirus's second wave. Despite their greater exposure to the domestic economy, smaller companies out-performed. The NSCI (XIC) fell by 0.4% and the Fund trailed the index, falling by 3.5%. In keeping with the experience of the year, value under-performed growth.

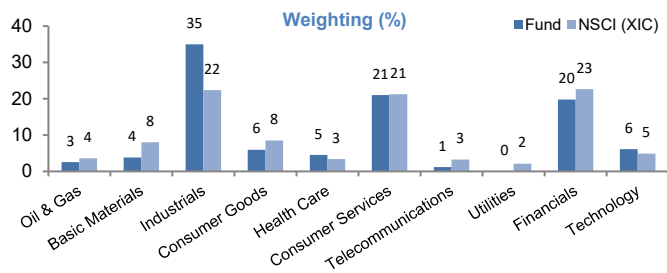
At the stock level, two of the main detractors from performance were non-holdings. First was the reminder that M&A activity has the potential to rebound, with the surprise announcement that William Hill, the largest constituent of the NSCI (XIC) at the start of September, was to be acquired by its US JV partner in online sports betting, Caesars Entertainment. Second, Pets at Home, another winner in the coronavirus period, rose further in response to accelerating demand for its pet supplies. Meanwhile, holdings in domestically exposed cyclical SIG and Provident Financial under-performed as the market worried about the re-imposition of local lockdowns and consequent demand effects.

Among the better performing holdings, dividend announcements were taken particularly well as the UK stockmarket's income drought continues. Reach (formerly known as Trinity Mirror) demonstrated its relevance in the digital world, with its online revenues building and the announcement that its dividend would be reinstated. Alfa, the software developer for the asset finance industry, rose in response to the announcement of resilient results. Its strong balance sheet allowed the payment of an unexpected special dividend.

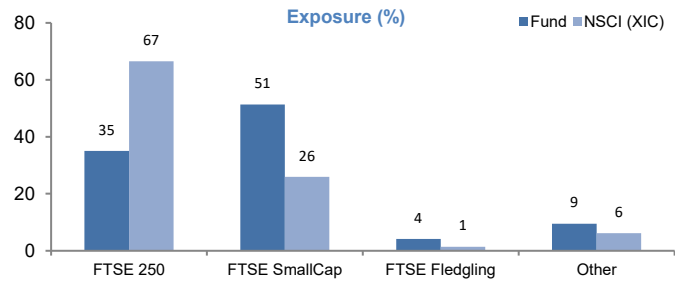
### Top 10 equity investments

Name	Activity	%
SDL	Software - translation & content management	3.8
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.9
Brewin Dolphin Holdings	Private client fund manager	2.7
Provident Financial	Personal credit provider	2.7
Wincanton	Logistics	2.5
Vectura Group	Inhaled pharmaceuticals - respiratory specialism	2.4
Vesuvius	Metal flow engineering	2.4
Urban&Civic	Property - investment & development	2.4
Reach	UK newspaper publisher	2.3
Vitec Group	Photographic & broadcast accessories	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 September:

Growth (%)	2020	2019	2018	2017	2016
Unit price	-28.1	-5.2	2.9	25.8	0.6
NSCI (XIC)	-9.6	-4.1	1.4	20.2	8.6

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:E.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.**

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