



Aberforth UK Small Companies Fund

Monthly Factsheet

30 September 2022

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	Rob Scott Moncrieff
Peter Shaw	Christopher Watt

Further information on the investment team is available at 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	319
Total market value	£108bn
Largest constituent	£2.4bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

Key Fund information

Total investments	£121m
Number of investments	77
Active share	73.2%
Total net assets	£120m
Issue price (Acc)	£254.40
Cancellation price (Acc)	£248.56
Issue price (Inc)	£174.23
Cancellation price (Inc)	£170.23
Launch date	20 Mar 91
Next year-end	31 Dec 22

Fees & charges

Ongoing charges (at 30 June 22 & includes Management fee)	0.83%
Management fee	0.75%
Performance fee	None
Initial/exit charges	0%
Dealing spread	2.32%

Yield & distributions (Inc units)

Yield	3.5%
Interim distribution (paid 31 Aug 22)	362.3341p
Final distribution (paid 28 Feb 22)	237.1483p

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.

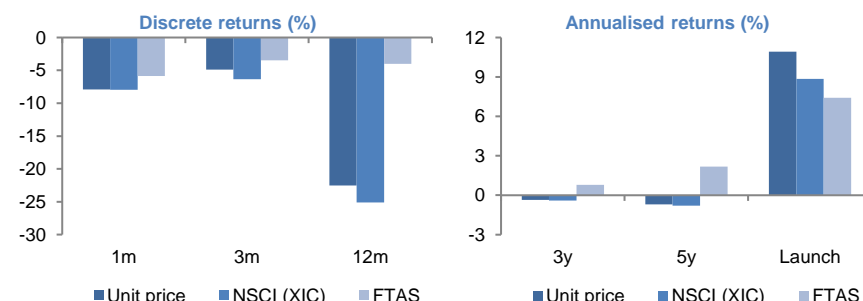
Investment style: Value

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	-7.9	-4.9	-22.5	-0.4	-0.7	10.9
NSCI (XIC)	-8.0	-6.3	-25.1	-0.4	-0.8	8.9
FTAS	-5.9	-3.4	-4.0	0.8	2.2	7.4

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.



Monthly investment commentary: September

At the prospect of even tighter US monetary policy, September proved another bruising month for financial assets worldwide. With a 5.4% decline, the FTSE 100 fared relatively well in a global context, at least in sterling terms. The picture changes once the effects of the UK's heightened political uncertainty on the currency are considered. Small companies typically have less overseas exposure and therefore benefit less from sterling's weakness. The NSCI (XIC) was down by 8.0% and, with no discernible style effects, the Fund by 7.9%.

With the intense bond market volatility and liquidity squeeze towards the month end, life insurers were at the centre of attention because of their involvement in LDI products. **Just Group**, which underwrites individual and bulk annuities, was caught up in this, though it has no LDI exposure and has exited its interest rate swaps. Separately, the car retailer **Lookers** fell as the clouds gathered on the outlook for discretionary consumer spending amid higher borrowing and energy costs. Finally, **RM**, the education services provider, was weak as the market fallout continued following its disappointing trading update in August.

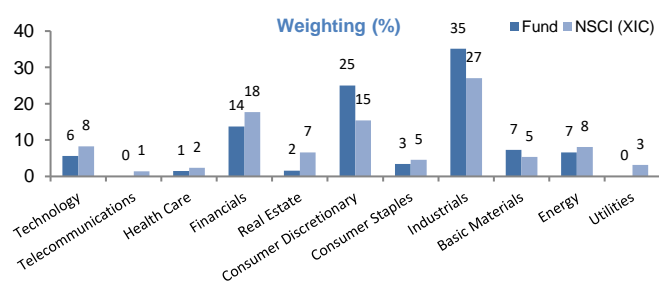
Among holdings that contributed positively was **Bakkavor**, the food producer and distributor. Its interim results indicated robust trading despite inflationary pressures. This compared favourably with peer and non-holding Hilton Food Group, which fell by 45% as its lofty valuation was challenged by a profit warning stemming from inflationary pressures.

Finally, the largest contributor was **RPS**, which was the subject of a counter-offer from US peer Tetra Tech. The original bidder, Canadian-based WSP Global, has yet to signal if it plans to raise its bid. The share price is trading above the board-recommended offer as the market contends that the saga is not yet over.

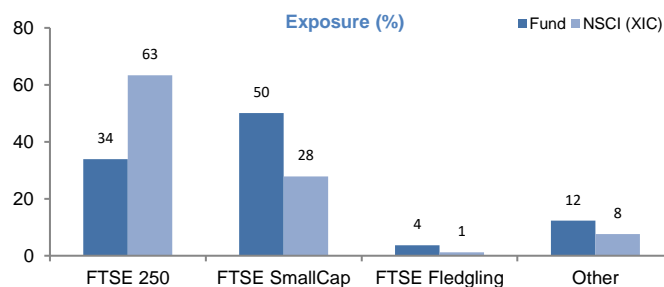
Top 10 equity investments

Name	Activity	%
RPS Group	Energy & environmental consulting	6.2
Micro Focus	Legacy software assets	3.9
FirstGroup	Bus & rail operator	3.6
EnQuest	Oil & gas exploration and production	3.0
Go-Ahead Group	Bus & rail operator	2.9
Videndum	Photographic & broadcast accessories	2.6
Redde Northgate	Van rental	2.4
Wincanton	Logistics	2.4
Wilmington	Business publishing & training	2.4
Centamin	Gold miner	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 (%)	2022	2021	2020	2019	2018
Unit price	-22.5	77.6	-28.1	-5.2	2.9
NSCI (XIC)	-25.1	45.9	-9.6	-4.1	1.4

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 22
MEXID: HIUKSC	MEXID: HIUKSI	LEI: 2138000NHC5DGL7RPF30

Subscribe & contact

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(T) 0131 220 0733

(E) 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.

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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