



Aberforth UK Small Companies Fund

Monthly Factsheet

30 September 2019

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.

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	342
Total market value	£149bn
Largest constituent	£2.1bn
Largest constituent if index rebalanced at Factsheet date	£1.6bn

Key Fund information

Total investments	£177m
Number of investments	80
Active share	77.9%
Total net assets	£177m
Issue price (Acc)	£256.09
Cancellation price (Acc)	£251.25
Issue price (Inc)	£186.90
Cancellation price (Inc)	£183.37
Launch date	20 Mar 91
Next year-end	31 Dec 19

Fees & charges

Ongoing charges (at 30 Jun 19 & includes Management fee)	0.78%
Management fee	0.75%
Performance fee	None
Initial/exit charges	0%
Dealing spread	1.91%

Yield & distributions (Inc units)

Yield	2.9%
Interim distribution (paid 30 Aug 19)	279.1645p
Final distribution (paid 28 Feb 19)	262.5189p

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.

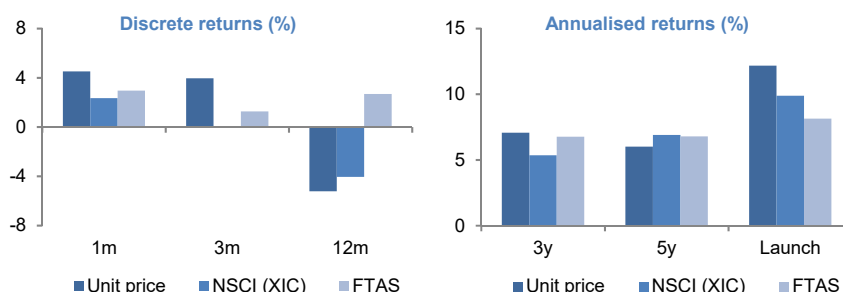
Investment style: Value

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	4.5	4.0	-5.2	7.1	6.0	12.2
NSCI (XIC)	2.3	0.0	-4.1	5.3	6.9	9.9
FTAS	3.0	1.3	2.7	6.8	6.8	8.1

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

After a weak August, equities rallied amid easing fears over trade war escalation. The NSCI (XIC) returned 2.3%, which lagged the FTSE All-Share's 3.0%; sterling's strength was more helpful for larger companies. The Fund out-performed with a return of 4.5%.

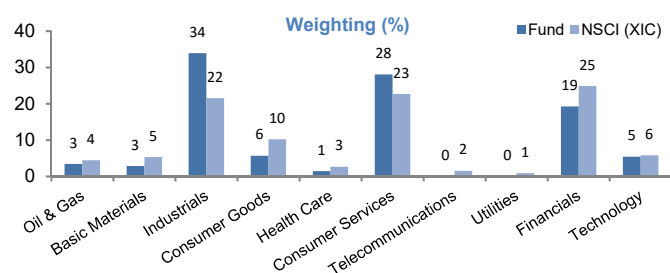
September witnessed a momentum reversal in stockmarkets around the world, as the winners in the earlier part of the year faltered and the erstwhile laggards performed better. The value investment style benefited from this phenomenon, though, among UK small caps, value's fortunes had started to improve early in the third quarter. This has helped the fund to offset the impact of the Woodford saga on less liquid asset classes. The Fund's continued bias towards the NSCI (XIC)'s "smaller small" companies, while hindering recent performance, contributes to extreme portfolio valuations: the Fund's PE has never been lower relative to the NSCI (XIC)'s in Aberforth's 29-year history.

Turning to stocks, there was further evidence of the uptick in corporate activity noted in previous commentaries. This benefited industrial textile manufacturer Low & Bonar, which responded to a takeover bid from German competitor Freudenberg. Rank, a gambling company, was buoyed by the UK Gaming Commission clearing its offer for Stride Gaming. Elsewhere, International Personal Finance reversed some of the previous month's poor performance and Vitec, the photography supplier, rallied having reported in line results during August. Performance was hindered by inkjet printing technology group Xaar, where the failure to sell its "thin film" operation disappointed the market. Meanwhile, the share price of specialist contractor Keller was affected by a lacklustre trading update.

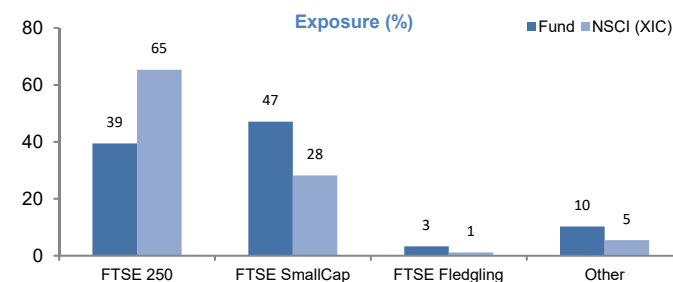
Top 10 equity investments

Name	Activity	%
FirstGroup	Bus & rail operator	4.5
Urban&Civic	Property - investment & development	3.7
Mitchells & Butlers	Operator of restaurants, pubs & bars	3.6
Brewin Dolphin Holdings	Private client fund manager	2.9
Ultra Electronics Holdings	Specialist electronic & software technologies	2.9
Grainger	Property - residential rentals	2.8
Vitec Group	Photographic & broadcast accessories	2.8
Future	Special interest consumer publisher	2.6
SDL	Software - translation & content management	2.5
RM	IT services for schools	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 (%)	2019	2018	2017	2016	2015
Unit price	-5.2	2.9	25.8	0.6	8.5
NSCI (XIC)	-4.1	1.4	20.2	8.6	9.9

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 19
MEXID: HIUKSC	MEXID: HIUKSI	LEI: 213800ONHC5DGL7RPF30

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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