



Aberforth UK Small Companies Fund

Monthly Factsheet

31 August 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.

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	£160bn
Largest constituent	£2.0bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

Key Fund information

Total investments	£177m
Number of investments	86
Active share	74.9%
Total net assets	£180m
Issue price (Acc)	£273.53
Cancellation price (Acc)	£268.42
Issue price (Inc)	£205.88
Cancellation price (Inc)	£202.03
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	1.89%

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.

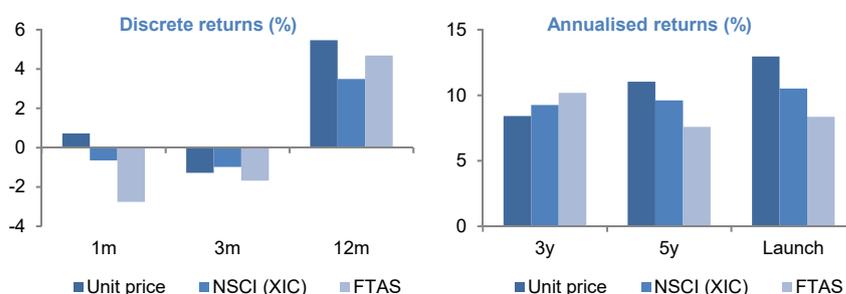
Investment style: Value

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	0.7	-1.3	5.5	8.4	11.0	13.0
NSCI (XIC)	-0.7	-1.0	3.5	9.2	9.6	10.5
FTAS	-2.8	-1.7	4.7	10.2	7.6	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

The US aside, most equity markets struggled during the month, responding to the strong dollar, emerging market stress and suggestions of lower Chinese and European growth. The FTSE All-Share fell by 2.8%, not helped by its significant exposure to miners. Less encumbered in this respect, the NSCI (XIC) slipped by 0.7%. The Fund secured a modest but positive return of 0.7%, on which style effects had negligible effect.

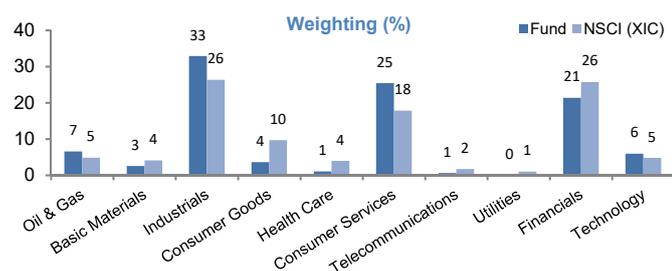
At the stock level, oil exposure was beneficial as the oil price continued to recover: Nostrum Oil & Gas and EnQuest were the biggest winners in the month. Relative performance was boosted by avoiding profit warnings from two non holdings. Engineer Hill & Smith blamed sluggish spending on UK roads, while Spire Healthcare, a hospital operator, pointed to weakness in its NHS business.

The largest loser was again annuity provider Just Group. The PRA's review of the value of investments in equity release mortgages is likely to require the raising of additional equity capital. Meanwhile, Wincanton announced a revised pension deficit recovery plan and was affected by concern about the logistics sector following House of Fraser's problems. Non holding esure was the other notable impact: the motor insurer received a bid from Bain Capital Private Equity. This may be a harbinger of renewed M&A activity after a quiet few months, while IPOs also look set to pick up again.

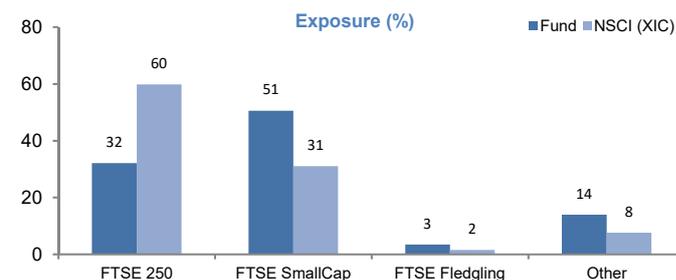
Top 10 equity investments

Name	Activity	%
Urban&Civic	Property - investment & development	2.9
Brewin Dolphin Holdings	Private client fund manager	2.7
Robert Walters	Recruitment	2.7
Keller Group	Ground engineering services	2.6
FirstGroup	Bus & rail operator	2.5
Future	Special interest consumer publisher	2.4
EnQuest	Oil & gas exploration and production	2.4
Grainger	Property - residential rentals	2.4
Vitec Group	Photographic & broadcast accessories	2.3
Huntsworth	Public relations	2.2

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.

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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Standardised past performance

Discrete total return performance over 12 month periods to 30 June:

Growth (%)	2018	2017	2016	2015	2014
Unit price	9.6	34.4	-14.5	13.5	30.5
NSCI (XIC)	7.6	29.1	-6.6	10.4	20.3

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

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