



Aberforth UK Small Companies Fund

Monthly Factsheet

31 July 2017

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 investment universe is the Numis Smaller Companies Index (excluding Investment Companies). This is rebalanced every January and the current profile is:

| | |
|---|--------|
| Number of companies | 338 |
| Total market value | £173bn |
| Largest constituent | £2.1bn |
| Largest constituent (if rebalanced at Factsheet date) | £1.5bn |

Key Fund information

| | |
|--------------------------|-----------|
| Total investments | £258m |
| Number of investments | 83 |
| Active share | 75.7% |
| Total net assets | £265m |
| Issue price (Acc) | £258.93 |
| Cancellation price (Acc) | £254.61 |
| Issue price (Inc) | £200.14 |
| Cancellation price (Inc) | £196.80 |
| Launch date | 20 Mar 91 |
| Next year-end | 31 Dec 17 |

Fees & charges

| | |
|--|-------|
| Ongoing charges (at 30 Jun 17 & includes Management fee) | 0.78% |
| Management fee | 0.75% |
| Performance fee | None |
| Initial/exit charges | 0% |
| Dealing spread | 1.68% |

Yield & distributions (Inc units)

| | |
|--|-----------|
| Yield | 2.5% |
| Interim distribution (payable 31 Aug 17) | 303.3928p |
| Final distribution (paid 28 Feb 17) | 184.6361p |

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.

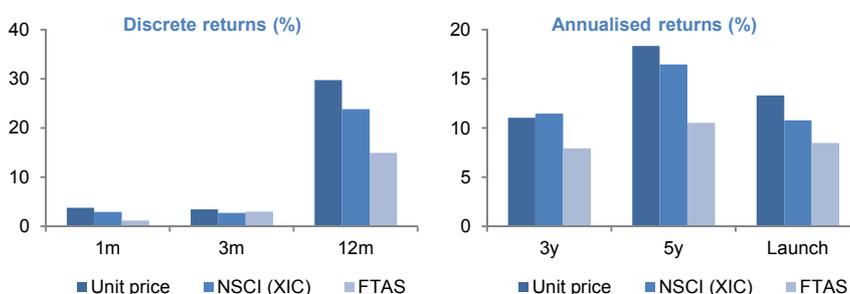
Investment style: Value

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 | 3.8 | 3.4 | 29.7 | 11.1 | 18.3 | 13.3 |
| NSCI (XIC) | 2.9 | 2.7 | 23.8 | 11.5 | 16.5 | 10.8 |
| FTAS | 1.2 | 3.0 | 14.9 | 7.9 | 10.5 | 8.5 |

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

July was a good month for small companies. In a busy period for results, businesses exposed to the domestic economy have generally surprised positively; this benefited the more domestically oriented NSCI (XIC). Allied to that, lower exposure to the dollar benefited the small and mid cap indices compared to the more internationally exposed FTSE 100. The FTSE All-Share Index generated a total return of 1.2% over the month and the NSCI (XIC) returned 2.9%. The Fund outperformed the benchmark by 0.9% in producing a return of 3.8%. Style factors mattered little over the month.

At stock level notable winners included PR company Huntsworth and software provider Microgen, both of which reported strong interim results. Games Workshop, which manufactures miniature wargames, was another stand-out performer on results. Not owning construction and facilities management business Carillion was a positive driver to relative return as the share price fell sharply in the wake of a significant profits warning. Lloyd's insurer Novae responded positively to the news of a bid from Bermuda-based AXIS Capital. There was a notable revival in M&A in the small company universe over the month, with a total of four new deals announced in July, including Novae.

Performance was hindered by Nostrum Oil & Gas, the share price responding to production and sales being a little below expectations. The Eurocell share price was affected by weak news flow from a competitor in the windows and doors market. Shares in bus and rail company FirstGroup fell after the CMA expressed concerns about reduced competition on certain routes following the South West Trains franchise win.

Top 10 equity investments

| Name | Activity | % |
|-------------------------|---------------------------------------|-----|
| Vesuvius | Metal flow engineering | 3.5 |
| FirstGroup | Bus & rail operator | 2.9 |
| Bovis Homes Group | Housebuilding | 2.8 |
| Brewin Dolphin Holdings | Private client fund manager | 2.6 |
| Coats Group | Manufacture of threads | 2.5 |
| Nostrum Oil & Gas | Oil & gas exploration and production | 2.4 |
| Vitec Group | Photographic & broadcast accessories | 2.3 |
| TT Electronics | Sensors & other electronic components | 2.2 |
| Urban&Civic | Property - investment & development | 2.1 |
| Huntsworth | Public relations | 2.1 |

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, or 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 a Fund will be achieved or provide the returns sought by the Fund.
- 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.

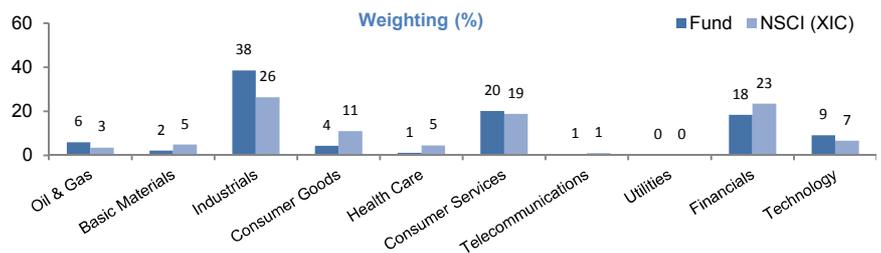
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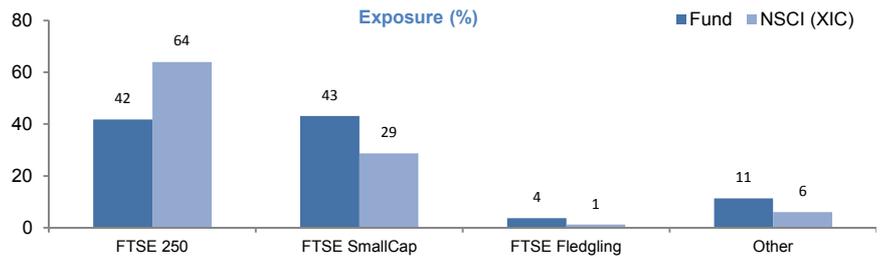
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Sector exposure



Size exposure



Standardised past performance

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

| Growth (%) | 2017 | 2016 | 2015 | 2014 | 2013 |
|------------|------|-------|------|------|------|
| Unit price | 34.4 | -14.5 | 13.5 | 30.5 | 33.3 |
| NSCI (XIC) | 29.1 | -6.6 | 10.4 | 20.3 | 31.8 |

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.

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 NSCI (XIC). Large companies are represented by FTAS.

Security codes

| | | | |
|-----------|----------------|--------------------|---------------|
| Acc units | SEDOL: 0007272 | ISIN: GB0000072727 | MEXID: HIUKSC |
| Inc units | SEDOL: B2N9GS7 | ISIN: GB00B2N9GS70 | MEXID: HIUKSI |

Subscribe & contact

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