



Aberforth UK Small Companies Fund

Monthly Factsheet

30 June 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.

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	330
Total market value	£112bn
Largest constituent	£2.1bn
Largest constituent if index rebalanced at Factsheet date	£1.4bn

Key Fund information

Total investments	£106m
Number of investments	81
Active share	79.2%
Total net assets	£104m
Issue price (Acc)	£189.31
Cancellation price (Acc)	£184.22
Issue price (Inc)	£136.38
Cancellation price (Inc)	£132.71
Launch date	20 Mar 91
Next year-end	31 Dec 20

Fees & charges

Ongoing charges (at 31 Dec 19 & includes Management fee)	0.78%
Management fee	0.75%
Performance fee	None
Initial/exit charges	0%
Dealing spread	2.73%

Yield & distributions (Inc units)

Yield	2.5%
Interim distribution (payable 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.

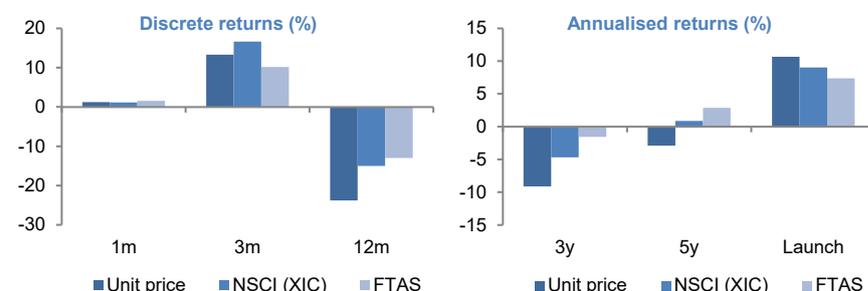
Investment style: Value

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	1.2	13.3	-23.8	-9.1	-2.9	10.7
NSCI (XIC)	1.2	16.6	-15.0	-4.7	0.9	9.0
FTAS	1.5	10.2	-13.0	-1.6	2.9	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: June

Stockmarkets retained their fizz of April and May, buoyed by survey data pointing to a rebound in economic activity. The FTSE All-Share generated a total return of 1.5% and the NSCI (XIC) returned 1.2%. Reflecting the continuing risk presented by Covid-19, growth stocks have so far led the market rebound. However, after a tricky start to the year, style data showed a tentative rotation to value towards the end of May, which continued into June. This helped the Fund deliver a modest but positive return of 1.2%.

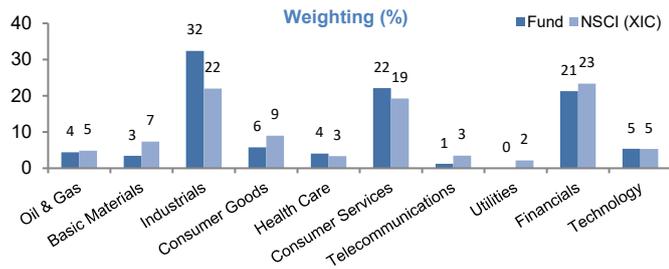
Turning to stocks, De La Rue stood out, with its share price responding well to a trading update. This revealed that the currency printer's fortunes have not been materially affected by Covid-19 and was accompanied by an equity issue to fund its turnaround. Elsewhere, CMC Markets reported strong results that were boosted by heightened volatility and trading activity. The oil price continues its gyrations: after dropping into negative territory for the first time in history in April, it sustained a strong recovery through June. This allowed Premier Oil and EnQuest to reverse some of their recent weak performance. Conversely, relative performance was hindered by stocks that had performed well in the previous month and succumbed to profit taking: this affected Anglo Pacific, Redde Northgate and Future. Finally, LED lighting specialist Dialight issued a resilient trading update. Its share price was further boosted by a private equity investor announcing it had acquired a stake in the company.

The sharp falls in share prices and valuations might elicit opportunistic interest in UK smaller companies from private equity and others. In this regard, distributor SIG's equity issue is pertinent: it is part funded by private equity taking a c.29% stake in the company. This unusual move reflects the particularly attractive valuations on offer among small caps. Similar deals have been undertaken in the US, but it remains to be seen whether there is lasting appeal in the UK. More generally, the equity issues from companies badly affected by the Covid-19 recession continue. By the end of June, 28 companies in the NSCI (XIC) had raised additional equity. The Fund participated in six of these.

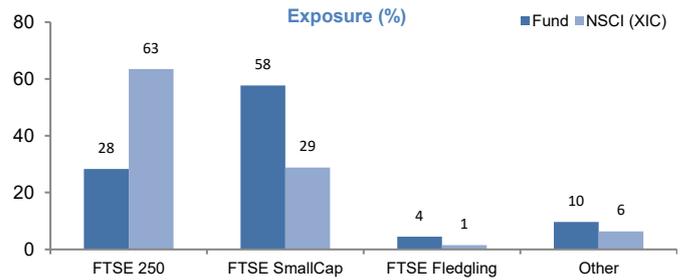
Top 10 equity investments

Name	Activity	%
CMC Markets	Financial derivatives dealer	3.5
Future	Special interest consumer publisher	3.3
Brewin Dolphin Holdings	Private client fund manager	2.9
SDL	Software - translation & content management	2.8
Urban&Civic	Property - investment & development	2.7
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.6
Provident Financial	Personal credit provider	2.3
Robert Walters	Recruitment	2.3
Vectura Group	Inhaled pharmaceuticals - respiratory specialism	2.2
TI Fluid Systems	Automotive parts manufacturer	2.1

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 June:

Growth (%)	2020	2019	2018	2017	2016
Unit price	-23.8	-10.1	9.6	34.4	-14.5
NSCI (XIC)	-15.0	-5.4	7.6	29.1	-6.6

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

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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