



# Aberforth UK Small Companies Fund

## Monthly Factsheet

30 June 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 seven fund managers:

Sam Ford	Jeremy Hall
Sonya Kim	Euan Macdonald
Rob Scott Moncrieff	Peter Shaw
Christopher Watt	

Further information on the investment team is available at [www.aberforth.co.uk](http://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	323
Total market value	£120bn
Largest constituent	£2.1bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

### Key Fund information

Total investments	£131m
Number of investments	75
Active share	74.5%
Total net assets	£132m
Issue price (Acc)	£266.93
Cancellation price (Acc)	£261.35
Issue price (Inc)	£186.44
Cancellation price (Inc)	£182.54
Launch date	20 Mar 91
Next year-end	31 Dec 22

### Fees & charges

Ongoing charges (at 30 Jun 22 & includes Management fee)	0.83%
Management fee	0.75%
Performance fee	None
Initial/exit charges	0%
Dealing spread	2.11%

### Yield & distributions (Inc units)

Yield	2.5%
Interim distribution (paid 31 Aug 21)	220.9820p
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.

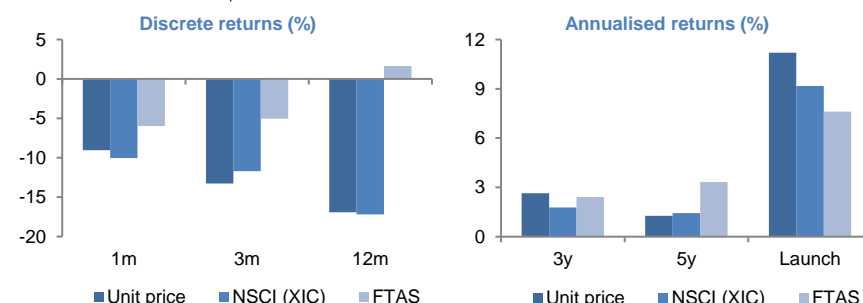
### Investment style: Value

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	-9.0	-13.3	-16.9	2.6	1.3	11.2
NSCI (XIC)	-10.0	-11.7	-17.2	1.8	1.4	9.2
FTAS	-6.0	-5.0	1.6	2.4	3.3	7.6

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

Equity markets endured further pain in June and offered few places to hide. Surging inflation resulted in consumer confidence deteriorating to the lowest level on record and recession is now widely expected in 2023. The FTSE AllShare, notable till now for its resilience, fell 6.0% as a weaker demand outlook weighed on the previously strong resources sectors. Smaller companies collectively fared worse, with the NSCI (XIC) retracing by 10.0%. Although the value style was a headwind, the Fund's -9.0% return was marginally better. This was due to the relative strength of the "smaller small" companies, to which the Fund is more exposed.

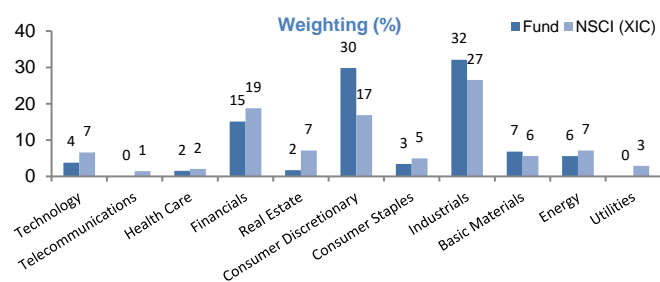
The Fund's notable winners once again included **Go-Ahead Group** (bus & rail operator). The company received a takeover bid but also has interest from another party. **Videndum** (photographic & broadcast accessories) held steady in the down market after it introduced ambitious growth targets during its capital markets event. Among the non-holdings, **Wood Group** (oil services) de-rated on broad sector concerns, while **National Express** (bus & rail operator) declined following the announcement of short-term margin pressure from wage inflation in the US.

Negative contributors to relative performance were idiosyncratic in nature. **Enquest** (oil and gas producer) suffered further from the "windfall tax" announced in May and from a lower oil price. **Micro Focus** (legacy IT assets) dropped after its interim results heralded lower profit expectations. The company intends to reduce debt through free cash flow improvements and potential asset sales. Non-holdings that performed well also had an impact: **Euromoney Institutional Investor** (financial data and publishing) was the subject of a takeover bid, while **Telecom Plus** (multi-utility provider) released strong results on the back of more rational competition in the retail energy market.

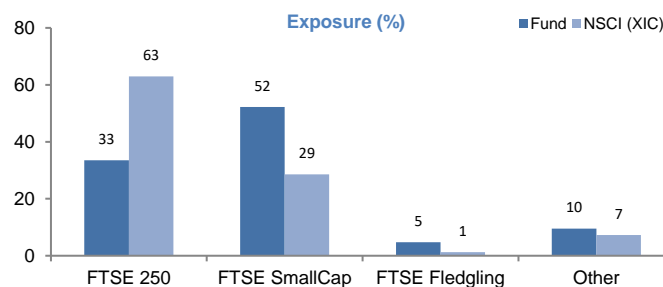
### Top 10 equity investments

Name	Activity	%
<b>FirstGroup</b>	Bus & rail operator	4.4
<b>Go-Ahead Group</b>	Bus & rail operator	3.3
<b>Videndum</b>	Photographic & broadcast accessories	2.8
<b>Redde Northgate</b>	Van rental	2.7
<b>Wincanton</b>	Logistics	2.6
<b>EnQuest</b>	Oil & gas exploration and production	2.6
<b>Morgan Advanced Materials</b>	Manufacture of carbon & ceramic materials	2.6
<b>Rathbones Group</b>	Private client fund manager	2.6
<b>RPS Group</b>	Energy & environmental consulting	2.5
<b>Wilmington</b>	Business publishing & training	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 (%)	2022	2021	2020	2019	2018
Unit price	-16.9	70.8	-23.8	-10.1	9.6
NSCI (XIC)	-17.2	49.8	-15.0	-5.4	7.6

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 22
MEXID: HIUKSC	MEXID: HIUKSI	LEI: 2138000NHC5DGL7RPF30

## 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](mailto: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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