

Aberforth Partners LLP

Presentation to
AFUND Investors
November 2021



14 Melville Street - Edinburgh EH3 7NS
Tel 0131 220 0733 - Fax 0131 220 0735
enquiries@aberforth.co.uk - www.aberforth.co.uk

ABERFORTH PARTNERS

Aberforth Partners LLP is authorised and regulated by the Financial Conduct Authority
Aberforth Unit Trust Managers Limited is authorised and regulated by the Financial Conduct Authority

Aberforth Partners update



- Over 30 years of small cap value investing
- Self-imposed ceiling on the business to prioritise existing investors
 - AUM capped at c.1.5% of the NSCI (XIC)'s market cap
- Consistency: ownership structure, collegiate process, investment focus
 - Keith Muir to retire on 31 December 2021 – we are recruiting
- Refreshed website launched November 2021: www.aberforth.co.uk
- Successful signatory to the UK Stewardship Code 2020

Performance – periods to 31 October



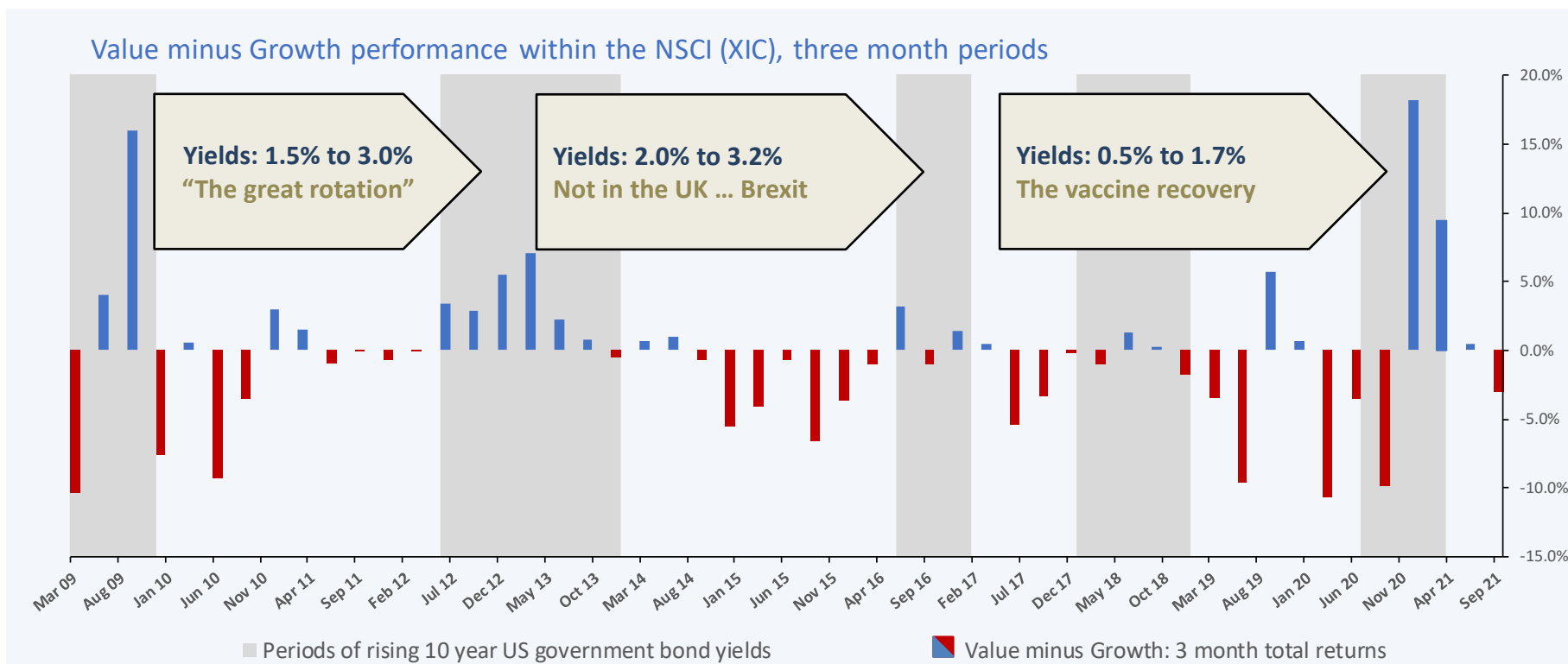
Total Return %	YTD	1 Year	5 Year	CAGR	
				10 Year	AFUND inception
FTSE All-Share	15.6	35.4	5.6	7.5	7.9
FTSE 250 (XIC)	16.6	42.0	7.7	11.0	11.0
FTSE SmallCap (XIC)	30.4	67.3	10.6	13.7	8.0
NSCI (XIC)	21.0	44.5	9.2	11.7	10.1
AFUND	32.1	70.4	9.7	12.2	12.1
ASCoT NAV	34.9	76.3	10.2	12.8	*
ASCoT share price	23.6	78.1	11.8	14.0	**
Inception date for AFUND was 20/03/1991				* ASCoT NAV from inception 10/12/1990	12.8
				**ASCoT Share price from inception 10/12/1990	12.5
				NSCI (XIC) from ASCOT inception 10/12/1990	10.7

Influences on performance



- M&A – continued corporate and private equity appetite for UK assets
- Demand recovery continues
 - Complicated by supply chain issues and higher energy prices
- Inflation and the monetary response
 - Inflation proving less transitory
 - Bond markets appear confident that the central banks are able and willing
- Factors
 - Value positive year-to-date but a swing back to growth since April
 - Small leading large across the market cap spectrum

US bond yields and UK small cap value




- Yields rose with the advent of the vaccines
 - Helpful to value through the duration effect
- Yields fell between March and August
- Current uncertainty as the bond markets consider inflation and monetary policy

Winners and losers – year to 31 Oct 2021



20 Best winners			
Rank	Company	Total return (%)	Attribution (bp)
1	Reach	126	320
2	Robert Walters	84	108
3	EnQuest	114	95
4	Charles Stanley Group	90	81
5	RPS Group	81	78
6	Senior	80	74
7	Wincanton	52	72
8	Vitec Group	59	68
9	SIG	65	64
10	Lookers	205	63

20 Worst losers			
Rank	Company	Total return (%)	Attribution (bp)
1	Watches of Switzerland Group	96	-86
2	Indivior	124	-65
3	Investec	82	-64
4	Playtech	73	-55
5	Ultra Electronics Holdings	60	-50
6	Vesuvius	-9	-44
7	Gamesys Group	66	-42
8	De La Rue	-1	-41
9	CMC Markets	-32	-38
10	Savills	51	-34

 Not held in portfolio

- The big losers are mostly non holdings
- Supply chain issues not evident in these 10 month figures
- An eclectic list of winners: **M&A and re-opening beneficiaries**

Purchases and sales* – year to 31 Oct 2021



Top 10 Purchases		Top 10 Sales	
Rank	Company	Rank	Company
1	Centamin	1	Spire Healthcare Group
2	Marstons	2	RWS Holdings
3	Ricardo	3	Charles Stanley Group
4	Sabre Insurance Group	4	Vectura Group
5	C&C Group	5	Reach
6	Babcock International Group	6	Mitchells & Butlers
7	Rathbone Brothers	7	Restaurant Group
8	Galliford Try Holdings	8	PageGroup
9	PageGroup	9	Forterra
10	McBride	10	RHI Magnesita

New Holding or Total Sales

*Aberforth standard value portfolio

- Market recovery and M&A allows “value roll” to recommence
- “Value roll”: sale of relatively expensive stocks and reinvestment into cheaper stocks
 - In the 10 months, average 2023 EV/EBITA of sales 10.2x vs. 6.7x for purchases

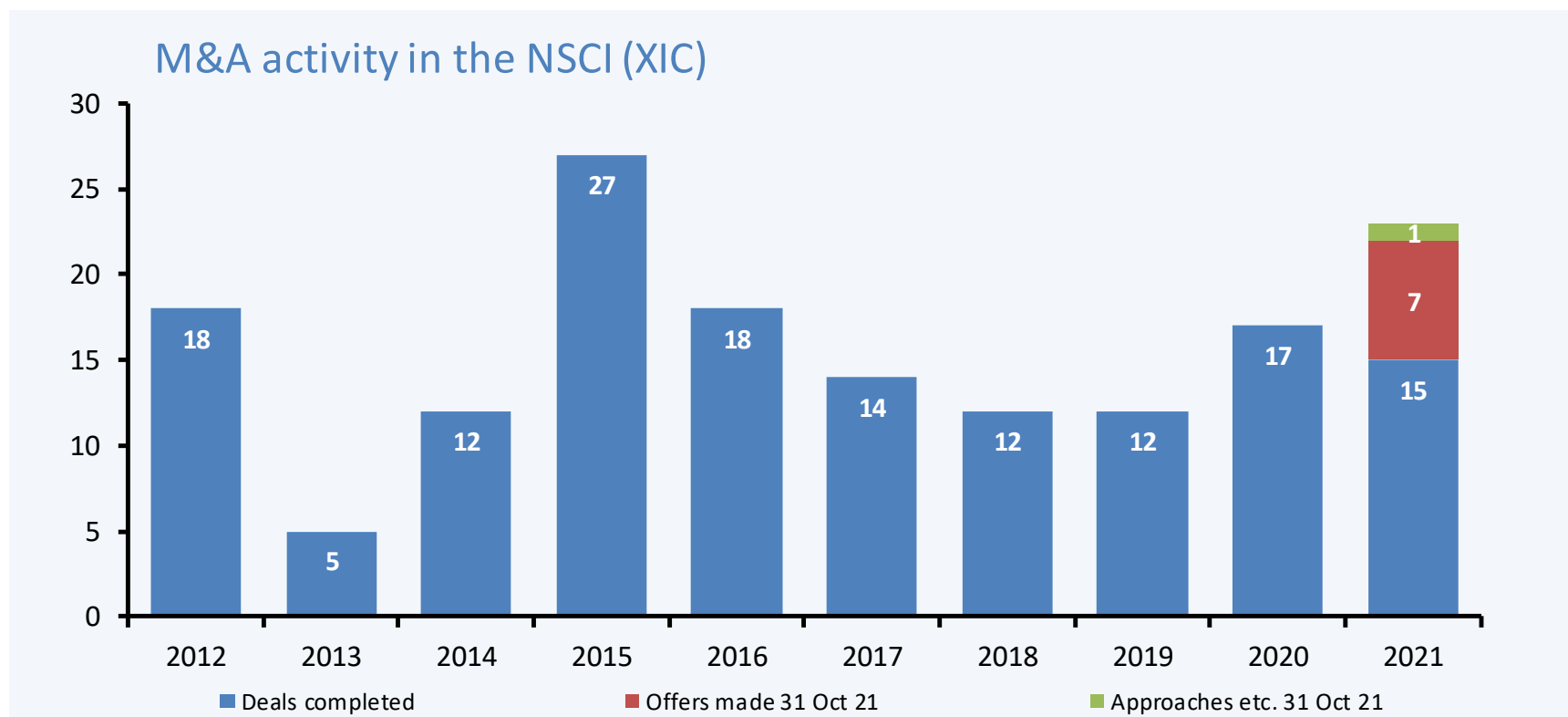
Supply chain disruption



- Global shortages of commodities, semiconductors, shipping, labour
 - Adding to inflationary pressures
- Disentangling the early effects of Brexit is not straightforward
- Companies – and investors – are reassessing supply chains
 - Margin and working capital pressure
- Examples within the portfolio

Company	Portfolio weight	2023 EV/EBITA	
McBride	0.5%	16.2	Commodity price rises causing input costs pressure
Eurocell	1.9%	6.7	Labour shortages forcing a recruitment drive
TI Fluid Systems	2.2%	5.4	Production volumes into auto OEMs dropped due to "chip dip"
Wincanton	2.3%	7.9	HGV driver inflation in part mitigated by open book contracts
SIG	2.4%	9.7	Driver shortage particularly acute in the UK

Corporate activity has picked up



- We are not alone in seeing the valuation attractions of UK assets
 - Corporates and private equity are re-engaging
- Holdings in the year affected by M&A
 - U and I, Vectura, Charles Stanley, Stagecoach, Premier Oil; Spire, Senior
- Average 2021 EV/EBITA multiple of NSCI (XIC) deals completed & offers: **17.1x**

Valuation – EV/EBITA



- UK equities remain lowly valued relative to the rest of the world
 - Estimated* 35% discount or 12% discount after controlling for sector composition
- Attractive valuations among small caps as profits recover
- Portfolio valuation benefits from the value style and its skew to “smaller smalls”

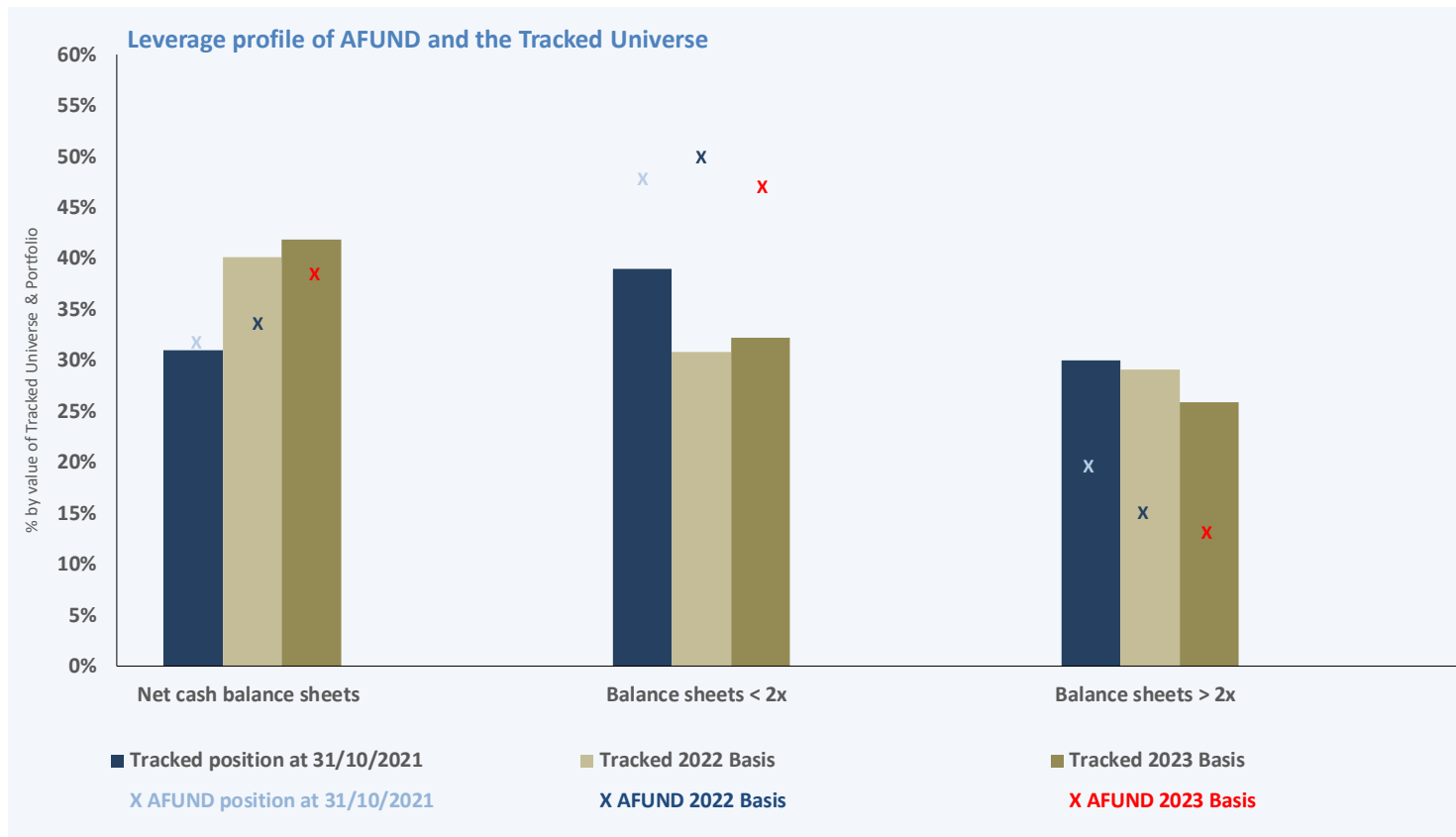
EV/EBITA	Number of stocks	2020	2021	2022	2023
AFUND	78	13.0x	9.9x	8.3x	7.1x
Tracked Universe	239	15.9x	13.2x	11.0x	9.2x
<i>Growth stocks</i>	41	19.9x	23.0x	19.9x	17.4x
<i>The rump</i>	198	15.2x	12.1x	10.0x	8.3x
<i>Stocks > £600m market cap.</i>	105	16.0x	13.8x	11.4x	9.5x
<i>Stocks < £600m market cap.</i>	134	15.8x	11.5x	9.8x	8.4x

*Panmure Gordon

Balance sheets – little sign of zombies



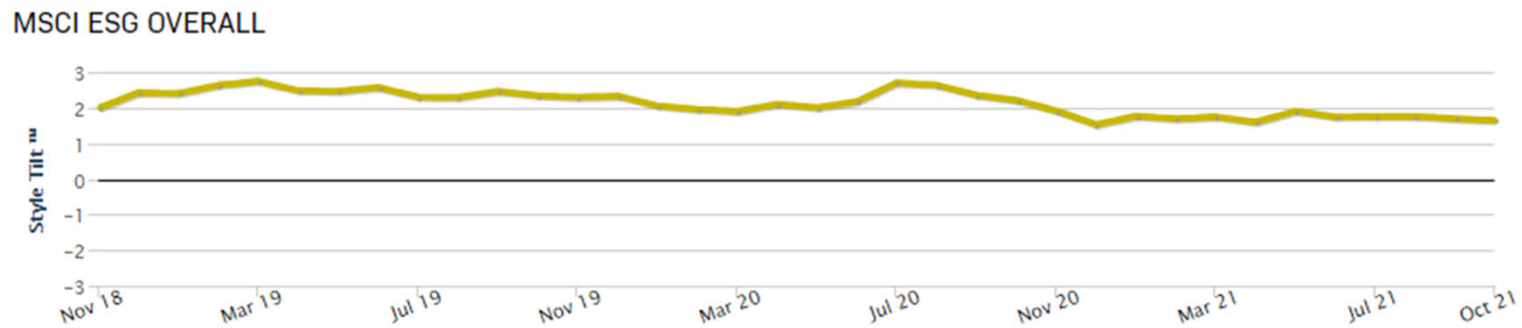
- The chart shows the leverage profile of smaller companies
 - The bars are for the Tracked Universe, the crosses for the portfolio
- On our current estimates, exposure to high leverage reduces in 2022 and 2023
- This reflects resilient underlying generation of free cash flow



ESG – an opportunity for value investors



- ESG is integrated into Aberforth's investment process
- Improved ESG performance can sustain profits and be a catalyst for re-rating
 - Investing in laggards that improve their ESG performance can boost returns
- MSCI analysis suggests that the portfolio is not filled with ESG victims



- But quality and depth of third-party work within the NSCI (XIC) is questionable
- We are working on internal systems to support ESG engagement and reporting
 - The benefits should start to come through in 2022

Return on equity – value creation

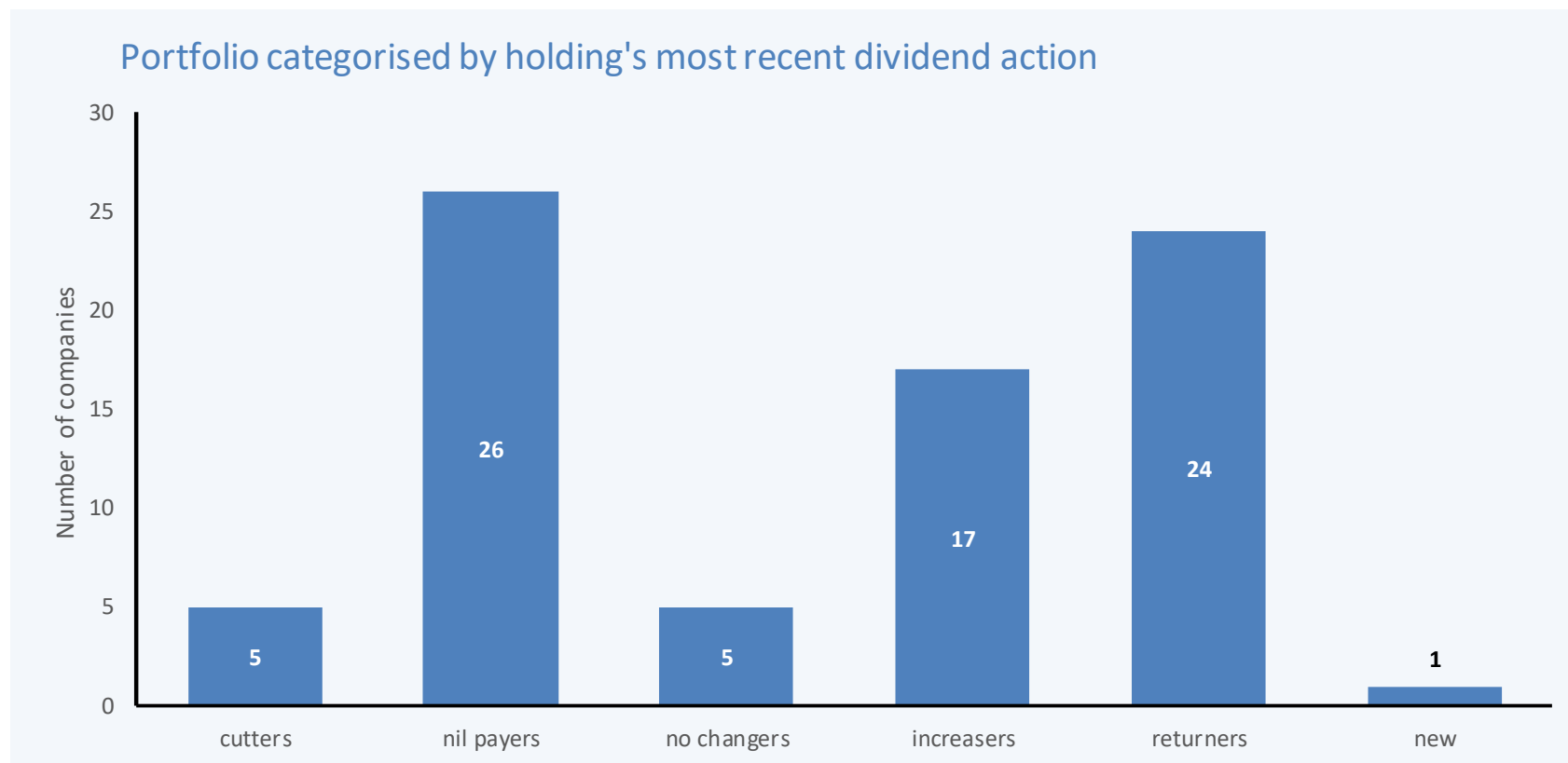


- Weighted average ROEs
 - 2019 pre pandemic: portfolio 14% Tracked Universe 16%
 - 2020 mid pandemic: portfolio 8% Tracked Universe 9%
- The portfolio's ROE in normal conditions is above a notional cost of equity
- The table below shows ROE categories and corresponding weights

	'Loss makers'		'Laggards'		'Value creators'		'Stars'	
	% with <0% ROE		% with 0-10% ROE		% with 10-20% ROE		% with >20% ROE	
	2019	2020	2019	2020	2019	2020	2019	2020
Portfolio	7	25	24	37	41	19	28	19
Tracked	9	21	24	33	39	24	28	22

- We expect that ROEs will return to pre pandemic levels over coming years
- These should support growth after the recovery phase

Resilient dividend experience



- Dividends are recovering more quickly than we had expected six months ago
 - The main influence is reinstatements following cuts to zero in 2020
 - Some companies are still to reinstate, but an encouraging start to the recovery

Morningstar style box categorisation



- Small cap fund positioning by style (x-axis) remain polarised
 - Leftwards shift (i.e. towards value) over the past 12 months



Conclusion



- Demand recovery on track, though note supply chains and energy prices
- Markets' scepticism offers an opportunity in UK assets
 - Corporate activity suggests that others see value
- Inflation is a potential challenge to the status quo in markets
- AFUND: low valuations, strong balance sheets, ESG opportunity, good ROEs
 - Weighted average portfolio upside at 31 October: 60%*
 - Based on current estimates but not a forecast!
- AFUND remains highly differentiated from its peers

* Share price plus two years of dividends



Appendix

Investment managers



SAMUEL G FORD CFA, MEng

Sam joined Aberforth in August 2019 and became a Partner in May 2021. He is responsible for the following sectors - Aerospace & Defense; Alternative Energy; Electronic & Electrical Equipment; Health Care providers; Media; Medical Equipment and Services; Oil, Gas and Coal; Pharmaceuticals and Biotechnology; Technology Hardware and Equipment; and Telecommunications Equipment.

JEREMY G A HALL MA (Hons)

Jeremy joined Aberforth in October 2018 and became a Partner in January 2020. He is responsible for the following sectors - Banks; Beverages; Chemicals; Finance and Credit Services; Food Producers; Industrial Materials; Investment Banking and Brokerage Services; and Tobacco.

SONYA KIM CFA, MFin, BA

Sonya joined Aberforth in March 2021 and is responsible for the following sectors - Construction & Materials and Household Goods & Home Construction.

EUAN R MACDONALD BA (Hons)

Euan joined Aberforth in May 2001 and became a Partner in May 2004. He is responsible for the following sectors - Automobiles & Parts; Consumer Services; General Industrials; Industrial Engineering; Leisure Goods; Life Insurance; Mortgage Real Estate Investment Trusts; Non-life Insurance; Real Estate Investment and Services; Real Estate Investment Trusts; Software & Computer Services; and Telecommunications Service Providers.

KEITH F MUIR CFA, BEng (Hons)

Keith joined Aberforth in March 2011 and became a Partner in May 2014. Keith will retire from Aberforth Partners on 31 December 2021.

PETER R SHAW CA, BCom (Hons)

Peter joined Aberforth in April 2016 and became a Partner in May 2017. He is responsible for the following sectors - Industrial Support Services; Industrial Transportation; Personal Care, Drug and Grocery Stores; Personal Goods; Retailers; and Waste and Disposal Services.

CHRISTOPHER N WATT BSc (Hons)

Chris joined Aberforth in April 2016 and became a Partner in May 2017. He is responsible for the following sectors - Electricity; Gas, Water & Multi-utilities; Industrial Metals & Mining; Precious Metals & Mining; and Travel & Leisure.

Top 20 holdings



Rank	Company	Activity	Total portfolio (%)
1	Reach	UK newspaper publisher	3.8
2	Robert Walters	Recruitment	2.9
3	Provident Financial	Personal credit provider	2.9
4	FirstGroup	Bus & rail operator	2.8
5	Redde Northgate	Van rental	2.7
6	Vitec Group	Photographic & broadcast accessories	2.6
7	Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.6
8	Brewin Dolphin Holdings	Private client fund manager	2.5
9	Rathbone Brothers	Private client fund manager	2.4
10	SIG	Specialist building products distributor	2.4
11	Wincanton	Logistics	2.3
12	TI Fluid Systems	Automotive parts manufacturer	2.2
13	RPS Group	Energy & environmental consulting	2.2
14	EnQuest	Oil & gas exploration and production	2.2
15	Senior	Aerospace & automotive engineering	2.1
16	Just Group	Individually underwritten annuities	2.1
17	Centamin	Gold miner	1.9
18	Eurocell	Manufacture of UPVC building products	1.9
19	Bakkavor Group	Food manufacturer	1.8
20	Vesuvius	Metal flow engineering	1.8
Top 20			48.2
21 - 30			16.9
31 - 78			34.9
Actively managed portfolio with an active share of 77%			100.0

AFUND – sector exposures



Sector	NSCI (XIC) weight	AFUND weight	Significant holdings
Technology	5.5%	3.5%	TT Electronics
Telecommunications	2.0%	0.0%	
Health Care	3.6%	1.7%	Medica Group
Financials	15.2%	16.1%	Brewin Dolphin Holdings, International Personal Finance, Just Group, Provident Financial, Rathbone Brothers
Real Estate	8.7%	2.9%	
Consumer Discretionary	20.1%	28.9%	FirstGroup, Reach, TI Fluid Systems, Wilmington, Rank Group, Crest Nicholson Holdings
Consumer Staples	4.8%	4.4%	Bakkavor Group
Industrials	26.4%	34.0%	De La Rue, Eurocell, Keller Group, Morgan Advanced Materials, Robert Walters, RPS Group, Senior, Vesuvius, Vitec Group, Wincanton, SIG, Redde Northgate
Basic Materials	6.1%	5.7%	Centamin
Energy	4.2%	2.9%	EnQuest
Utilities	3.4%	0.0%	

2021 growth stocks



Securities

4imprint Group	JTC
888 Holdings	Mode Global Holdings
AG Barr	Nanoco Group
Alfa Financial Software Holdings	NCC Group
Allied Minds	On The Beach Group
Aptitude Software Group	Oxford Biomedica
Arix Bioscience	Oxford Instruments
Avon Rubber	Pensana
BATM Advanced Communications	Porvair
Calisen	PPHE Hotel Group
Clarkson	PureTech Health
Clipper Logistics	PZ Cussons
Dignity	Sanne Group
discoverIE Group	SolGold
DP Eurasia	Supply@Me Capital
Esken	Telecom Plus
FDM Group Holdings	The Gym Group
Fisher (James) & Sons	Treatt
Gresham Technologies	Watches of Switzerland Group
HeiQ	XP Power
Helios Towers	Zoetic International
Hilton Food Group	Zotefoams
IP Group	

See slide "Valuation - EV/EBITA" for context

3 collective investment vehicles



	Aberforth Smaller Companies Trust (ASCoT)	Aberforth UK Small Companies Fund (AFUND)	Aberforth Split Level Income Trust (ASLIT)
Inception	December 1990	March 1991	July 2017
Structure	Closed-end	Open-end	Closed-end
Gearing	Tactical = 4.0%	N/A	Structural (ZDPs) = 23.5%
Size (AUM)	£1,574m	£263m	£235m
Number of investee companies	78	78	69
Benchmark	NSCI (XIC)	NSCI (XIC)	N/A
Investment philosophy	Value	Value	Value/Income
Management fees (<i>ongoing charges</i>)	74 bps* (81 bps)	75 bps (77 bps)	99 bps (123 bps)
Performance fee	No	No	No
RDR: platforms	>20	>15	>20
RDR: clean price	N/A	Yes	N/A
Authority: share buyback	Yes	N/A	No
Authority: dividends from capital	No	N/A	No
Chairman	Richard Davidson Richard.Davidson@aberforth.co.uk	N/A	Angus Gordon Lennox Angus.GordonLennox@aberforth.co.uk

* For a full explanation of the fee structure and ongoing charges, please refer to the Fund’s Annual Report or visit www.aberforth.co.uk

Investment trust



Aberforth Smaller Companies Trust plc (ASCoT)

Ordinary shares

88,238,066

- next continuation vote in March 2023 and every 3 years thereafter
- authority to buy-in up to 13,299,587 shares has been granted
- cumulative shares bought-in for cancellation = 10,571,722

Gearing

- as at 31 October 2021 actual was 4.0%
- potential for up to £130m or 8.8%

Dividends

Based on the following historic actuals:

2021

- interim announced July 2021 paid August 2021 (10.95p)

2020

33.30p

- final announced January 2021 paid March 2021 (22.90p)
- interim announced July 2020 paid August 2020 (10.40p)

2019

36.00p

- interim announced July 2019 paid August 2019 (10.00p)
- final announced January 2020 paid March 2020 (22.00p)
- special announced January 2020 paid March 2020 (4.00p)

Note: Further details available in the Fund's Annual Report and from www.aberforth.co.uk

Unit trust



Aberforth UK Small Companies Fund (AFUND)

As 31 October 2021	Issue Price	Cancellation Price	Units in Issue
Accumulation Units	£324.26	£316.99	576,124
Income Units	£228.89	£223.76	347,502

Limited issue fund with Accumulation and Income units

- value at cancellation price: £260m
- no entry or exit charged; dealing spread 2.3% (mid-basis)
- yield on Income units: 1.5%
- current distribution period ends 31 December 2020; paid February 2021
- previous distribution period ended 30 June 2020; paid 28 August 2020
- annual management fee: 0.75%; no performance fee
- 5/8 of management fee allocated to capital

Daily subscriptions and redemptions

- deals can be placed each business day prior to 4.30pm
- dual priced fund; prices calculated using closing prices each business day
- “forward pricing”

Note: Further details available in the Fund’s Annual Report, Prospectus and Key Investor Information Document and from www.aberforth.co.uk

Investment trust



Aberforth Split Level Income Trust plc (ASLIT)

Ordinary shares
190,250,000

- all net income, plus all net assets on a winding up – after ZDP entitlements met

Zero Dividend Preference
(ZDP) shares
47,562,500

- no dividends, but final capital entitlement of 127.25p on planned winding up date

Life

- planned winding up date: 1 July 2024

Gearing

- structural gearing via the ZDP shares

Dividends

Based on the following historic actuals:

2021
3.05p

- First interim paid March 2021 (0.92p)
- Second interim paid August 2021 (2.13p)

2020
4.22p

- First interim paid March 2020 (1.51p)
- Second interim paid August 2020 (2.71p)

2019
4.35p

- First interim paid March 2019 (1.45p)
- Second interim paid August 2019 (2.71p)
- Special paid August 2019 (0.19p)

Note: Further details available in the Fund's Prospectus and from www.aberforth.co.uk

Glossary – Aberforth Funds



- **Aberforth's investment philosophy and putting it into practice is explained further at www.aberforth.co.uk/about-Aberforth/**
- **Aberforth Standard Value** refers to The Aberforth Smaller Companies Trust plc, Aberforth's longest standing client.
- **Accumulation Units:** units not receiving a cash payment representing income; rather, income will be included in the value of the units.
- **Active Share** is calculated by summing the absolute differences between a portfolio's weight in a stock and an index's weight in a stock for all the stocks in the portfolio or index. The total is then divided by two to give a ratio between 0% and 100%.
- **AUM:** Assets Under Management.
- **CAGR:** Compound Annual Growth Rate is the annualised rate of growth over the specified time period.
- **Cancellation** refers to the cancellation of units by the Trustee.
- **Discount** is the amount by which the stockmarket price is lower than the Net Asset Value, or NAV, per Ordinary Share. The discount is normally expressed as a percentage of the NAV per Ordinary Share. The opposite of a discount is a premium.
- **DPS:** Dividend Per Share.
- **ESG:** Environmental, Social and Governance.
- **EV/EBITA:** Enterprise Value divided by Earnings Before Interest, Tax and Amortisation.
- **EV/EBITDA:** Enterprise Value divided by Earnings Before Interest, Tax, Depreciation and Amortisation.
- **Funds:** **ASCoT** – The Aberforth Smaller Companies Trust plc; **ASLIT** – Aberforth Split Level Income Trust plc; **AFUND** – Aberforth UK Small Companies Fund.
- **Gearing** is the use of debt to increase capital.
- **Issue** refers to the issue of units by the Trustee.
- **Hurdle rate** is the rate of capital growth per annum to return a stated amount per share at the planned winding-up date.
- **Income Units** entitle the holder to a cash distribution representing the net income attributable to that unit at each income allocation date.
- **IPO:** Initial Public Offering.
- **Leverage** is a measurement of the use of debt.
- **M&A:** Mergers and Acquisitions.
- **Net Asset Value (ZDP Share)** is the value of the entitlement to the ZDP Shareholders.
- **NSCI (XIC):** The Numis Smaller Companies Index (excluding Investment Companies).
- **PE:** The price-earnings ratio (P/E ratio).

Glossary – Aberforth Funds



- **Redemption Yield (Ordinary Share)** is the annualised rate at which projected future income and capital cash flows (based on assumed future capital/dividend growth rates) is discounted to produce an amount equal to the share price at the date of calculation.
- **Redemption Yield (ZDP Share)** is the annualised rate at which the total discounted value of the planned future payment of capital equates to its share price at the date of calculation.
- **Retained Revenue:** the accumulated income that has not been distributed.
- **Rump** is the Tracked Universe, adjusted to exclude the growth stocks.
- **Terminal NAV (Ordinary Share)** is the projected NAV per Ordinary Share at the planned winding-up date at a stated rate of capital growth in the company's investment portfolio after taking into account the final capital entitlement of the ZDP Shares, future estimated costs charged to capital and estimated winding-up costs.
- **Tracked Universe** refers to those constituents of the NSCI (XIC) that Aberforth follows closely and whose financial characteristics are aggregated on internal systems.
- **Total return:** capital appreciation plus reinvested dividends.
- **Turnover** is calculated by summing the lesser of purchases and sales and dividing by the average portfolio value.
- **Unit:** an equal portion representing part ownership of a unit trust fund.
- **Value style:** the strategy by which all Aberforth's portfolios are invested.
- **Value Premium:** the relative out/(under) performance of the value investment style.
- **ZDP:** Zero Dividend Preference shares are a share class that receive no dividends. Instead, holders receive a fixed capital payment on the redemption date.



Important information

Important information



- Throughout this presentation references to: SMALL COMPANIES mean constituents of the Numis Smaller Companies Index (Excluding Investment Companies) which are referred to as “NSCI (XIC)”; LARGE COMPANIES mean constituents of the FTSE All-Share Index which are referred to as “FTAS”; total return means with dividends reinvested (prior to 2.7.97 with gross dividends reinvested thereafter with net dividends reinvested); and Aberforth clients’ portfolio characteristics use one of Aberforth’s “Standard Value” clients as representative unless otherwise stated.
- Sources of data used in the presentation are detailed on the relevant pages. Source references to London Business School refer to Numis/Paul Marsh and Elroy Dimson – London Business School.
- Source references to FTSE refer to FTSE International Limited (“FTSE”) © FTSE 2021. FTSE® is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data and no party may rely on any FTSE indices, ratings and/or underlying data contained in this communication. No further distribution of FTSE data is permitted without FTSE’s express written consent. FTSE does not promote, sponsor or endorse the content of this communication.
- The information contained in this presentation is for background purposes and is subject to updating, revision and amendment. This presentation does not contain, and does not purport to contain, a full description of the Fund(s) or all the information investors should consider before investing in the Fund(s). All expressions of opinion are subject to change without notice and do not constitute advice and should not be relied upon as a promise or representation as to the future. This presentation may contain forward-looking statements which are based on current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Such forward-looking statements are not a reliable indicator of future performance. This presentation is not intended as an offer, invitation or solicitation for the purchase or sale of any investment, nor is its issuance intended to give rise to any other legal relations whatsoever and this presentation must not be relied upon for the purposes of any investment decision. While this presentation has been prepared in good faith, no representation or warranty of any sort, express or implied, is made in respect of this presentation and no liability whatsoever is accepted by Aberforth Partners LLP or Aberforth Unit Trust Managers Limited or any other person in relation thereto.

Important information



- The information contained in this presentation does not constitute an offer of, or an invitation to apply for, securities in any jurisdiction where such an offer or invitation is unlawful or in which the person making such offer is not qualified to do so or to whom it is unlawful to make such an offer or solicitation. Specifically, any Fund(s) described will not be registered under the U.S. Securities Act of 1933, as amended, and may not be directly or indirectly sold or offered in the U.S.A. or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of a U.S. person.
- Persons resident in countries other than the UK should consult with their professional advisers as to whether they require any governmental or other consents in order to enable them to invest in any product described in these pages.
- Aberforth Partners LLP is a limited liability partnership registered in England and Wales (registered number OC313353) and its registered office address is The Broadgate Tower, Primrose Street, London EC2A 2EW. It has its principal place of business at 14 Melville Street, Edinburgh EH3 7NS.
- Aberforth Unit Trust Managers Limited is a company registered in Scotland (registered number 124771) and its registered office address is 14 Melville Street, Edinburgh EH3 7NS. Aberforth Unit Trust Managers Limited is wholly owned by Aberforth Partners LLP.
- Aberforth Partners LLP and Aberforth Unit Trust Managers Limited are authorised and regulated by the Financial Conduct Authority.

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 is often less liquid than that for shares of larger companies, making shares of smaller companies more difficult to buy and sell. Smaller companies can also be expected, in comparison to larger companies, to have less mature businesses, a more restricted depth of management and a higher risk profile.
- 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.
- Unless the performance of an investment meets or exceeds the rate of inflation, the real value of that investment will reduce.
- Changes in economic or political conditions or other factors can substantially and potentially adversely affect the value of investments and, accordingly, the performance and prospects of the funds managed by Aberforth Partners LLP or Aberforth Unit Trust Managers Limited.
- The market price of securities issued by the fund may fluctuate significantly and investors may not be able to sell their securities at or above the price at which they acquired them. Securities markets have in the past experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any broad market fluctuations may adversely affect the market price of the units issued by the fund.
- There can be no guarantee that the investment objective of the fund will be achieved or provide the returns sought by the fund.

Risk warnings



- The dealing spread of Aberforth UK Small Companies Fund, which represents the difference between the buying and selling prices, will have an impact on the realisable value of any investment made in this fund, particularly in the short term. To mitigate the impact of capital erosion, investors should regard investments in this fund as long term.
- Tax legislation and the levels of relief from taxation can change at any time. Any change in the tax status of the fund or in tax legislation could affect the value of the investments held by the fund or affect its ability to provide returns to its investors. The tax treatment of an investment, and any dividends received, will depend on the individual circumstances of the investor and may be subject to change in the future. If investors are in any doubt as to their tax position, they should consult their professional adviser.
- 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.