



# Aberforth UK Small Companies Fund

## Monthly Factsheet

30 November 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](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                                       | 321    |
| Total market value  | £132bn |
| Largest constituent                                       | £2.8bn |
| Largest constituent if index rebalanced at Factsheet date | £1.4bn |

### Key Fund information

|                          |           |
|--------------------------|-----------|
| Total investments        | £113m     |
| Number of investments    | 78        |
| Active share             | 80.9%     |
| Total net assets         | £117m     |
| Issue price (Acc)        | £232.42   |
| Cancellation price (Acc) | £227.76   |
| Issue price (Inc)        | £166.72   |
| Cancellation price (Inc) | £163.38   |
| Launch date              | 20 Mar 91 |
| Next year-end            | 31 Dec 20 |

### Fees & charges

|  |       |
|--|-------|
| Ongoing charges (at 30 Jun 20 & includes Management fee) | 0.84% |
| Management fee   | 0.75% |
| Performance fee  | None  |
| Initial/exit charges                                     | 0%    |
| Dealing spread   | 2.03% |

### Yield & distributions (Inc units)

|                                       |           |
|---------------------------------------|-----------|
| Yield                                 | 2.0%      |
| Interim distribution (paid 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.

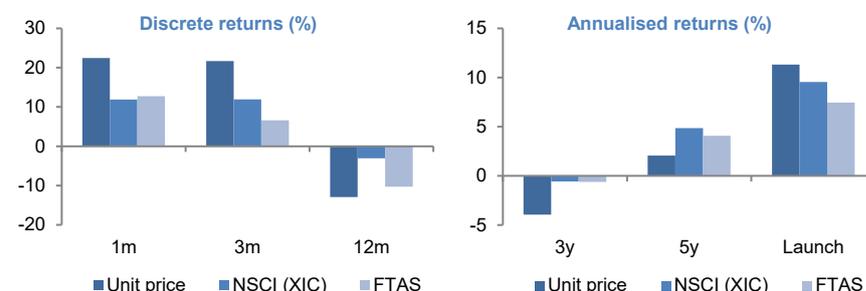
### Investment style: Value

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 | 22.4 | 21.7 | -12.9 | -3.9 | 2.1 | 11.3   |
| NSCI (XIC) | 11.9 | 11.9 | -3.1  | -0.6 | 4.8 | 9.5    |
| FTAS       | 12.7 | 6.6  | -10.3 | -0.6 | 4.1 | 7.5    |

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.



### Monthly investment commentary: December

The successive Covid-19 vaccine announcements of November led to strong performances across global stockmarkets. Seeing light at the end of the pandemic's tunnel, the FTSE All-Share rose by 12.7% and the NSCI (XIC) by 11.9%. After a particularly challenging period for the value style, new-found optimism about recovery saw a decisive rotation towards both value and "smaller smalls". The accommodating backdrop helped the Fund return 22.4%, its largest ever monthly gain.

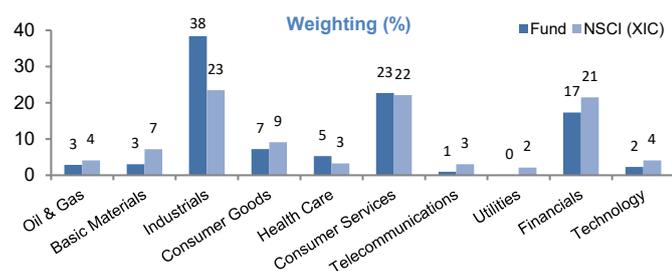
At the stock level, the theme was one of emerging interest in the 'coronavirus victims'. As economic prospects were reconsidered, holdings in the Travel & Leisure sector responded particularly encouragingly. The Fund participated in an equity raise by gaming and entertainment operator Rank Group that went on to contribute strongly. Specialist lender International Personal Finance refinanced and demonstrated continued improvement in collection trends as competitors retreated from the market. Conversely, those holdings which proved defensive through the early stages of the crisis detracted from returns during the month. Language specialist RWS – the product of the RWS/SDL merger – and software provider Alfa Financial failed to keep pace with the index despite strong current trading.

Elsewhere, the holding in Urban&Civic, a developer of land for housing, was subject to an agreed bid and provided more evidence that the backdrop of historically low UK valuations is attracting the attention of corporate and private equity acquirers. The month also saw non-holding Elementis subject to a possible offer by a US listed competitor. As at the end of November, 17 acquisitions for companies within the NSCI (XIC) had been completed during 2020 and a further 10 offers or approaches were outstanding. This is the highest level of interest observed since 2015, the year before the EU referendum.

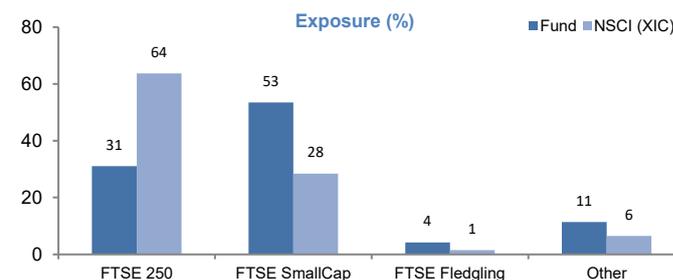
### Top 10 equity investments

| Name                      | Activity   | %   |
|---------------------------|--|-----|
| Reach                     | UK newspaper publisher                           | 3.4 |
| Provident Financial       | Personal credit provider                         | 2.9 |
| RWS Holdings              | Software - translation & content management      | 2.9 |
| Morgan Advanced Materials | Manufacture of carbon & ceramic materials        | 2.8 |
| Vesuvius                  | Metal flow engineering                           | 2.5 |
| Brewin Dolphin Holdings   | Private client fund manager                      | 2.4 |
| Wincanton                 | Logistics  | 2.4 |
| TI Fluid Systems          | Automotive parts manufacturer                    | 2.4 |
| Vectura Group             | Inhaled pharmaceuticals - respiratory specialism | 2.2 |
| Vitec Group               | Photographic & broadcast accessories             | 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 - 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 September:

| Growth (%) | 2020  | 2019 | 2018 | 2017 | 2016 |
|------------|-------|------|------|------|------|
| Unit price | -28.1 | -5.2 | 2.9  | 25.8 | 0.6  |
| NSCI (XIC) | -9.6  | -4.1 | 1.4  | 20.2 | 8.6  |

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: 2138000NHCS5DGL7RPF30 |

## 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: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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