Aberforth UK Small Companies Fund

Half Yearly Report

30 June 2026

Investment Objective

The investment objective of Aberforth UK Small Companies Fund ("the Fund") is to seek to achieve a total return, calculated on an income reinvested basis, greater than the Deutsche Numis Smaller Companies Index (excluding Investment Companies) ("DNSCI (XIC)") over the long term, with the focus on rolling five year periods.

Investment Policy

The Fund aims to achieve its objective by investing in small UK quoted companies. These are companies with a market capitalisation, at time of purchase, equal to or lower than the largest company in the bottom 10% of the main UK equity market or companies in the DNSCI (XIC). At 1 January 2026 (the date of the last annual index rebalancing), the index included 352 companies, with an aggregate market capitalisation of £180 billion. Its upper market capitalisation limit was £2.5 billion, although this limit changes owing to movements in the stockmarket. If any holding no longer falls within this definition of a small company, its securities become candidates for sale.

Portfolio risk is spread by diversification of holdings in individual companies: the portfolio will usually have holdings in around 80 small UK quoted companies.

The Fund's policy towards companies quoted on the Alternative Investment Market (AIM) generally precludes investment, except either where an investee company moves from the "Main Market" to AIM (so as to avoid being a forced seller) or where a company quoted on AIM has committed to move from AIM to the "Main Market" (so as to enable investment before a full listing is obtained) or where an AIM listed company has acquired an existing holding in the Fund's portfolio with part of the consideration being shares of the acquiring company (so as to avoid being a forced seller). The Fund does not invest in any unquoted companies.

The Manager aims to keep the Fund near fully invested in equities at all times and there is normally no attempt to engage in market timing by holding high levels of liquidity.

The Manager believes that small UK quoted companies continue to provide opportunities for positive total returns over the long term. Any material changes to the Fund's investment objective and policy will be subject to Unitholder approval.

Investment Strategy

The Manager adheres to a value investment philosophy. In practice, this approach utilises several valuation metrics, recognising that flexibility is required when assessing businesses in different industries and that buyers of these businesses may include other corporates as well as stockmarket investors. As a result of this philosophy, the Fund's holdings are usually on more attractive valuations than the average for the DNSCI (XIC). While there is good evidence that a value approach within small UK quoted companies results in superior returns over the long term, there can be extended periods when the value style is out of favour.

The Manager selects companies for the portfolio on the basis of fundamental or "bottom-up" analysis. Analysis involves scrutiny of businesses' financial statements and assessment of their market positions. An important part of the process is regular engagement with board members of prospective and existing investments. Holdings are sold typically when their valuations reach targets determined by the Manager.

The DNSCI (XIC) is the Fund's chosen benchmark. It is the reference point for defining the investment objective ("Target benchmark") and evaluating the Fund's performance ("Comparator benchmark"). Although the Fund's portfolio is constructed with reference to UK small companies and the DNSCI (XIC), it can be differentiated from the index. The use of the DNSCI (XIC) as a benchmark reflects the emphasis within the portfolio on small UK quoted companies and the desire to achieve the investment objective by investing in companies whose shares represent relatively attractive value within a given stockmarket environment. If the index is not available, the Manager will use another index which it considers is comparable to the DNSCI (XIC).

Investment Strategy

In order to facilitate the achievement of the investment objective, the Manager believes that the portfolio must be adequately differentiated from the benchmark index. Therefore, within the diversification parameters described in Investment Policy, the Manager regularly reviews the level of differentiation, with the aim of maximising the active share of the portfolio.

The Fund's eligible markets, as defined in the Collective Investment Schemes Sourcebook (“COLL”), are the Official List of the London Stock Exchange plc (“LSE”) and the Alternative Investment Market (“AIM”) of the LSE. The Fund’s base currency is Pounds Sterling.

The capital property of the Fund will consist of transferable securities, as defined in COLL. The Fund will not invest in any immovable property or tangible movable property.

Fund Information

Prices & Yield		1 July 2026[1]	2 January 2026[1]
Accumulation Units	Issue Price	£397.49	£369.91
	Cancellation Price	£391.61	£364.36
Income Units	Issue Price	£235.83	£223.91
	Cancellation Price	£232.34	£220.55
	Yield[2]	3.7%	3.6%
	Dealing spread	1.5%	1.5%

Charges	30 June 2026	31 December 2025
Initial charge	Nil	Nil
Ongoing charges[3]	0.79%	0.81%
Exit charge	Nil	Nil

[1] Prices stated are for the first valuation point after the period end, being the distribution ex-dividend date.
[2] The Yield reflects distributions declared over the past twelve months as a percentage of the mid-market unit price as at the date shown. Investors may be subject to tax on their distributions.
[3] This is based on actual expenses for the period. It covers all aspects of operating the Fund during the period including fees paid for investment management, administration, safeguarding the Fund’s assets, audit and to the regulator. It does not include payments to your financial advisor or any other firm through which you may invest. You may pay for their services, if any, directly.

Sources of Further Information

Unitholders can find up-to-date information on the Manager's website at www.aberforth.co.uk. This includes items such as the latest prices, fund statistics including yield, dealing spread and size, as well as information relating to the portfolio, management fee and dividend history. For further information relating to buying and selling units, please see page 24.

Scan the QR code to visit www.aberforth.co.uk.

Statement of Recommended Practice (“SORP”)

The Fund has adopted the Investment Association's revised SORP for UK Authorised Funds from 1 January 2026. As a result, Investments reported within the financial statements are now valued using mid prices (previously bid). Investment performance returns throughout this report continue to be calculated on a cancellation (bid) price to cancellation (bid) price basis, with income reinvested, reflecting the Fund's dual priced structure and investor experience. Therefore, investment performance returns and reported net asset values are not presented on the same valuation basis. Further details are provided in Notes 1 & 6 to the financial statements.

Performance Summary

	The Fund[1] (%)	Index[2] (%)
6 months to 30 June 2026	5.1	1.8

Net Asset Value (Post Distribution[3])

	30 June 2026	31 December 2025[4]
Total Net Assets	£180.0m	£164.4m
Accumulation units in issue	323,056.597	306,927.611
Income units in issue	243,301.010	236,340.232
NAV per unit – accumulation	£385.09	£365.40
NAV per unit – income	£228.47	£221.18

5 Year Rolling Performance

	Annualised Returns (%)		Cumulative Returns (%)	
Period	The Fund[1]	Index[2]	The Fund[1]	Index[2]
5 years to 30 June 2026	4.0	3.3	21.8	17.9
5 years to 30 June 2025	14.3	10.5	95.0	64.8
5 years to 30 June 2024	7.2	4.7	41.5	26.1
5 years to 30 June 2023	1.0	0.8	5.0	4.2
5 years to 30 June 2022	1.3	1.4	6.5	7.4

Historical Returns

	Cumulative Returns (%)	
Periods to 30 June 2026	The Fund[1]	Index[2]
3 years from 30 June 2023	35.8	36.3
5 years from 30 June 2021	21.8	17.9
10 years from 30 June 2016	109.9	97.4
15 years from 30 June 2011	227.1	209.4
Since inception on 20 March 1991	3,949.9	2,112.1

	Annualised Returns (%)	
Periods to 30 June 2026	The Fund[1]	Index[2]
3 years from 30 June 2023	10.7	10.9
5 years from 30 June 2021	4.0	3.3
10 years from 30 June 2016	7.7	7.0
15 years from 30 June 2011	8.2	7.8
Since inception on 20 March 1991	11.1	9.2

1 Represents cancellation (bid) price to cancellation (bid) price (accumulation units).

2 Represents capital appreciation on the DNSCI (XIC) with net dividends reinvested.

3 See Note 3 to the financial statements.

4 Comparative net asset value at 31 December 2025 has not been restated following adoption of the Investment Association's 2025 SORP. See Note 1 to the financial statements.

Past performance is not a guide to future performance. Stockmarket movements may cause the capital value of an investment and the income derived from it to go down as well as up and investors may get back less than they originally invested.

Manager’s Report

Introduction

This report has been prepared in accordance with the requirements of COLL as issued and amended by the Financial Conduct Authority.

Status

Aberforth UK Small Companies Fund (the “Fund”) was constituted by a Trust Deed dated 17 December 1990 and is an authorised unit trust scheme under the Financial Services & Markets Act 2000 (the “Act”). The Fund is a UCITS scheme as defined by COLL.

Changes to Prospectus

During the period, the Prospectus was updated:-

1. to update historical performance tables and details relating to the rebalancing of the DNSCI (XIC) in line with its annual review;
2. to update the name of the registrar from ‘Waystone Transfer Agency Solutions (UK) Limited’ to ‘Waystone Financial Investments Limited’; and
3. to amend the wording of the investment policy, adding ‘or where an AIM listed company has acquired an existing holding in the Fund’s portfolio with part of the consideration being shares of the acquiring company (so as to avoid being a forced seller)’.

Remuneration Policy

The Manager has delegated all investment management activities for the Fund to Aberforth Partners LLP, the investment adviser, collectively referenced throughout this report as the Manager. The Manager has two independent non-executive directors who are remunerated by way of directors' fees. Partners and staff working on the Fund are remunerated by the investment adviser, not the Manager. As investment adviser, Aberforth Partners LLP is subject to regulatory requirements on remuneration in accordance with FCA Rules. Details of its remuneration policy are available on request and on its website www.aberforth.co.uk.

Performance

The Fund performed well in the six months to 30 June 2026. Its total return was +5.1%. The return from the benchmark index, the DNSCI (XIC), was +1.8%. Larger companies, represented by the FTSE All-Share, were up by 7.2% in total return terms.

Investment Background

The year started well for smaller companies. The November 2025 Budget was not as hostile to the UK’s private sector as was feared. Both macro economic data and trading updates from companies indicated stronger activity in January and February. However, the encouraging start was brought to an abrupt halt in March by war in Iran. With a decline of 12% in March, the DNSCI (XIC) recorded its fifth worst month in the Fund’s 35 year history. The companies whose share prices suffered most tended to be those close to the UK housing market. In this, the stockmarket was mindful of Russia’s invasion of Ukraine and anticipated that the inflationary pressure from higher oil prices would necessitate higher interest rates and renew the squeeze on household budgets.

Manager's Report

As well as the threat of another inflationary jolt, UK equities had to contend with deeper political uncertainty. May's local government elections precipitated another change of Prime Minister. The drama played out in the gilt market more than in the equity market, as the premium paid on ten year gilt yields over ten year US bond yields returned to 2022 "mini Budget" levels. Ensuing commentary focused on the UK's economic and societal problems, but it is notable that the gilt yield premium had narrowed by 30 June and that sterling barely moved against both the dollar and the euro. Markets appear to have taken the view that the UK's fiscal situation limits the options for our next Prime Minister.

The other main feature of the period under review was the on-going investment boom in artificial intelligence (AI). The American technology titans continued to announce ever larger capital expenditure plans as they attempt to scale computing power to meet anticipated AI demand. Uncertainty about the funding of these ambitions was partially addressed in June when Alphabet announced a massive equity issue. This was followed by the initial public offering in SpaceX, the vast majority of whose $2 trillion valuation is attributable to its AI ventures.

Of course, most companies are not at the forefront of AI development. As the market focused on vulnerability to AI adoption more than on its efficiency benefits, many share prices came under pressure during the first half. Sectors such as software, estate agency, recruitment and insurance felt the effects. Exposure to these areas meant that AI was on balance a negative influence on the performance of the UK stockmarket's small and large companies during the first half of 2026.

Analysis of performance and portfolio characteristics

In the six months to 30 June 2026, the Fund's total return was +5.1%. The DNSCI (XIC)'s was +1.8%. The table below analyses the difference between the two numbers. The most important influence on the Fund's relative return was the total return performance of the companies that make up its portfolio of investments.

For the six months ended 30 June 2026	Basis points
Attributable to the portfolio of investments, based on mid prices (after transaction costs of 16 basis points)	**314**
Movement in mid to bid price spread	7
Cash/other	57
Management fee	(37)
Other expenses	(3)
Total attribution based on bid prices	**338**

Note: 100 basis points = 1%. Total Attribution is the difference between the total return of the NAV and the Benchmark Index (i.e. NAV = 5.14%; Benchmark Index = 1.76%; difference is +3.38% being 338 basis points).

Manager's Report

The next table sets out a series of characteristics of both the portfolio and the DNSCI (XIC). The paragraphs that follow provide context and explanation for these characteristics and for the Fund's performance in the first half of 2026.

Portfolio characteristics	**30 June 2026** The Fund	**30 June 2026** DNSCI (XIC)	30 June 2025 The Fund	30 June 2025 DNSCI (XIC)
Number of companies	**78**	**342**	79	343
Weighted average market capitalisation	**£611m**	**£1,233m**	£581m	£1,132m
Weighting in "smaller small" companies*	**50%**	**17%**	52%	20%
Weighting in companies with net cash**	**42%**	**32%**	34%	31%
Portfolio turnover over prior 12 months	**38%**	**n/a**	27%	n/a
Active share	**80%**	**n/a**	78%	n/a
Price earnings (PE) ratio (historical)	**11.5x**	**13.0x**	10.1x	14.9x
Dividend yield (historical)	**4.2%**	**3.2%**	4.0%	3.4%
Dividend cover (historical)	**2.1x**	**2.4x**	2.5x	2.0x

*"Smaller small" companies – DNSCI (XIC) members that are not also FTSE 250 members.
**Tracked Universe – explained below in the Balance Sheets section

Themes in the first half of 2026

The investment background above addressed top-down influences on the stockmarket moves in the first half of 2026. These influences were modestly positive for the Fund's performance as the following comments explain.

- *Artificial intelligence* on balance helped the Fund's relative performance. The share prices of software companies, recruiters and media businesses, including those owned by the Fund, weakened as AI concerns developed. However, this effect was outweighed by a strong performance from an investee company whose largest customers are manufacturers of equipment for the semiconductor industry. The Manager is working on non-holdings that have been victims of the AI excitement to determine whether these are now investment opportunities.
- *Housebuilding,* including the housebuilders themselves and suppliers to the industry, was a significant drag on relative performance. The industry is confronted by demand uncertainty amid cost-of-living concerns and renewed cost inflation as higher energy prices feed through the supply chain. Valuations are now extremely low, with price-to-book ratios back to levels last seen in the global financial crisis.
- *Oil* exposure was a substantial boost to relative performance since the Fund entered 2026 with a higher weighting than did the DNSCI (XIC). The motivation for this positioning was the extremely low valuations that the stockmarket attributed to oil and gas producers, despite their strong cash generation and willingness to pay dividends. There was little in the companies' valuations for the chance that geopolitical instability might lead to a higher oil price.

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Size

The Fund's portfolio retains a relatively high exposure to the "smaller small" companies within the DNSCI (XIC). At the end of June, the weighting was 50%, which was significantly greater than the index's 17%. The reason is the considerably lower valuations that the stockmarket attributes to its smaller constituents, which is demonstrated in the Valuations section later in this report.

This aspect of the Fund's portfolio positioning means that investment performance is affected by the stockmarket's preference for larger or smaller companies in a given period. Over the long term, "smaller small" companies have out-performed "larger small" companies, just as the overall DNSCI (XIC) has out-performed the FTSE All-Share. In the first six months of 2026, "smaller small" companies slightly out-performed "larger small" companies and so the Fund's size positioning helped investment performance.

Style

The Manager has consistently invested the Fund's assets in accordance with its value investment philosophy. The stockmarket's appetite for value stocks is more volatile. To gauge style effects within the DNSCI (XIC), the Manager uses analysis by London Business School (LBS). This is based on price to book ratios: a high price to book denotes a growth stock and a low price to book a value stock. When selecting stocks for the Fund, the Manager uses a broader range of valuation techniques, but the LBS approach provides a useful indication of the market's style preference.

Since the pandemic and over the Fund's 35 year history, the DNSCI (XIC)'s value stocks have out-performed the index as a whole and so style has helped the Fund's performance. In contrast, value stocks marginally under-performed during the first half of 2026. This meant that style, as measured by the LBS analysis, was a hindrance to the Fund's investment return.

Balance sheets

The following table sets out the balance sheet profile of the Fund's portfolio and of the Manager's Tracked Universe, which is a subset of the DNSCI (XIC). It represents 99% by value of the index as a whole and is made up of the 237 companies that the Manager follows closely.

Weight in companies with:	Net cash	Net debt/EBITDA < 2x	Net debt/EBITDA > 2x	Other*
Tracked Universe 2026	32%	41%	23%	4%
Portfolio 2026	42%	45%	12%	1%

*Includes loss-makers and lenders

Small companies remain financially robust, but the stockmarket does not appear to be discriminating on the basis of balance sheet strength at present. This has seen the Fund's exposure to companies with net cash on their balance sheets increase to more than 42%. Most of the exposure to higher leverage, of two times EBITDA and above, comes through businesses with asset backing, such as property and pub companies. The category also includes companies with depressed profitability or excessive debt, in which circumstances the Manager's level of engagement is particularly high.

The strength of balance sheets has supported further dividend growth and sustained the high incidence of share buy-backs. In the first half of 2026, 25 of the Fund's investee companies took advantage of their attractive stockmarket valuations to buy back shares. The economic logic of buy-backs at such valuations is compelling as long as they do not deprive underlying businesses of capital needed for the maintenance of assets and prudent growth.

Manager's Report

Income

At 30 June 2026, the average historical dividend yield of the Fund's 78 portfolio holdings was 4.2% and average dividend cover was 2.1x. The income experience in the first half of 2026 was positive, which was due to a combination of higher dividends paid by investee companies and portfolio management activity. The latter stems from "value roll", which is the Manager's term for the recycling of capital from companies with lower upside to target price (and therefore usually lower dividend yields) to companies with higher upsides (and therefore usually higher dividend yields).

Nil Payer	Cutter	Unchanged Payer	Increased Payer	Returner
13	11	22	30	2

The table above categorises the Fund's 78 holdings according to their most recent dividend actions. The Fund's positive income experience was underpinned by the 30 companies that increased their dividends and by the two that recommenced dividend payments. The Fund also received four special dividends from its holdings in the first half of 2026.

Corporate activity

Heightened takeover interest in small UK quoted companies continued in the first half of 2026, despite the uncertainties arising from the war in Iran. At the end of the period, there were eight recommended offers waiting to complete, of which three were for companies held by the Fund. On top of these eight formal offers, seven companies had received approaches and remained in talks with potential acquirers. Of these, the Fund had a holding in one.

The terms of the eight recommended deals are consistent with recent averages within the DNSCI (XIC). Over the past three years, the average premium to the share price has been 45%, while the average EV/EBITA has been 14.6x. This is well above the portfolio's 7.3x EV/EBITA ratio for 2026. As long as such low valuations prevail in the stockmarket, it is likely that M&A activity will continue at an elevated rate. However, the risk remains that boards of target companies are too ready to engage from a disadvantageous starting point. There were further instances of this in the first half of 2026 and the Manager again engaged to improve terms or to embolden the target board to pursue its standalone strategy. Such engagement is not always successful, but the motivation is always to improve investment returns for the Fund and its unitholders.

A corollary of the low valuations that the stockmarket currently ascribes to small UK quoted companies is a continued paucity of initial public offerings. However, the Manager's opportunity base is expanding as three more companies announced moves up from AIM to the Main Market in the first half of 2026. The Fund does not invest in AIM quoted companies except in limited circumstances, one of which is when an AIM company makes a public announcement of its intention to move up. Of the three promotions, the Fund has holdings in one.

Active share

Active share is a measure of how different a portfolio is from an index. The higher a portfolio's active share, the higher its chance of performing differently from the index, for better or worse. The Manager targets an active share ratio of at least 70% for the Fund's portfolio compared with the DNSCI (XIC). At 30 June 2026, it stood at 80%.

Manager's Report

Value roll and portfolio turnover

Portfolio turnover is defined as the lower of purchases and sales divided by the average portfolio value. The Fund's turnover in the first half of 2026 was 38%. The rate of turnover is linked to the Manager's investment process and to the Fund's good relative performance in the period. If prices and valuations are rising, the upsides to the Manager's target prices are likely to be narrowing. All else being equal, this would encourage the rotation of the Fund's capital from companies with lower upsides to those with higher upsides. This value roll has played an important role in the Fund's capital and income returns over the years.

Portfolio categorisation

The table below splits the portfolio's 78 holdings into four categories. These categories correspond to how the Manager thinks about the portfolio and about how it prioritises engagement activity.

	Under review	Work in progress	Self-help	On track
Portfolio weight	2.3%	12.3%	58.2%	27.2%
Number of stocks	6	10	46	16
Total return 6 months to 30 June 2026	-32%	-5%	+4%	+37%
EV/EBITA 2026	13.4x	6.3x	7.4x	7.8x
Engagement intensity	High	High	Moderate	Normal

- *Work in progress* contains companies with an issue or problem that has hit the share price to an unjustified degree. Engagement with these companies is high as the Manager seeks to understand the issue and how the board intends to address it.
- *Self-help* represents companies that have also had an issue but where a plan to address the issue is being executed. Over half of the portfolio sits here. This reflects the fact that most smaller companies are not at the mercy of macro economic conditions, but are resilient, well-managed and able to create value under their own steam. Engagement intensity here is elevated but lower than for *Work in Progress*.
- *On track* contains companies whose previous issues have been addressed and are now trading as planned. Engagement continues but is at a normal level.
- *Under review* is for companies that have an issue, but, unlike *Work in progress,* the Manager has not yet been able to determine whether the problem has been adequately reflected in the share price. Engagement levels for this category are therefore high.
- With its contrarian approach to investment, the Manager is drawn to companies with resolvable issues, contending that value opportunities arise as the stockmarket tends to overreact. It follows that the vast majority of new holdings are within the *Work in progress* or *Self-help* categories. If the investment case pans out as envisaged, companies are likely to move to the right – from *Work in progress* through *Self-help* to *On Track* – before leaving the portfolio. Once in *On track,* it is likely that the stockmarket values companies closer to the Manager's target valuations and that these should become sources of capital.

- *Under Review* only contains existing holdings, those where the original investment case has been blown off course. More often than not, the Manager's research and engagement convince it to add to companies in this category. Indeed, some of the Fund's biggest winners over the years have slipped from one of the other categories into *Under review* before recovering and progressing rightwards.
- Moving through the categories from left to right, potential upside to target prices falls, though confidence in target prices rises. There is no strong pattern to the average EV/EBITA ratios. This is because the underlying business issues that determine the categorisation can often be reflected in depressed profitability. This is particularly the case for those companies in *Under review.*

Valuations

The historical price earnings ratios (PE) for the portfolio and for smaller companies were 11.5x and 13.0x respectively at 30 June 2026. Both ratios remain below their long term averages of 11.9x and 13.5x respectively. In contrast, the strong share price performance of large companies in recent years has pulled the historical PE of the FTSE All-Share up to 16.0x, which is above its long term average of 15.3x. The PE relative of small companies against large companies is now 0.81. This 19% discount compares with a long term average of 11%, which points to the potential re-rating available to the Fund's asset class.

The superior share price performance of larger companies is not unprecedented but is unusual. It is likely due to relative profit growth rates. Over time, small companies increase their profits at a higher rate than do large companies. However, in recent years, industries such as banking, mining and oil, which are big components of the FTSE All-Share but small components of the DNSCI (XIC), have enjoyed a period of good profit progression. At the same time, small companies have seen their profit growth hampered by their greater exposure to the domestic economy. Consequently, the usually higher profit growth of small companies has not been forthcoming. The Manager expects that normal service will be resumed since small companies remain fundamentally resilient and will benefit from a less uncertain economic backdrop. Moreover, it is unclear whether the industry-specific boosts to large company profit growth will repeat.

The table below turns to forward valuations for the portfolio and for the investment universe. It uses the Manager's favoured metric, EV/EBITA (enterprise value to earnings before interest, tax and amortisation). Ratios are set out for the portfolio, the Tracked Universe and certain subdivisions of the Tracked Universe. The profits underlying the ratios are based on the Manager's forecasts for each company that it tracks. The bullet points following the table summarise its main messages.

EV/EBITA	2025	2026	2027
The Fund's portfolio (78 stocks)	8.4x	7.3x	6.4x
Tracked Universe (237 stocks)	11.4x	10.5x	9.2x
- 33 growth stocks	18.2x	16.6x	14.8x
- 204 other stocks	10.6x	9.8x	8.6x
- 111 overseas facing stocks*	11.2x	10.2x	8.7x
- 107 domestic facing stocks*	11.0x	10.6x	9.6x
- 135 "smaller small" stocks	8.5x	8.0x	7.0x
- 102 "larger small" stocks	12.5x	11.4x	10.1x

*19 stocks within the Tracked Universe fell outwith the definition of overseas or domestic facing stocks and are not presented in the table above.

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- The ratios decline over the three years shown. This is consistent with the Manager's expectation of profit growth and strengthening balance sheets, which reduces the enterprise value. The estimates underlying the ratios of 2026 and 2027 are vulnerable to revision as the impact of the Iran war feeds through to the domestic economy. So far, few companies have adjusted their outlooks to reflect this uncertainty.
- The average EV/EBITA multiples of the portfolio are lower than those of the Tracked Universe. This reflects the Manager's value investment style and the influence of the more highly valued growth stocks on the Tracked Universe's multiples.
- The valuation of overseas facing companies (those with more than 60% of revenues outside the UK) is similar to that of domestic facing companies (those with more than 60% of revenues in the UK). For much of the last ten years, domestic companies have had lower valuations, owing to the EU referendum and lockdown during the pandemic. However, the gap has closed as overseas earners have had to contend with the US tariffs and higher costs arising from the war in Iran. This has expanded the range of potential investments for the Manager.
- The "smaller small" companies within the DNSCI (XIC) remain more attractively valued than do the "larger smalls". This explains why the Fund has a much higher exposure to the "smaller smalls" than does the DNSCI (XIC).
- Takeovers within the DNSCI (XIC) over the last three years were struck on average on a multiple of 14.6x. This compares with the portfolio's 2026 EV/EBITA of 7.3x.

Outlook and conclusion

Despite the oil price having declined sharply from its early April peak, it is difficult to have full confidence in the peace negotiations between the US and Iran. As long as peace does hold, pressure on economies and markets should ease. However, some damage will likely prove to have been done as the oil price spike feeds through to inflation rates and to monetary policy. For the UK, this means that interest rate cuts, which were widely expected before the onset of the Iran war, are now unlikely. Indeed, unchanged interest rates in 2026 would be a good outcome for near term economic activity.

The other main issue confronting the UK economy is domestic politics. Successive governments have implemented policies that have squeezed the private sector and undermined the UK's competitiveness. Policies on energy, land and labour have hampered economic growth and contributed to a higher cost of capital for companies, households and the government itself. This state of affairs influences today's remarkable combination of very strong private sector balance sheets and extremely depressed confidence. This combination points to the potential release of pent-up activity when economic conditions stabilise and politics turns more supportive of the private sector.

It seems improbable that government's role in the economy will diminish under Andy Burnham. However, it is to be hoped that his dirigiste tendencies are better focused and, with a more united Labour party behind him, can meet the growth ambitions espoused by his predecessor. He does, though, have only three years to prove himself and markets are likely already to be looking ahead to the next General Election in 2029. It is frustrating that none of the credible winners of that election seem inclined at this point to unwind the years of government encroachment on the private sector. However, it is encouraging that government's role in bringing the UK economy to this point is now being aired and debated more broadly.

Faced with unhelpful government policy and geopolitical shocks, the operational performance of small UK quoted companies has been remarkably good in recent years. The ramifications of the Iran war mean that profit progress in 2026 is likely to be modest. However, cash generation and balance sheets are strong. Most companies in 2025 invested for growth, with capital expenditure running ahead of depreciation, and many continue to return value to shareholders through growing dividends and share buy-backs. There is no indication that the potential profitability has been impinged by exogenous events and so it is reasonable to expect small companies to thrive amid more stable economic conditions. In the meantime, the scope for self-help among the Fund’s holdings is considerable, as set out in the categorisation analysis presented above.

For now the resilience of small UK quoted companies is largely being overlooked in a financial world obsessed by AI. The on-going investment in AI and its enabling technologies is eclipsing the previous investment booms that have punctuated economic and stockmarket history. It is to be hoped that good returns will be earned on the investment, by users of the technology if not by those deploying the capital.

As those asset classes not deeply involved in AI vie for the attention of investors, there is some encouragement for small UK quoted companies. First, the impressive recent performance of the FTSE 100 shows that “Britishness” itself is not a barrier to broader interest from investors. Second, smaller companies are attracting the attention of overseas capital, albeit not yet in an extensive fashion. This sporadic interest is evident in both takeovers, which seem likely to continue at elevated rates, and in the on-going change of many share registers. The incoming investors are often based overseas and frequently share the Manager’s constructive approach to engagement. They have been attracted by the valuation of the asset class and by the quality of the companies. This evolution of share registers from “weak hands” to “strong hands” highlights the opportunity and can itself contribute to a broad re-rating of the asset class in due course.

For now, the valuations of the Fund’s portfolio and of smaller companies are still below their long term averages. Such conditions raise the likelihood of good prospective investment returns. The outlook is improved by how the Manager invests the Fund’s capital. Three aspects stand out – the value investment philosophy, the active management of the portfolio through “value roll”, and the discreet engagement with the boards of the investee companies. These features have contributed to the Fund’s superior relative returns over 35 years and seem no less relevant today. The Manager is therefore optimistic that the Fund’s future investment returns will be consistent with those achieved over the past 35 years and with the investment objective.

S G Ford, *Director*
P R Shaw, *Director*
Aberforth Unit Trust Managers Limited

30 July 2026

Long Term Investment Record

Historical Returns

Period	Discrete Annual Returns (%) The Fund[1]	Index[2]
1 year to 30 June 2026	6.7	7.1
1 year to 30 June 2025	5.1	11.1
1 year to 30 June 2024	21.1	14.5
1 year to 30 June 2023	8.0	4.4
1 year to 30 June 2022	-16.9	-17.2

Periods to 30 June 2026	Annualised Returns (%)		Cumulative Returns (%)	
	The Fund[1]	Index[2]	The Fund[1]	Index[2]
2 years from 30 June 2024	5.9	9.1	12.1	19.1
3 years from 30 June 2023	10.7	10.9	35.8	36.3
4 years from 30 June 2022	10.0	9.2	46.6	42.4
5 years from 30 June 2021	4.0	3.3	21.8	17.9
6 years from 30 June 2020	13.0	9.9	108.0	76.6
7 years from 30 June 2019	6.8	6.0	58.6	50.1
8 years from 30 June 2018	4.5	4.5	42.5	42.0
9 years from 30 June 2017	5.1	4.8	56.2	52.9
10 years from 30 June 2016	7.7	7.0	109.9	97.4
15 years from 30 June 2011	8.2	7.8	227.1	209.4
Since inception on 20 March 1991	11.1	9.2	3,949.9	2,112.1

[1] Represents cancellation (bid) price to cancellation (bid) price (accumulation units).

[2] Represents capital appreciation on the DNSCI (XIC) with net dividends reinvested.

Past performance is not a guide to future performance.

Distribution Table

For the six months to 30 June 2026

Group 1: Units purchased prior to 1 January 2026

Group 2: Units purchased on or after 1 January 2026

Interim Distribution	Net Income June 2026	Equalisation† June 2026	Distribution/ Accumulation June 2026	Distribution/ Accumulation June 2025
Income units (payable 31 August 2026)				
Group 1	466.7655p	–	**466.7655p**	407.5709p
Group 2	358.8604p	107.9051p	**466.7655p**	407.5709p
Accumulation units				
Group 1	771.1265p	–	**771.1265p**	649.9700p
Group 2	592.8603p	178.2662p	**771.1265p**	649.9700p

† When units are bought, the purchase price includes the value of securities and revenue up to the date of purchase. All unitholders receive the same distribution, in pence per unit, however, equalisation applies only to units purchased during the distribution period (Group 2 units). Equalisation is the average amount of income included in the purchase of all Group 2 units and is refunded to holders of these units as a return of capital.

Portfolio Statement

As at 30 June 2026

Holding	Security	30 June 2026 Value £'000	30 June 2026 % of Total Net Assets	30 June 2026 % of the Index[1]	31 December 2025 % of Total Net Assets[2]	31 December 2025 % of the Index[1]
Software and Computer Services		**7,943**	**4.4**	**4.1**	4.2	4.1
2,233,692	MONY Group	4,136	2.3			
3,154,346	NCC Group	3,807	2.1			
Technology Hardware and Equipment		**1,031**	**0.6**	**1.0**	0.8	0.4
893,995	TT Electronics	1,031	0.6			
Telecommunications Service Providers		**2,920**	**1.6**	**1.7**	1.2	1.4
346,900	Gamma Communications	2,920	1.6			
Health Care Providers		**–**	**–**	**0.5**	–	0.4
Medical Equipment and Services		**–**	**–**	**0.1**	–	0.2
Pharmaceuticals and Biotechnology		**–**	**–**	**2.2**	–	2.3
Banks		**1,239**	**0.7**	**3.5**	0.9	3.2
305,714	Close Brothers Group	1,239	0.7			
Finance and Credit Services		**–**	**–**	**2.1**	–	2.2
Investment Banking and Brokerage Services		**23,343**	**13.0**	**13.7**	12.6	12.1
2,289,090	Ashmore Group	4,603	2.5			
171,840	Brooks Macdonald Group	2,144	1.2			
472,314	City Of London Investment Group	2,118	1.2			
1,399,364	CMC Markets	6,407	3.6			
2,205,406	Jupiter Fund Management	3,610	2.0			
278,281	Rathbones Group	4,461	2.5			
Life Insurance		**521**	**0.3**	**0.5**	0.3	1.7
1,017,117	Hansard Global	521	0.3			
Non-life Insurance		**6,928**	**3.8**	**1.7**	3.0	1.5
693,911	Conduit Holdings	3,274	1.8			
2,101,197	Sabre Insurance Group	3,654	2.0			
Real Estate Investment and Services		**4,238**	**2.4**	**3.6**	2.6	3.8
4,825,606	Foxtons Group	2,168	1.2			
242,200	Savills	2,070	1.2			
Real Estate Investment Trusts		**5,116**	**2.9**	**8.2**	3.2	8.2
121,900	Big Yellow Group	1,100	0.6			
60,600	Derwent London	1,176	0.7			
1,205,001	Helical	2,309	1.3			
153,317	Workspace Group	531	0.3			
Automobiles and Parts		**–**	**–**	**0.2**	–	1.0
Consumer Services		**1,246**	**0.7**	**0.1**	0.9	0.1
1,362,294	RM	1,246	0.7			

Portfolio Statement

As at 30 June 2026

Holding	Security	30 June 2026 Value £'000	30 June 2026 % of Total Net Assets	30 June 2026 % of the Index[1]	31 December 2025 % of Total Net Assets[2]	31 December 2025 % of the Index[1]
Household Goods and Home Construction		**3,288**	**1.8**	**0.7**	3.1	1.5
2,269,536	Crest Nicholson	1,642	0.9			
667,636	MJ Gleeson	1,646	0.9			
Leisure Goods		**2,065**	**1.1**	**0.2**	0.1	0.3
484,740	Videndum	2,065	1.1			
Personal Goods		**–**	**–**	**1.3**	0.5	1.0
Media		**7,687**	**4.4**	**1.4**	4.7	1.5
3,779,414	Reach	1,979	1.1			
3,721,800	S4 Capital	1,173	0.7			
277,546	STV Group	291	0.2			
1,518,279	Wilmington	4,244	2.4			
Retailers		**13,984**	**7.8**	**5.8**	6.3	5.8
3,681,230	Card Factory	2,472	1.4			
1,709,569	DFS Furniture	2,342	1.3			
1,870,002	Halfords Group	4,315	2.4			
1,276,643	Headlam Group	253	0.1			
1,108,688	Pets At Home Group	1,973	1.1			
2,835,301	Topps Tiles	1,015	0.6			
410,807	WH Smith	1,614	0.9			
Travel and Leisure		**18,718**	**10.4**	**6.8**	10.9	6.5
1,926,300	Domino's Pizza Group	3,490	1.9			
932,450	Hollywood Bowl Group	2,562	1.4			
1,541,561	Hostelworld Group	1,711	1.0			
8,160,551	Marstons	4,158	2.3			
130,700	On The Beach Group	229	0.1			
3,243,595	Rank Group	3,080	1.7			
363,781	Wetherspoon (JD)	2,484	1.4			
119,500	Young & Co's Brewery A	1,004	0.6			
Beverages		**2,534**	**1.4**	**0.6**	2.0	0.7
2,701,004	C&C Group	2,534	1.4			
Food Producers		**3,228**	**1.8**	**4.5**	1.4	4.7
626,565	Hilton Food Group	3,228	1.8			
Personal Care, Drug and Grocery Stores		**2,121**	**1.2**	**2.7**	1.1	3.0
132,500	Greggs	2,121	1.2			
Construction and Materials		**8,869**	**4.8**	**6.3**	5.7	6.0
622,300	Breedon Group	1,840	1.0			
1,343,398	Eurocell	1,508	0.8			
1,516,969	Forterra	2,052	1.1			
530,587	Galliford Try Holdings	2,788	1.5			
1,983,250	Severfield	681	0.4			

Portfolio Statement

As at 30 June 2026

Holding	Security	30 June 2026 Value £'000	30 June 2026 % of Total Net Assets	30 June 2026 % of the Index[1]	31 December 2025 % of Total Net Assets[2]	31 December 2025 % of the Index[1]
Aerospace and Defense		**–**	**–**	**3.1**	2.6	2.8
Electronic and Electrical Equipment		**14,616**	**8.1**	**2.3**	2.9	1.9
626,692	Dialight	2,632	1.5			
1,874,609	Morgan Advanced Materials	3,988	2.2			
427,500	Rosebank Industries	1,413	0.8			
339,084	XP Power	6,583	3.6			
General Industrials		**1,438**	**0.8**	**1.6**	0.8	1.9
2,263,912	Macfarlane Group	1,438	0.8			
Industrial Engineering		**9,756**	**5.4**	**1.7**	8.0	1.3
278,620	Bodycote	1,849	1.0			
674,729	Castings	2,203	1.2			
996,068	Vesuvius	4,465	2.5			
1,082,289	Xaar	1,239	0.7			
Industrial Support Services		**8,100**	**4.5**	**5.3**	5.4	6.2
909,573	PageGroup	967	0.5			
302,278	PayPoint	1,734	1.0			
812,499	Robert Walters	687	0.4			
8,772,431	SIG	697	0.4			
4,121,007	Smiths News	2,926	1.6			
5,352,033	Speedy Hire	1,089	0.6			
Industrial Transportation		**10,648**	**5.9**	**2.4**	5.5	2.2
1,406,107	FirstGroup	2,644	1.5			
327,215	Fisher (James) & Sons	1,508	0.8			
182,947	Vp	892	0.5			
1,232,803	ZIGUP	5,604	3.1			
Industrial Metals and Mining		**7,740**	**4.3**	**3.0**	4.3	3.2
2,862,894	Capital	2,999	1.7			
2,624,480	Ecora Royalties	3,606	2.0			
570,736	Kenmare Resources	1,135	0.6			
Precious Metals and Mining		**–**	**–**	**0.6**	–	0.6
Chemicals		**737**	**0.4**	**1.9**	–	1.8
128,000	Victrex	737	0.4			

Portfolio Statement

As at 30 June 2026

Holding	Security	30 June 2026 Value £'000	% of Total Net Assets	% of the Index[1]	31 December 2025 % of Total Net Assets[2]	% of the Index[1]
Oil, Gas and Coal		**9,704**	**5.4**	**2.3**	3.4	2.2
313,022	Ashtead Technology Holdings	1,298	0.7			
23,306,370	EnQuest	5,134	2.9			
5,865,961	Pharos Energy	1,452	0.8			
837,087	Serica Energy	1,820	1.0			
Alternative Energy		**–**	**–**	**0.6**	–	0.3
Electricity		**–**	**–**	**0.4**	–	0.6
Gas, Water and Multi-utilities		**–**	**–**	**1.3**	–	1.4
Investments as shown in the balance sheet		**179,758**	**99.9**	**100.0**	98.4	100.0
Net Current Assets		**234**	**0.1**	**–**	1.6	–
Total Net Assets		**179,992**	**100.0**	**100.0**	100.0	100.0

All investments are in ordinary shares listed on the London Stock Exchange unless otherwise stated.

[1] Reflects the rebalanced index as at 1 January 2026.

[2] Comparative percentages have not been restated following adoption of the 2025 SORP. The effect on the comparative percentage would not have been material. See Note 1 to the financial statements.

Additional Portfolio Information

For the six months ended	30 June 2026 £'000	30 June 2025 £'000
Total Purchases after transaction costs	**40,027**	18,780
Total Sales after transaction costs	**27,206**	22,601

Statement of Total Return

For the six months ended 30 June 2026 *(unaudited)*

	30 June 2026		30 June 2025	
	£'000	**£'000**	£'000	£'000
Income				
Net capital gains		**5,157**		5,019
Revenue	**4,102**		3,003	
Expenses	**(734)**		(575)	
Interest payable and similar charges	**(12)**		(14)	
Net revenue before taxation	**3,356**		2,414	
Taxation	**–**		–	
Net revenue after taxation		**3,356**		2,414
Total return before distributions		**8,513**		7,433
Distributions (Note 3)		**(3,786)**		(2,747)
Change in net assets attributable to unitholders from investment activities		**4,727**		4,686

Statement of Change in Net Assets attributable to Unitholders

For the six months ended 30 June 2026 *(unaudited)*

	30 June 2026		30 June 2025	
	£'000	**£'000**	£'000	£'000
Opening net assets		**164,426**		145,239
Amounts receivable on issue of units	**24,813**		18,228	
Amounts payable on cancellation of units	**(16,465)**		(22,321)	
		8,348		(4,093)
Change in net assets attributable to unitholders from investment activities		**4,727**		4,686
Retained distribution on accumulation units		**2,491**		1,960
Closing net assets		**179,992**		147,792

Balance Sheet

As at 30 June 2026 *(unaudited)*

	30 June 2026 £'000	31 December 2025 £'000
Assets		
Fixed Assets:		
Investments (Note 5)	**179,758**	161,780
Current Assets:		
Debtors	**1,338**	679
Cash and bank balances	**293**	3,058
Total current assets	**1,631**	3,737
Total assets	**181,389**	165,517
Liabilities		
Creditors:		
Other creditors	**(261)**	(164)
Distribution payable on income units	**(1,136)**	(927)
Total liabilities	**(1,397)**	(1,091)
Net assets attributable to unitholders	**179,992**	164,426

Cash Flow Statement

For the six months ended 30 June 2026 *(unaudited)*

	30 June 2026 £'000	30 June 2025 £'000
Net cash inflow from operating activities	**2,879**	2,349
Investing activities		
Purchases of investments	**(40,012)**	(18,341)
Sales of investments	**26,822**	22,130
Cash (outflow)/inflow from investing activities	**(13,190)**	3,789
Financing activities		
Amounts received from issue of units	**25,116**	18,322
Amounts paid on cancellation of units	**(16,633)**	(22,439)
Distributions paid	**(927)**	(826)
Interest paid and similar charges	**(10)**	(17)
Cash inflow/(outflow) from financing activities	**7,546**	(4,960)
(Decrease)/increase in cash and cash equivalents	**(2,765)**	1,178
Cash and cash equivalents at the start of the period	**3,058**	402
Cash and cash equivalents at the end of the period	**293**	1,580

Notes to the Financial Statements *(unaudited)*

These accounts have been prepared in accordance with the Manager's Statement of Responsibilities which is included in the annual financial statements.

1. Accounting Standards

Except for the changes noted below, the accounting and distribution policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025 and are described in those financial statements. The investments of the Fund have been valued at their fair value, which is represented by the mid price (see note below) at the close of business on the balance sheet date. Suspended securities are initially valued at the suspension price but are subject to constant review by the Fair Value Committee. There were no suspended securities at 30 June 2026.

The interim financial statements have been prepared in accordance with Financial Reporting Standard ("FRS") 104 and the Statement of Recommended Practice for UK Authorised Funds ("SORP") issued by the Investment Association in 2025 and effective for accounting periods beginning on or after 1 January 2026.

This is the first period in which the Fund has applied the updated SORP. The principal changes arising from adoption are as follows:

- The investments of the Fund have been valued at their fair value, which is represented by the mid price at the close of business on the Balance Sheet date. Under the previous SORP, investments were valued using bid prices. Comparative amounts have not been restated, as restatement is not required under the SORP. The effect of applying the revised valuation basis to the comparative information is set out in Note 6.
- The approach and outcome of the going concern assessment is disclosed in Note 2 to the financial statements.
- Disclosures have been included in respect of significant related party transactions during the period in Note 4.
- Fair value hierarchy disclosures have been included.

The Fund's next annual financial statements for the year ending 31 December 2026 will be prepared in accordance with the updated SORP.

2. Going Concern

The interim financial statements have been prepared on a going concern basis.

The Manager has assessed the Fund's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements and has concluded that no material uncertainties exist that may cast significant doubt on the Fund's ability to continue as a going concern.

Notes to the Financial Statements *(unaudited)*

3. Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	June 2026 £'000	June 2025 £'000
Interim distribution	**3,627**	2,680
Income deducted on cancellation of units	**237**	121
Income received on creation of units	**(78)**	(54)
Distributions	**3,786**	2,747

The difference between the net revenue after taxation and the distributions for the period is explained as follows:

	June 2026 £'000	June 2025 £'000
Net revenue after taxation	**3,356**	2,414
Add: Manager's periodic fee taken to capital	**426**	331
Add: Safe custody fee taken to capital	**4**	2
Distributions	**3,786**	2,747

5/8ths of the Manager's periodic fee is allocated to capital and the remaining 3/8ths is allocated to revenue. A proportion of the safe custody fees which relates to the purchase and sales of securities is taken to capital.

4. Related Party Transactions

Aberforth Unit Trust Managers Limited (the "Manager") is the authorised fund manager and a related party. During the period, management fees paid to the Manager amounted to £682,000 (June 2025: £529,000). Details of units created and cancelled are shown in the Statement of Change in Net Assets Attributable to Unitholders. The balance due to the Manager at the period end in respect of these transactions was £204,000 (June 2025: £299,000).

Notes to the Financial Statements *(unaudited)*

5. Fair value disclosure

Fair value hierarchy is intended to prioritise the inputs used to measure the fair value of assets and liabilities as prescribed by FRS102. The hierarchy is split into the following 3 levels:

Level 1 - Using unadjusted quoted price in an active market for an identical instrument;

Level 2 - Using inputs, other than quoted prices included in level 1 that are directly or indirectly observable based on market data.

Level 3 - Using unobservable inputs due to market data being unavailable.

	June 2026		December 2025	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Level 1	**179,758**	**–**	161,780	–
Level 2	**–**	**–**	–	–
Level 3	**–**	**–**	–	–
Total	**179,758**	**–**	161,780	–

6. Effect of adoption of the 2025 SORP

The comparative financial information as at 31 December 2025 has not been restated, in accordance with the SORP. Had the comparative information been prepared on the same basis as required by the 2025 SORP, the effect on the opening balances for Investments and the Net assets attributable to unitholders would have been as follows:

	Opening 1 January 2026 £'000
Investments as previously reported at bid price	**161,780**
Increase arising from valuation at mid price	**523**
Impact on opening balances at mid price	
Investments at mid price	**162,303**
Net assets attributable to unitholders at mid price	**164,949**

Following the adoption of mid price for the valuation of Investments, the Fund recognised an increase of £523,000 in the value of its investments from 1 January 2026. This uplift has been included within Net capital gains in the Statement of Total Return for the six months ended 30 June 2026.

Risk Management Policies

In pursuing its investment objective certain risks arise for the Fund in relation to the investment portfolio and cash balances held. All assets and liabilities are denominated in sterling. Therefore no direct currency risk arises.

The main risks arising are from market, liquidity and credit. The Manager has policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these financial statements relate.

The performance of shares in smaller companies may be more volatile than shares in larger companies over short time periods and therefore the realisable value of the units may be more volatile.

Please note that past performance is not a guide to future performance. The risk category is not guaranteed and may move over time. The lowest category does not mean 'risk free'.

Risk and Reward Profile

The risk and reward profile of the Fund can be illustrated by reference to a standard Risk/Reward category scale, where 1 is lower potential risk/reward and 7 is higher potential risk/reward. The category is chosen based on the volatility of returns over the past 5 years. The current synthetic risk and reward indicator is 5, having decreased from 6 at the beginning of the period. Further information can be found in the Key Investor Information Document available on the Manager's website at www.aberforth.co.uk.

Market Risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager does not seek to hedge this exposure as it does not consider this to be beneficial to the Fund in the long term.

Liquidity Risk

The Fund's assets comprise mainly of securities that are considered to be readily realisable in accordance with the market practices of the London Stock Exchange. Liquidity may, however, be affected by market events.

The risk of low market liquidity through reduced trading volumes may affect the Fund's ability to trade investments at values previously indicated by brokers.

The main liability of the Fund is the redemption of units that investors wish to sell. In general the cash levels of the Fund are managed to ensure liabilities can be met. Where investments cannot be realised to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement. The Fund has an overdraft facility in place with the Custodian, Northern Trust, up to £25m. In addition, in certain circumstances and at the discretion of the Manager, redemptions may be settled by an in specie transfer of assets or deferred redemption in accordance with the Prospectus terms.

Credit Risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities.

Risk Management Policies

The investment transactions of the Fund are generally undertaken on a delivery versus payment basis. In addition, the Manager only buys and sells investments through brokers who are authorised and regulated by the Financial Conduct Authority, who have formally agreed terms of business with the Manager, and who are considered to have execution arrangements that enable the Manager to comply with its obligation to obtain the best possible result for the Fund.

The Manager closely monitors market developments that may impact a broker's creditworthiness, market reputation and expectations of future financial performance. A range of brokers is utilised by the Manager.

Cash balances are placed with a selection of banking institutions. The Manager reviews the banking partners and deposit levels on a periodic basis. The Manager aims to have the Fund fully invested.

Interest Rate Risk

The majority of the Fund's financial assets are equity shares, which typically do not pay interest or have a maturity date. The Fund's exposure to interest rate risk is therefore insignificant.

Management and Administration

Manager

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Registrar

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Custodian

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Investment Adviser

Aberforth Partners LLP*
14 Melville Street
Edinburgh EH3 7NS

Independent Auditor

Johnston Carmichael LLP
7-11 Melville Street
Edinburgh EH3 7PE

**Authorised and regulated by the Financial Conduct Authority*

Buying and Selling

The terms on which units can be bought and sold are set out in the Prospectus, Key Investor Information Document, Supplementary Information Document and Application Pack, all of which are available on the Manager's website www.aberforth.co.uk. These documents provide up to date terms on which Units are issued and redeemed, how and when money is held in a client money account and related risks.

Units may be bought and sold by telephone using the dealing number shown above. Alternatively, please contact Waystone, the Registrar, using the address above or by email (ordergroup@waystone.com). In addition, orders can be placed electronically via various transaction networks including EMX and Calastone. Valuation of the Fund normally takes place each business day at 4.30 pm (or such other time as the market closes) on a forward pricing basis. Copies of the Prospectus are available, free of charge, from the Manager or online at www.aberforth.co.uk.

Information on Aberforth Unit Trust Managers Limited

The Manager is wholly owned by Aberforth Partners LLP (the "Firm" or "Investment Adviser"). The business was established in 1990 to provide institutional and wholesale investors with a high level of resources focused exclusively on small UK quoted companies. Since then funds under management have grown to £2.1 billion as at 30 June 2026. Aberforth is wholly owned by six partners - five Investment Partners and an Operations Partner, who is responsible for the firm's administration. The investment team comprises the five Investment Partners and one investment manager and together they manage the Fund's portfolio on a collegiate basis.