



# Aberforth UK Small Companies Fund

## Monthly Factsheet

**31 July 2014**

### 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 Services Sourcebook. The Fund is open-ended and issues Accumulation and Income units.

### Manager: Aberforth Partners

The Fund is managed by Aberforth's investment team of 5 fund managers:

Andy Bamford	Euan Macdonald
Keith Muir	Richard Newbery
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 is the Numis Smaller Companies Index (excluding Investment Companies). This is rebalanced every January and the current profile is:

Number of companies	355
Total market value	£155bn
Largest constituent	£1.6bn
Largest constituent (if rebalanced at Factsheet date)	£1.3bn

### Key Fund information

Total investments	£197m
Number of investments	96
Total net assets	£196m
Issue price (Acc)	£189.21
Cancellation price (Acc)	£185.91
Issue price (Inc)	£158.87
Cancellation price (Inc)	£156.10
Launch date	20 Mar 91
Next year-end	31 Dec 14

### Fees & charges

Ongoing charges (at 30 Jun 14 & includes Management fee)	0.83%
Management fee	0.80%
Performance fee	None
Initial / Exit charge	0%
Dealing spread	1.76%

### Yield & distributions (Inc units)

Yield	2.1%
Interim distribution (payable 31 Aug 14)	178.7925p
Final distribution (paid 28 Feb 14)	152.3518p

### Objective

The Fund's objective is to achieve a total return greater than on the NSCI (XIC) over the long term by investing in a diversified portfolio of small UK quoted companies.

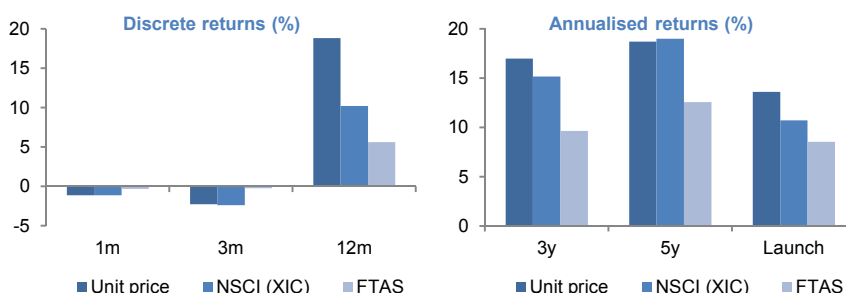
### Investment style: Value

Aberforth are value investors who buy shares in companies that they calculate to be selling below their intrinsic value. This is determined through detailed financial and industrial analysis, combined with a valuation approach that focuses on both stockmarket and corporate worth.

### Investment performance (annualised total returns)

Growth (%)	1m	3m	12m	3y	5y	Launch
Unit price	-1.1	-2.3	18.8	17.0	18.7	13.6
NSCI (XIC)	-1.1	-2.4	10.2	15.1	19.0	10.7
FTAS	-0.3	-0.2	5.6	9.6	12.6	8.5

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.



### Investment commentary

In a regional context the modest decline in the FTSE All-Share Index was a relatively good performance as European bourses fell against a background of rising geo-political risks, a stuttering economic recovery and the re-emergence of banking stresses. The investment benchmark underperformed the All-Share.

The Fund's return was similar to that of the benchmark with the value style being a positive factor. This was offset by the focus on the smaller index constituents which performed poorly. In terms of individual companies, Hyder was the biggest contributor having agreed a bid for the company. This was closely followed by Trinity Mirror which provided evidence of financial rehabilitation through its return to the dividend list. Conversely, a poor trading statement from Hogg Robinson detracted from portfolio returns.

As already commented on, the pick up in takeover activity has continued. However, so far in 2014 the combined value of bids within the small company universe is circa half that of the capitalisation of new listings potentially eligible for inclusion in the investment benchmark. It looks as though 2014 may be a year of re-equitisation in the smaller company market.

### Top 10 investments

Name	Activity	%
JD Sports Fashion	Retailing - sports goods & clothing	3.4
Vesuvius	Metal flow engineering	2.8
QinetiQ Group	R&D and consulting services	2.8
St. Modwen Properties	Property - investment & development	2.5
Shanks Group	Waste services	2.4
FirstGroup	Bus & rail operator	2.4
e2v technologies	Electronic components & subsystems	2.4
Spirit Pub Company	Managed pub operator	2.2
Flybe Group	Airline	2.1
Bovis Homes Group	Housebuilding	2.1

## 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, or 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 a Fund will be achieved or provide the returns sought by the Fund.

➤ 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.

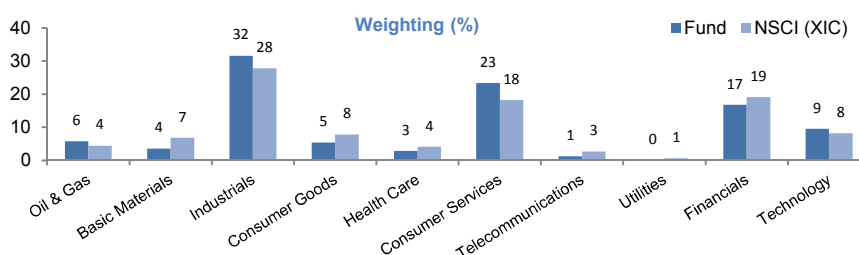
**Neither Aberforth Partners LLP or Aberforth Unit Trust Managers Limited provide retail investors with investment advice.**

**Aberforth Partners LLP and Aberforth Unit Trust Managers Limited are authorised & regulated by the Financial Conduct Authority in the UK.**

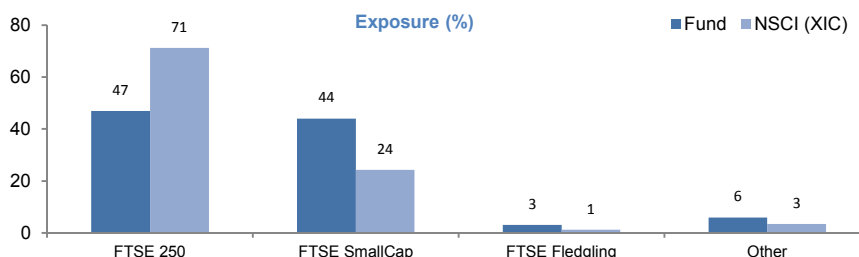
## FTSE disclosure

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. No further distribution of FTSE data is permitted without FTSE's express written consent.

## Sector exposure



## Size exposure



## Standardised past performance

Discrete total return performance over 12 month periods to 30 June:

Growth (%)	2014	2013	2012	2011	2010
Unit price	30.5	33.3	-7.8	33.5	18.0
NSCI (XIC)	20.3	31.8	-4.1	34.2	28.0

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.

## Dealing & pricing information

Dealings in the Fund normally take place every business day between 9.00am and 4.30pm. Orders may be placed by calling the Fund's Dealing Line on 0845 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 directly 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 and assume reinvestment of dividends. Yield is based on the Fund's trailing 12 months dividends. Small companies are represented by NSCI (XIC). Large companies are represented by FTAS.

## Security codes

Acc units	SEDOL: 0007272	ISIN: GB0000072727	EPIC: ABEUKSA
Inc units	SEDOL: B2N9GS7	ISIN: GB00B2N9GS70	EPIC: ABEUKSI

## 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) +44 131 220 0733 (F) +44 131 220 0735 (E) [investors@aberforth.co.uk](mailto:investors@aberforth.co.uk)