Aberforth Partners LLP

Presentation to ASLIT Investors

May 2023

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ABERFORTH PARTNERS

ASLIT

- Agenda

    1. The opportunity for ASLIT today
        - Discount
        - Income
        - Geared exposure to very attractive valuations
    2. Performance year to date

- The future

    - Planned life to 1 July 2024 – upside may not be recognised fully within that time
    - Too early to present definitive plans
    - Option to either realise or continue investments

Total returns to 30 April 2023

Total Return %	YTD	1 Year	3 Year (CAGR)	*Launch (CAGR)	**Inception (CAGR)
FTSE All-Share	6.5	6.0	13.2	4.9	4.9
FTSE 250 (XIC)	5.8	-2.4	8.7	2.1	2.1
FTSE SmallCap (XIC)	2.1	-8.9	15.0	3.4	3.4
NSCI (XIC)	4.8	-3.0	11.9	2.6	2.6
ASLIT Total Assets	1.5	1.0	15.1	1.8	1.3
ASLIT ORD NAV	1.6	0.1	20.4	1.4	0.8
ASLIT ORD share price	5.8	2.5	22.2	-0.6	-
ASLIT ZDP share price	0.0	3.0	4.1	3.1	-

*Excludes the effects of launch costs

**Inception date for ASLIT was 30/06/2017

- Equity markets are anticipating peak inflation and a change in monetary policy
- UK equity markets benefiting from a more stable political backdrop

Source: Aberforth Partners LLP; FTSE; London Business School. Data as at 30 April 2023.

ASLIT valuation statistics as at 30 April 2023

Ordinary shares

Redemption yields:

Capital growth p.a.	Terminal NAV	Dividend growth p.a. -10.0%	-5.0%	+0%	+5%	+10%
-10.0%	61.1p	-5.0%	-4.4%	-3.8%	-3.1%	-2.5%
-5.0%	67.2p	2.6%	3.2%	3.8%	4.4%	5.1%
+0.0%	73.3p	10.1%	10.7%	11.3%	12.0%	12.6%
+5.0%	79.6p	17.6%	18.2%	18.9%	19.5%	20.2%
+10.0%	85.8p	25.1%	25.7%	26.3%	27.0%	27.7%
+15.0%	92.1p	32.5%	33.1%	33.8%	34.5%	35.1%
+20.0%	98.5p	39.9%	40.6%	41.2%	41.9%	42.6%

Hurdle rates: (p.a. returns to 30 June 2024)

	30 Apr.	Launch
To return share price	-1.6%	1.5%
To return 100p	21.2%	1.5%
To return nil value	-63.8%	-17.0%

Premium/(discount) incl. revenue reserves: -10%

Dividends:	2017/8	2018/9	2019/20	2020/21	2021/22	2022/2023
Ordinary	4.00p[1]	4.16p[1]	4.22p[1]	3.05p[1]	4.30p[1]	1.70p[2]
Special	0.60p	0.19p	-		0.25p	
Revenue reserves	0.83p	1.61p	0.86p	0.72p	0.97p	

[1] First and Second Interim Dividends [2] First Interim Dividend

ZDP shares

Redemption yields: (p.a. returns to 30 June 2024)

Now	5.50%	119.5p to 120.5p at 30 June 2024
At launch	3.50%	100p to 127.25p at 30 June 2024

Hurdle rates: (p.a. returns to 30 June 2024)

	30 Apr.	Launch
To return 127.25p	-63.8%	-17.0%
To return nil value	-99.4%	-57.2%

Premium/(discount) to net asset value: -2%

Final cumulative cover:	30 Apr.	Launch
	3.2x	3.4x

The valuation statistics set out above are projected, illustrative and do not represent profit forecasts. There is no guarantee that these returns will be achieved. Terms used above have the same meaning as described further in the glossary on pages 54-55 in the Annual Report for the period ending 30 June 2022.

Source: Aberforth Partners LLP. Data as at 30 April 2023.

Valuations

- Why have institutional allocations to UK equities declined?
  - Higher inflation and interest rates compress valuations
  - Politics – Brexit, Kwarteng Budget, General Election
  - Low liquidity, exacerbated by institutional consolidation
- But these are all known risks and are reflected in layers of under-valuation

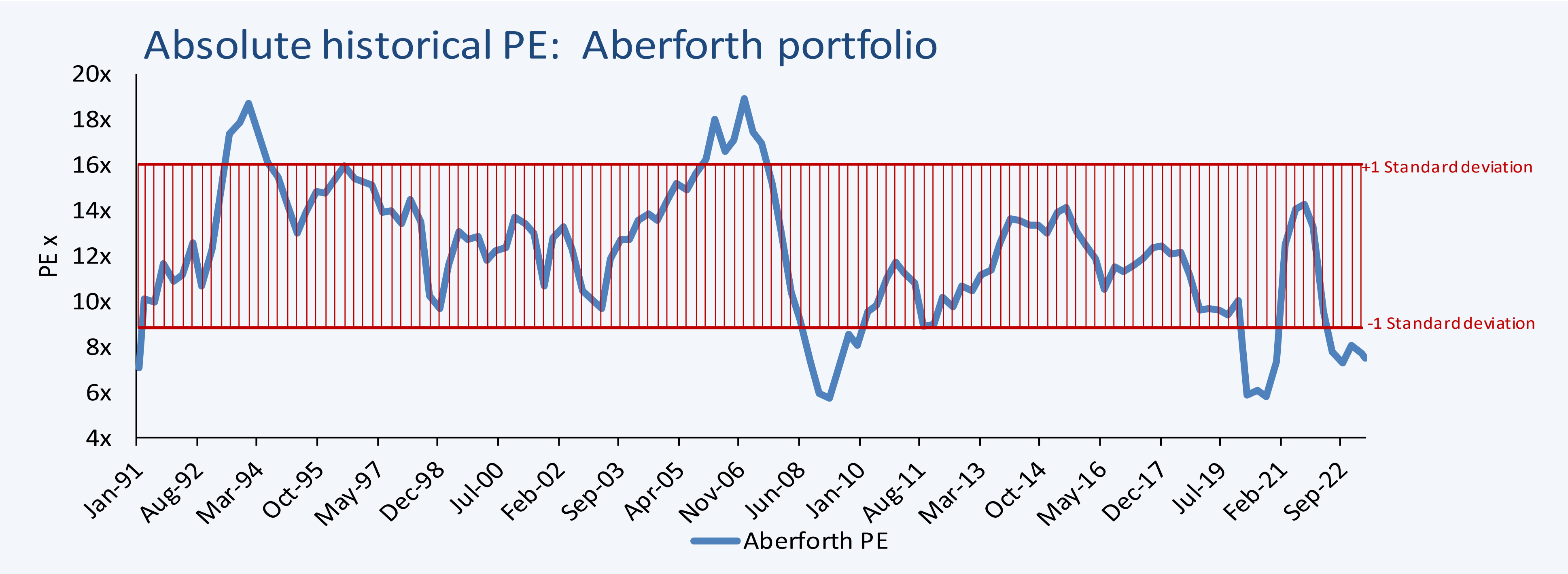
PE relatives:	30 April 2023	32 year average
– UK vs. rest of the world *	0.74	0.85
– Small cap vs. large cap	0.76	0.89
– Portfolio# vs. small cap	0.76	0.86

** Source: Panmure Gordon*
 # Aberforth standard value portfolio

  - ASLIT has another layer in its 10% share price discount to NAV
- Valuations are towards their most attractive in Aberforth's 32 years
  - This is not sustainable!

Source: Aberforth Partners LLP. London Business School; FTSE. Data as at 30 April 2023.

Aberforth historical PE – unusually low



Aberforth PE: Aberforth standard value portfolio

- The risk of economic slowdown is arguably already in the price
  - Earnings declined by c.30% in the early 1990s recession (over 3 years)
  - A repeat would imply a forward PE below the long term average
- ASLIT's PE of 8.4x is more than one standard deviation below the Aberforth average

Source: Aberforth Partners LLP. Data as at 30 April 2023.

Forward valuations – EV/EBITA

- 2022 was a good year for UK small companies' profits and dividends
  - Growth with cost pressures successfully passed through
  - Higher working capital to accommodate supply chain stress
- Our central assumption for 2023 – slowdown

EV/EBITA	Number of stocks	2022	2023	2024
ASLIT	64	7.4x	7.0x	6.5x
Tracked Universe	237	9.7x	9.8x	9.0x
Growth stocks	40	14.1x	12.8x	12.4x
Other stocks	197	9.1x	9.3x	8.4x
*Stocks < £600m mkt. cap.**	148	7.3x	7.9x	7.0x
*Stocks > £600m mkt. cap.**	89	11.3x	10.9x	10.1x

*Roughly FTSE 250 (or "larger smalls") vs. FTSE SmallCap (or "smaller smalls")

Low portfolio valuation in absolute and relative terms

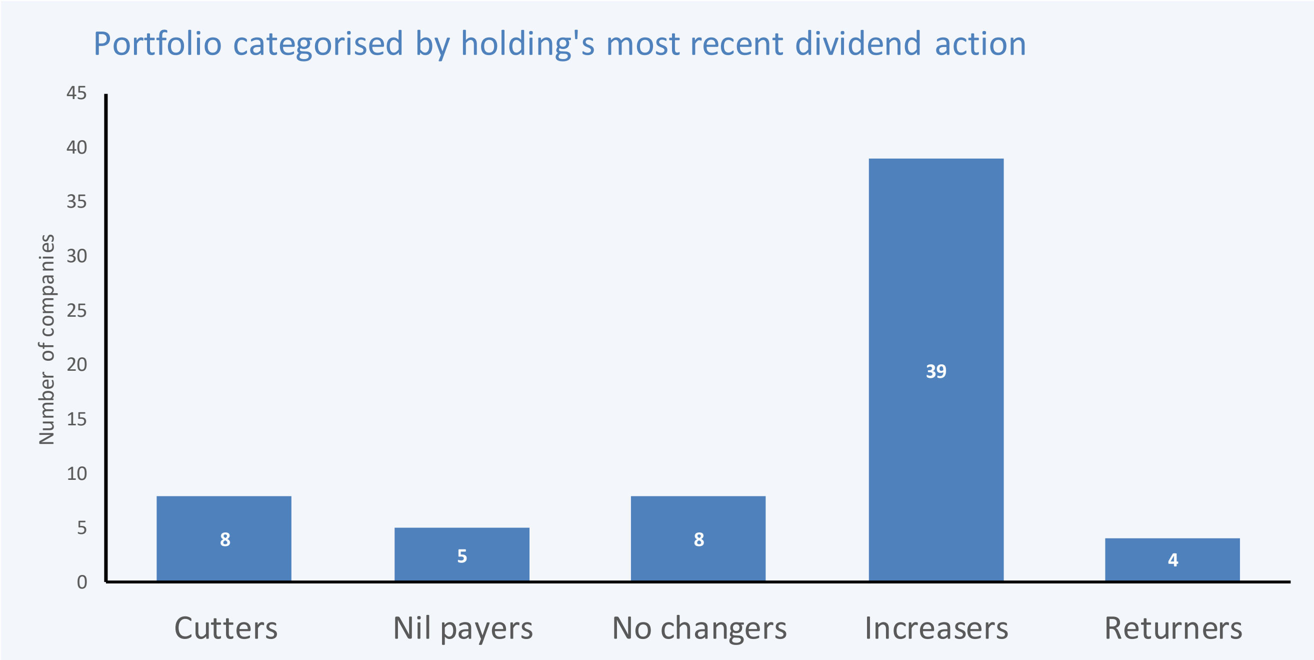
Small cap profits are likely to fall modestly in 2023 as the economy slows

Growth stocks still on a wide valuation premium

The most attractive valuations are among the "smaller smalls", in which ASCoT is over-weight

Source: Aberforth Partners LLP; London Business School. Data as at 30 April 2023.

Income growth from the portfolio

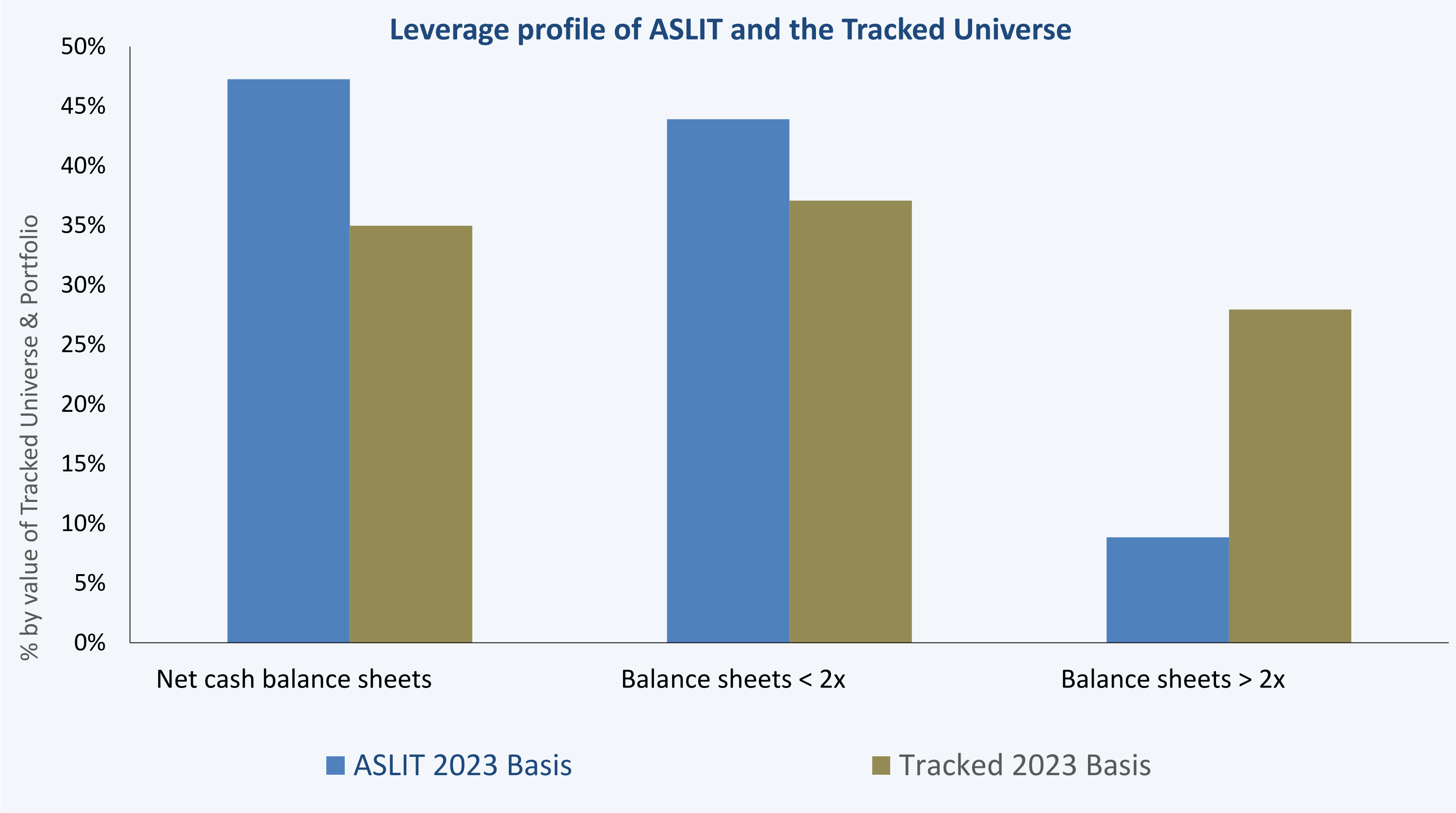


- Recent portfolio dividend experience has been good
- Portfolio yield: 4.9%
- Portfolio dividend cover: 2.4x

- Economic uncertainty mitigated by strong balance sheets and portfolio dividend cover
- Increasing confidence in outcome for the year to 30 June 2023
  - Undistributed income earned so far in year to 30 June 2023 — 2.82p
  - First interim dividend (6 months to 31 December 2022) — 1.70p
  - Revenue reserves at 30 June 2022 — 0.97p

Source: Aberforth Partners LLP. Data as at 30 April 2023.

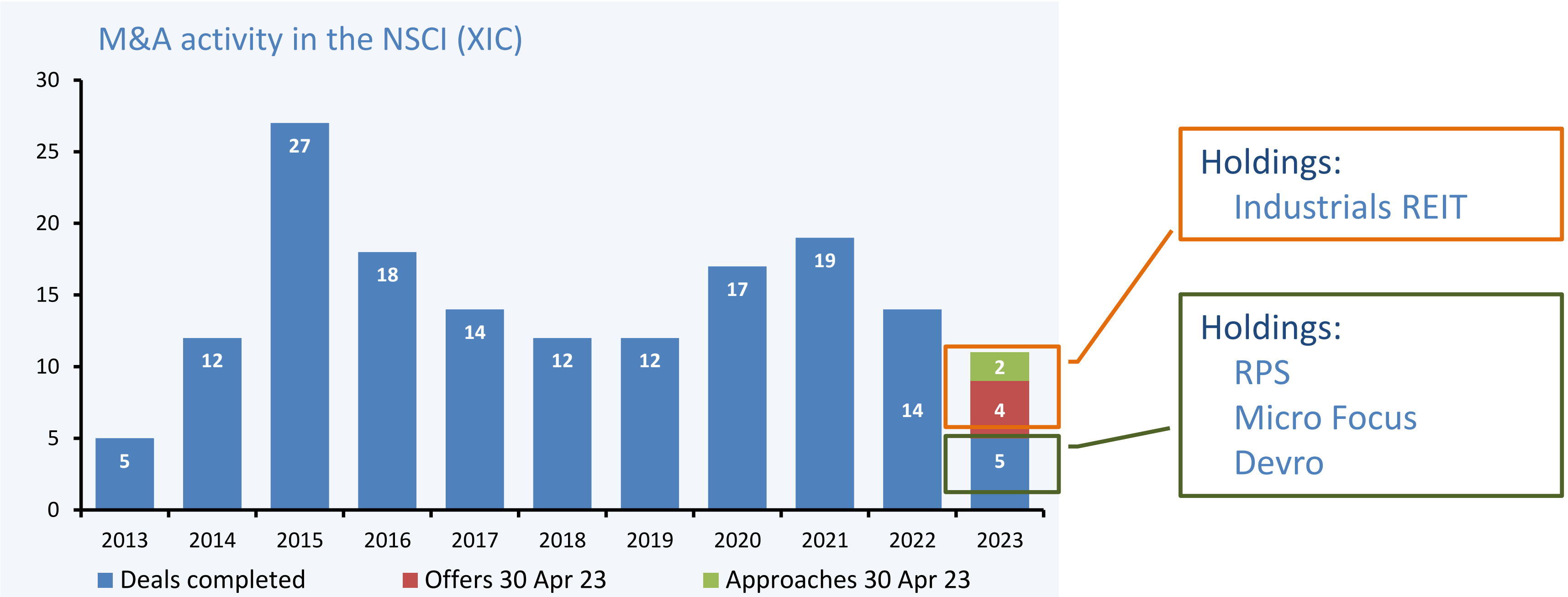
Strong balance sheets



- Balance sheets strongest since 2014
  - Both portfolio and index – unusual at this stage in the cycle
- Higher bond yields are favourable to pension deficits
  - Bodes well for free cash flow and less of a barrier to M&A

Source: Aberforth Partners LLP; London Business School. Data as at 30 April 2023.

M&A – buy now, while stocks last?



- We are not alone in seeing value in the UK – other companies in 2022 and now private equity
  - Global "dry powder" building for almost a decade and set another record in 2022
  - Multiple arbitrage means healthy IRRs for private equity, levered and **unlevered**
  - 2023 EV/EBITDA multiples: average for nine NSCI (XIC) deals to date **12.5x** *versus* **5.6x** for ASLIT
- The typical 30% control premium often does not get close to our view of value
  - Aberforth therefore does not support all approaches

Source: Aberforth Partners LLP; London Business School. Data as at 30 April 2023.

Top-down influences on year-to-date performance

- Equity markets are beholden to US monetary policy
  - Looking for a peak in inflation and interest rates
- Widespread disenchantment with UK equity markets
  - But signs of political pragmatism and a more resilient economy
- Style – a mixed picture
  - Value modestly ahead of growth within the NSCI (XIC) year-to-date
  - But broader climate very growthy – FANGS up by almost 40% over 4 months
    - Momentum reversal – anticipation of a turn in the interest rate cycle

Source: Aberforth Partners LLP; London Business School. Data as at 30 April 2023.

Winners and losers – year to date

10 Best Winners Rank	Company	Total return (%)	Contribution (bp)
1	International Personal Finance	43	68
2	Moneysupermarket.com	47	66
3	Vistry Group	30	42
4	SIG	50	40
5	Card Factory	40	34
6	Conduit Holdings	17	34
7	Bodycote	24	34
8	Crest Nicholson Holdings	20	33
9	XPS Pensions Group	19	28
10	Centaur Media	39	28

10 Worst Losers Rank	Company	Total return (%)	Contribution (bp)
1	Wincanton	-36	-108
2	Ecora Resources	-20	-46
3	Robert Walters	-18	-41
4	Videndum	-25	-39
5	Wilmington	-12	-33
6	Redde Northgate	-9	-32
7	TI Fluid Systems	-21	-31
8	CMC Markets	-18	-30
9	Centamin	-9	-30
10	C&C Group	-11	-24

Source: Aberforth Partners LLP; London Business School; Portfolio Evaluation. Data as at 30 April 2023.

Purchases and sales – year to date

Top 10 Purchases

Rank	Company		£m
1	Close Brothers Group	▲	4.2
2	Workspace Group		1.1
3	C&C Group		0.6
4	Wincanton		0.5
5	Vp		0.4
6	Hollywood Bowl Group		0.4
7	Industrials REIT Limited		0.3
8	Severfield		0.3
9	PageGroup	▲	0.3
10	Reach		0.2

New Holding or Total Sales

Top 10 Sales

Rank	Company	£m
1	Devro	3.8
2	Vanquis Banking Group	2.4
3	RPS Group	2.1
4	Rathbones Group	1.1
5	Essentra	0.7
6	Industrials REIT Limited	0.6
7	Forterra	0.6
8	Hostelworld Group	<0.1

▲ New entry/exit following index rebalance 1 January 2023

- 12 month turnover: 22%
- Index rebalancing on 1 January 2023
  - Largest ever with 29 companies – “fallen angels” – entering the NSCI (XIC)
  - Holdings in three: Close Brothers, Bodycote and PageGroup

Source: Aberforth Partners LLP. Data as at 30 April 2023.

Bodycote – a fallen angel

- Activity — Global heat treatment and surface coating
- The market's view — A victim of the economic cycle and ESG
- Our view — Strong management able to handle the cycle
  - Secular growth – capital deployment and Specialist Technologies
  - Resilience – cash generative through the cycle
  - ESG is an opportunity – "Scope 4" benefits

Attractive financials	Normalised margins > 18%, ROCE > 22%
Valuation	2024 EV/EBITA 8.5x at purchase, 10.0x today
Upside of 72% on purchase	Depressed multiple on cyclically depressed profits

Attributes of Aberforth's process

- Experience — Our third time holding Bodycote over 25 years
- Consistency — Our view of the business's worth *versus* share price volatility
- Nimbleness — Quick to move when it looked likely to fall into the NSCI (XIC)

Source: Aberforth Partners LLP

Top 20 holdings

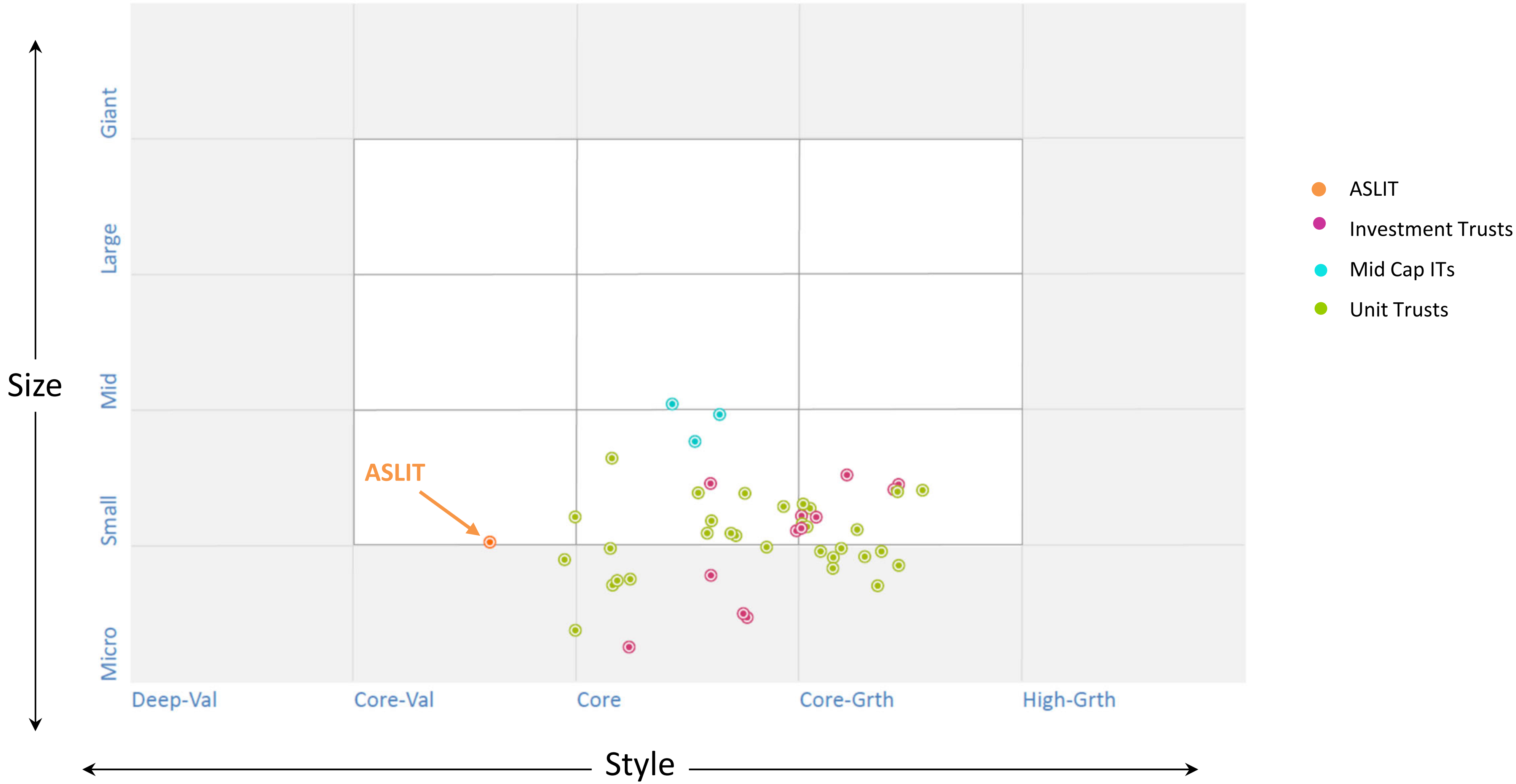
Rank	Company	Activity	Total portfolio (%)
1	Rathbones Group	Private client fund manager	3.5
2	Morgan Advanced Materials	Manufacture of carbon & ceramic materials	3.5
3	Redde Northgate	Van rental	3.4
4	Centamin	Gold miner	3.3
5	Vesuvius	Metal flow engineering	3.0
6	FirstGroup	Bus & rail operator	2.6
7	Bloomsbury Publishing	Independent publishing house	2.5
8	Wilmington	Business publishing & training	2.5
9	Conduit Holdings	Bermuda based (re)insurer	2.4
10	Wincanton	Logistics	2.2
11	C&C Group	Brewer and drinks distributor	2.2
12	International Personal Finance	Home credit provider	2.1
13	Energean	Oil & gas exploration and production	2.1
14	Lookers	Motor vehicle retailer	2.0
15	Crest Nicholson Holdings	Housebuilding	2.0
16	Moneysupermarket.com	Price comparison websites	2.0
17	Kenmare Resources	Miner of titanium minerals	1.9
18	Bakkavor Group	Food manufacturer	1.9
19	Close Brothers Group	Bank, stockbroker & private client fund manager	1.9
20	Ecora Resources	Natural resources royalties	1.9
Top 20			48.8
21 - 30			16.9
31 - 64			34.3
Actively managed portfolio with an active share of 79%			100.0

Source: Aberforth Partners LLP. Data as at 30 April 2023.

ASLIT's differentiation

- The pricing basis of financial markets has changed as interest rates rise
  - But style positioning among peers has changed little

Holdings-Based Style: Aberforth & IT Peers & UT Peers > £100m



Source: Aberforth Partners LLP; Morningstar. Data available as at 10 May 2023.

Conclusion

- UK – a fascinating two-way proposition
  - Signs that the credibility gap – and valuation discount – can narrow
  - If not, there is a takeover premium to be harvested

- Global economic backdrop likely to remain uncertain
  - Small UK quoted companies are resilient

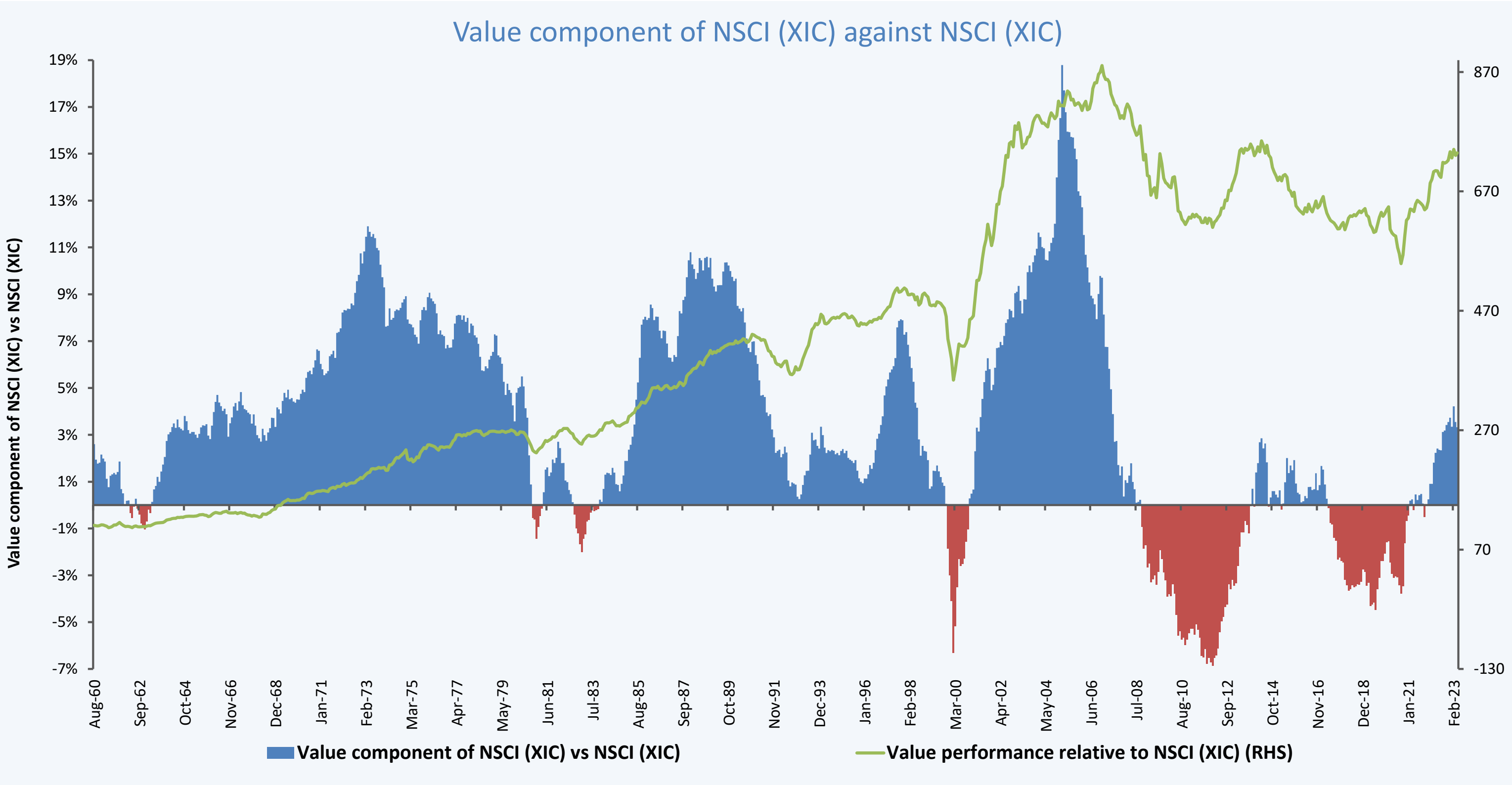
- Portfolio – differentiated by value style, process and engagement
  - Valuations towards their most attractive in 32 years

- An opportunity for ASLIT today

Source: Aberforth Partners LLP

Appendix

Value – a tailwind



- The long-term perspective
  - NSCI (XIC) value premium since
    - Index's inception: +3.3% p.a.
    - Aberforth's inception: +1.8% p.a.
  - Value premium reasserting itself
  - The ZIRP equilibrium since the financial crisis is being questioned

Source: Aberforth Partners LLP; London Business School; Bloomberg. Data as at 30 April 2023.

Results review of December year end companies

	2021	2022	Aggregate Δ YoY	Median Δ YoY	2023	Aggregate Δ YoY	Median Δ YoY
Sales	£66bn	£76bn	15%	19%	£78bn	2%	4%
% with higher sales		85%			64%		
EBITA	£5.9bn	£5.6bn	-6%	8%	£6.5bn	17%	-1%
% with higher EBITA		62%			48%		
Margin	9.0%	7.3%			8.4%		
% with higher Margin		46%			48%		
Capex to depreciation ratio	1.11x	1.30x			1.25x		
% with ratio > 1	53%	59%			63%		
Aggregate net debt	£10bn	£12bn			£14bn		
% with a stronger balance sheet		30%			63%		

All figures exclude resources companies on account of their volatile profits and banks due to their distortive balance sheets

- 91 companies reported – a useful cross section of small UK quoted companies
- Success in passing on inflationary pressures
- Increased investment bodes well
- Net debt higher owing to acquisitions

Source: Aberforth Partners LLP; London Business School. Data as at 31 March 2023.

2023 growth stocks

Securities	
4imprint Group	Integrafin Holdings
AJ Bell	IP Group
Alfa Financial Software Holdings	JTC
Alphawave IP Group	Kin and Carta
AO World	Molten Ventures
Aptitude Software Group	Oxford Biomedica
Arix Bioscience	Oxford Instruments
Aston Martin Lagonda Global Holdings	Pensionbee Group
Auction Technology Group	Porvair
Baltic Classifieds Group	PPHE Hotel Group
Bytes Technology Group	PureTech Health
Clarkson	S4 Capital
Deliveroo	SolGold
DEV Clever Holdings	Spirent Communications
discoverIE Group	THG
Dominos Pizza Group	Trainline
DP Eurasia	Treatt
FDM Group Holdings	Trustpilot Group
Future	Volution Group
Gresham Technologies	Zotefoams
Helios Towers	

See slide "Valuation - EV/EBITA" for context

- The annual list of growth stocks as defined by Aberforth
  - Designated at the January index rebalance and retained for the full year

Source: Aberforth Partners LLP. Data as at 1 January 2023.

ASLIT – sector exposure

Sector	NSCI (XIC) weight	ASLIT weight	Relative weight	Significant holdings
Technology	7.1%	2.9%	-4.1%	Moneysupermarket.com
Telecommunications	1.6%	0.0%	-1.6%	
Health Care	1.8%	0.0%	-1.8%	
Financials	19.5%	19.9%	0.4%	International Personal Finance, Rathbones Group, Conduit Holdings, Close Brothers Group, XPS Pensions Group
Real Estate	9.7%	2.2%	-7.5%	
Consumer Discretionary	21.5%	28.2%	6.7%	Bloomsbury Publishing, FirstGroup, Headlam Group, Lookers, Reach, Wilmington, Vistry Group, Crest Nicholson Holdings
Consumer Staples	4.8%	4.1%	-0.7%	Bakkavor Group, C&C Group
Industrials	21.9%	31.0%	9.1%	Bodycote, Castings, Morgan Advanced Materials, Robert Walters, Vesuvius, Wincanton, Redde Northgate
Basic Materials	7.9%	7.8%	0.0%	Centamin, Kenmare Resources, Ecora Resources
Energy	3.9%	2.6%	-1.3%	Energean
Utilities	0.4%	1.1%	0.7%	

Source: Aberforth Partners LLP; London Business School. Data as at 30 April 2023.

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 = 5.6%	N/A	Structural (ZDPs) = 39%
Size (AUM)	£1,324m	£147m	£210m
Number of investee companies	79	79	64
Benchmark	NSCI (XIC)	NSCI (XIC)	N/A
Investment philosophy	Value	Value	Value/Income
Management fees *(ongoing charges)*	73 bps* *(80 bps)*	75 bps* *(83 bps)*	102 bps* *(121 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

Source: Aberforth Partners LLP. Data as at 30 April 2023.

Investment trust

Aberforth Smaller Companies Trust plc (ASCoT)

Ordinary shares
85,444,605

- next continuation vote in March 2026 and every 3 years thereafter
- authority to buy back up to 12,778,915 shares in the calendar year granted at AGM
- cumulative shares bought back for cancellation since inception = 13,985,183

Gearing

- as at 30 April 2023 actual was 5.6%
- potential for up to £130m or 9.8%

Dividends

Based on the following historic actuals:

2022
47.30p

- final paid March 2023 (26.95p)
- special paid March 2023 (8.30p)
- interim paid August 2022 (12.05p)

2021
35.20p

- final paid March 2022 (24.25p)
- interim paid August 2021 (10.95p)

2020
33.30p

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

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

Source: Aberforth Partners LLP. Data as at 30 April 2023.

Unit trust

Aberforth UK Small Companies Fund (AFUND)

As 28 April 2023	Issue Price	Cancellation Price	Units in Issue
Accumulation Units	£294.05	£288.38	315,265
Income Units	£197.94	£194.12	286,240

Limited issue fund with Accumulation and Income units

- value at cancellation price: £147m
- no entry or exit fees charged; dealing spread 1.9% (mid-basis)
- yield on Income units: 3.6%
- current distribution period ending 30 June 2023; payable August 2023
- previous distribution period ended 31 December 2022; paid February 2023
- 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

Source: Aberforth Partners LLP. Data as at 28 April 2023.

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:
2023	▪ first interim paid March 2023 (1.70p)
2022 4.55p	▪ first interim paid March 2022 (1.51p) ▪ second interim paid August 2022 (2.79p) ▪ special paid August 2022 (0.25p)
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)

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

Source: Aberforth Partners LLP. Data as at 30 April 2023.

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%.
- **AGM**: An annual general meeting (AGM) is a mandatory annual assembly of a company's executives, directors, and interested shareholders
- **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.
- **Closed-end funds:** funds that offer a fixed number of shares through an investment company, raising capital by putting out an initial public offering (IPO).
- **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.
- **EBITA:** Earnings Before Interest, Taxes, and Amortisation (EBITA), is a measure of company profitability used by investors.
- **ESG:** Environmental, Social and Governance.
- **EV/EBITA:** Enterprise Value (EV) divided by Earnings Before Interest, Tax and Amortisation (EBITA).
- **EV/EBITDA:** Enterprise Value (EV) divided by Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA).
- **FANGS:** Refers to the stocks of four prominent American technology companies. Meta (formerly Facebook), Amazon, Netflix and Alphabet/Google. FANG stocks are famous for the impressive growth they have shown in recent years.
- **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.
- **GFC:** Global Financial Crisis, was a severe worldwide economic crisis that occurred in 2007 to 2008.
- **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.

Glossary – Aberforth Funds

- **IRRs:** Internal Rate of Return (IRR) is a metric used in financial analysis to estimate the profitability of potential investments.
- **Issue** refers to the issue of units by the Trustee.
- **Leverage** is a measurement of the use of debt.
- **LTCM:** Long Term Capital Management. In 1998 the federal government of the United States feared that the imminent collapse of LTCM would precipitate a larger financial crisis and orchestrated a bailout to calm the markets.
- **M&A:** Mergers and Acquisitions.
- **Net Asset Value (ZDP Share)** is the value of the entitlement to the ZDP Shareholders.
- **Net Asset Value**: Net Asset Value (NAV) per share is the net value of an investment fund's assets less its liabilities, divided by the number of shares outstanding
- **NSCI (XIC):** The Numis Smaller Companies Index (excluding Investment Companies).
- **PE:** The price-earnings ratio (P/E ratio).
- **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.
- **RoCE:** Return on Capital Employed (RoCE) is a measure of how good a business is at generating profits from capital.
- **RoE**: Return on equity (RoE) is the measure of a company's net income divided by its shareholders' equity
- **RoW**: Rest of the world
- **Rump** is the Tracked Universe, adjusted to exclude the growth stocks.
- **Scope 4:** Relates to a category of Green House Gas emissions. Termed as avoided emissions, Scope 4, can be defined as reductions that occur outside of a product’s life cycle or value chain, but as a result of the use of that product.
- **Share buy backs**: A share buyback, also known as a share repurchase, is when a company buys its own outstanding shares to reduce the number of shares available on the open market.
- **SONIA:** Sterling Overnight Index Average is a measure of the rate at which interest is paid on sterling short-term wholesale funds in circumstances where credit, liquidity and other risks are minimal.

Glossary – Aberforth Funds

- **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.
- **ZIRP**: A zero interest rate policy (ZIRP) is when a central bank sets its target short-term interest rate at or close to 0%

Source: Aberforth Partners LLP

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.
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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 .
- 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 securities 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.
- An investment trust is a public limited company, the shares of which are traded on the main market of the London Stock Exchange. Investment trusts are not authorised and regulated by the Financial Conduct Authority.
- An investment trust is a closed-ended company and its shareholders will have no right to have their shares redeemed or repurchased by the company at any time. Accordingly, the ability of shareholders to realise any value in respect of their shares will be dependent on the existence of a liquid market in the shares and the market price of the shares. The shares may trade at a discount to their net asset value.

Risk warnings

- An investment trust may only pay dividends to the extent that it has distributable profits available for that purpose. A reduction in the income from an investment trust's portfolio could adversely affect the yield, if any, on its shares.
- Investment trusts may borrow money in order to make further investments. This is known as “gearing”. The effect of gearing can enhance returns to shareholders in rising markets but will have the opposite effect on returns in falling markets.
- The Ordinary Shares of Aberforth Split Level Income Trust plc are geared by the Zero Dividend Preference Shares of the company and rank for repayment of capital after the Zero Dividend Preference Shares and any creditors of the company. A positive net asset value for those Ordinary Shares will be dependent upon the company's assets being sufficient to meet the prior capital entitlements of the holders of the Zero Dividend Preference Shares. The Ordinary Shares should therefore be regarded as carrying above average risk. The Zero Dividend Preference Shares are not a protected or guaranteed investment. In particular, should the company be wound up prior to its planned winding up date, holders of Zero Dividend Preference Shares would only receive their accrued capital entitlement to the date of winding up which would be less than the final anticipated capital entitlement of those shares.
- 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.