

Aberforth Partners LLP

Presentation to

Aberforth Split Level Income Trust
(ASLIT) Investors

November 2023



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ABERFORTH PARTNERS

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



- 33 years of UK small cap value investing
- Partnership structure is aligned with clients' interests
 - Significant “skin in the game”
- Funds under management of £1.8 billion
 - Closed-end skew – helpful within the asset class
 - Available capacity of over £300m
- A team of seven investment managers with average experience of 20 years
 - Rowan Marron joined on 6 November 2023

Total returns to 31 October 2023



Total Return %	YTD	1 Year	CAGR		
			3 Year	*Launch	**Inception
FTSE All-Share	0.3	5.9	11.7	3.5	3.5
FTSE 250 (XIC)	-6.3	0.1	3.3	0.0	0.0
FTSE SmallCap (XIC)	-2.5	5.3	10.7	2.4	2.4
NSCI (XIC)	-5.4	0.8	4.2	0.7	0.7
ASLIT Total Assets	-4.5	5.2	12.9	0.7	0.2
ASLIT ORD NAV	-7.5	5.7	17.3	-0.2	-0.8
ASLIT ORD share price	-1.5	14.3	21.0	-1.7	-
ASLIT ZDP share price	0.0	3.5	3.8	2.9	-

*Excludes the effects of launch costs

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

- Tighter monetary policy has affected small and mid caps
- Value style still supportive of portfolio returns
- Geared effect of lower markets on Ordinary share NAV
- Ordinary share discount tightening as the planned wind-up date approaches

ASLIT redemption yields



Ordinary shares

Redemption yields:

Capital growth p.a.	Terminal NAV	Dividend growth p.a.				
		-10.0%	-5.0%	+0%	+5%	+10%
-10.0%	57.7p	-3.4%	-2.8%	-2.2%	-1.6%	-1.0%
-5.0%	61.0p	4.5%	5.1%	5.8%	6.4%	7.0%
+0.0%	64.2p	12.5%	13.1%	13.8%	14.4%	15.0%
+5.0%	67.4p	20.5%	21.2%	21.8%	22.5%	23.1%
+10.0%	70.6p	28.6%	29.2%	29.9%	30.6%	31.3%
+15.0%	73.7p	36.7%	37.3%	38.0%	38.7%	39.4%
+20.0%	76.7p	44.8%	45.5%	46.2%	46.9%	47.7%

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

	31 Oct.	Launch
To return share price	-1.0%	1.5%
To return 100p	60.4%	1.5%
To return nil value	-96.1%	-17.0%

Premium/(discount) incl. revenue reserves: -8%

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	5.00p ¹
Special	0.60p	0.19p	-		0.25p	
Revenue reserves	0.83p	1.61p	0.86p	0.72p	0.97p	1.32p

¹ First and Second Interim Dividends

ZDP shares

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

Now	9.86%	119.5p to 127.25p 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)

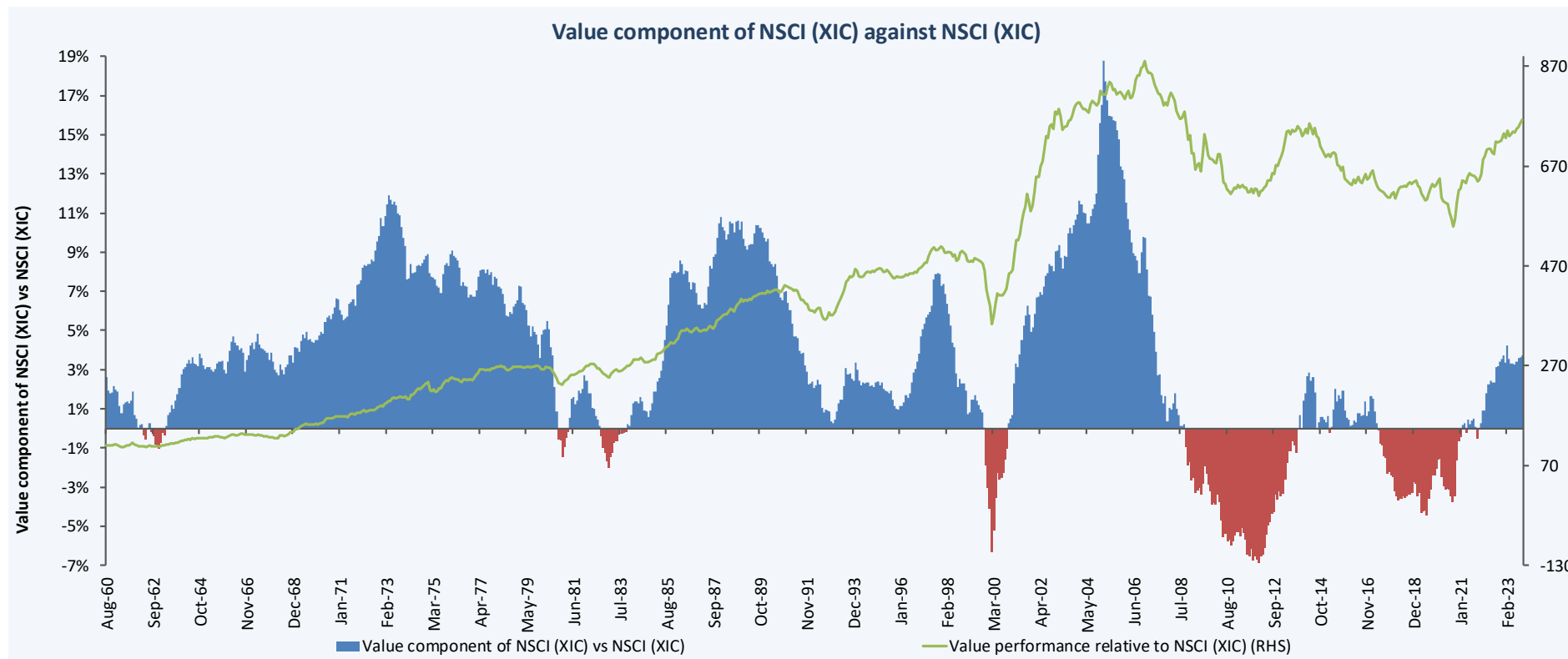
	31 Oct.	Launch
To return 127.25p	-96.1%	-17.0%
To return nil value	-100.0%	-57.2%

Premium/(discount) to net asset value: -4%

Final cumulative cover:	31 Oct.	Launch
	3.0x	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 59-60 in the Annual Report for the period ending 30 June 2023

The value premium is re-emerging

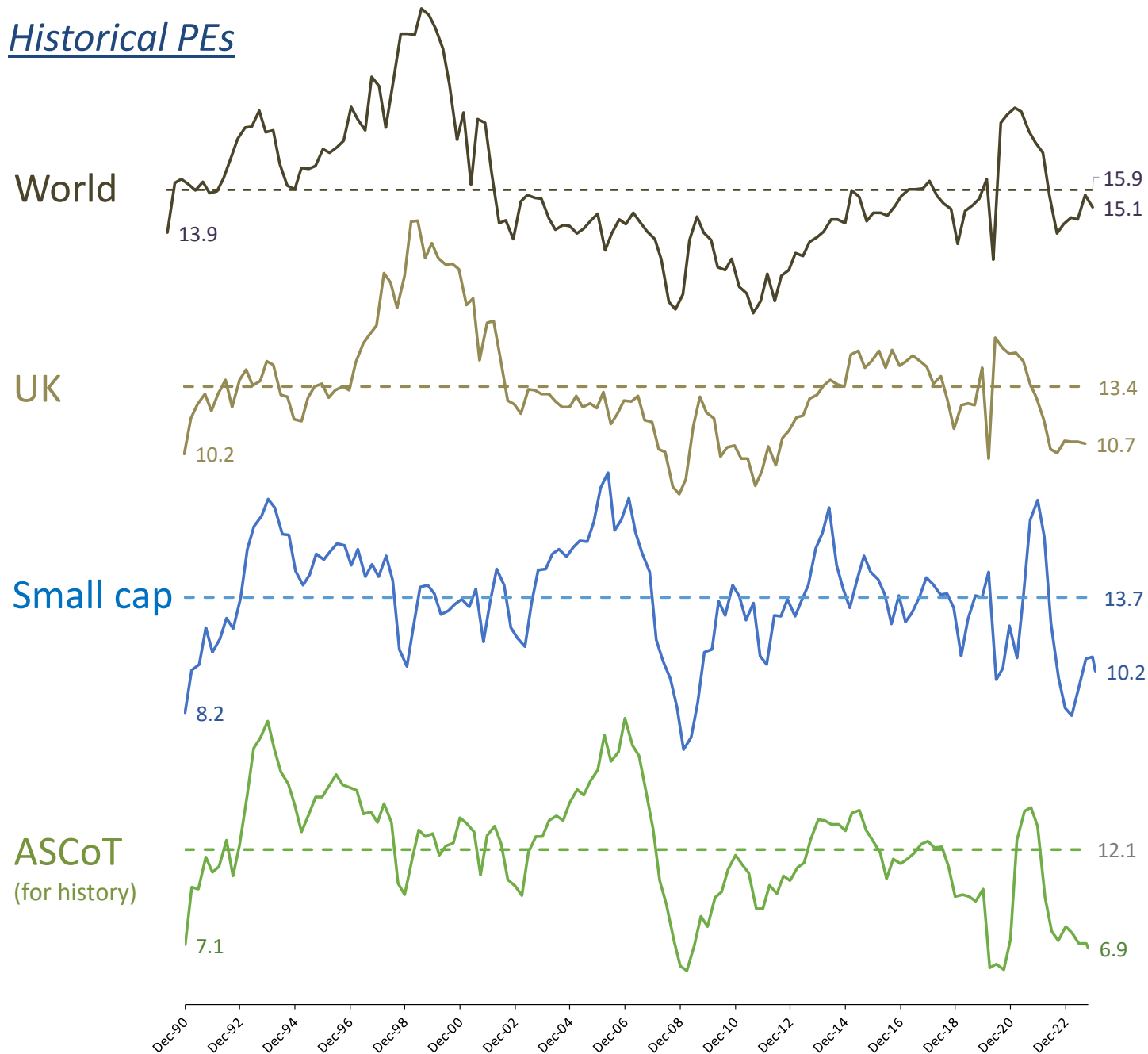


- Regime change with higher bond yields ?
- The long-term perspective
 - NSCI (XIC) value premium since
 - Index's inception +3.3% p.a.
 - Since December 1990 +1.9% p.a.

The opportunity – a quadruple discount



Historical PEs



ASLIT's opportunity

1. The UK

Politics and inflation
Flows

2. Small caps

Liquidity
Domestic exposure

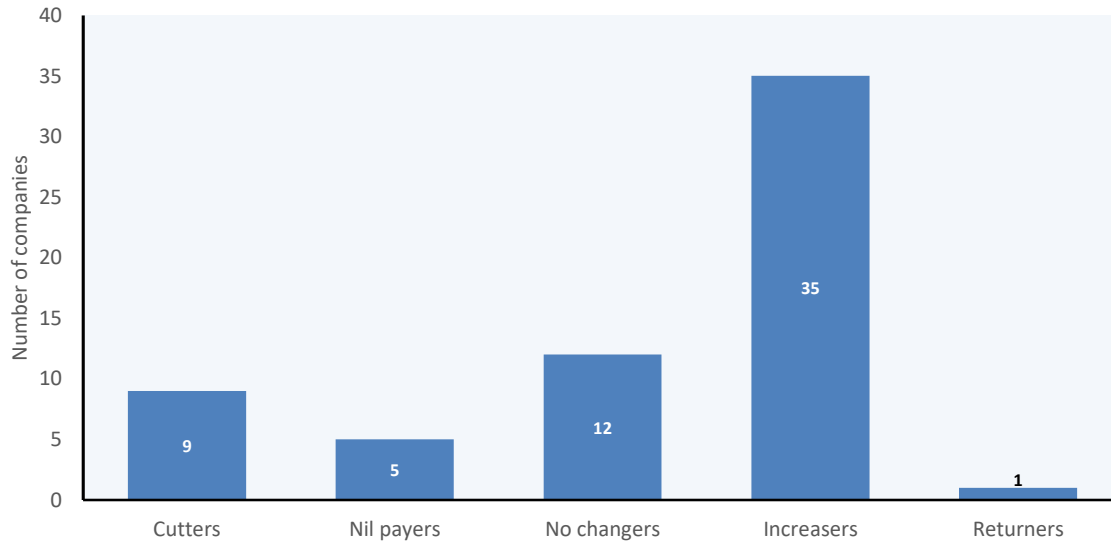
3. Value portfolio

Resilient, differentiated
ASLIT PE 7.8x
48% PE discount to RoW

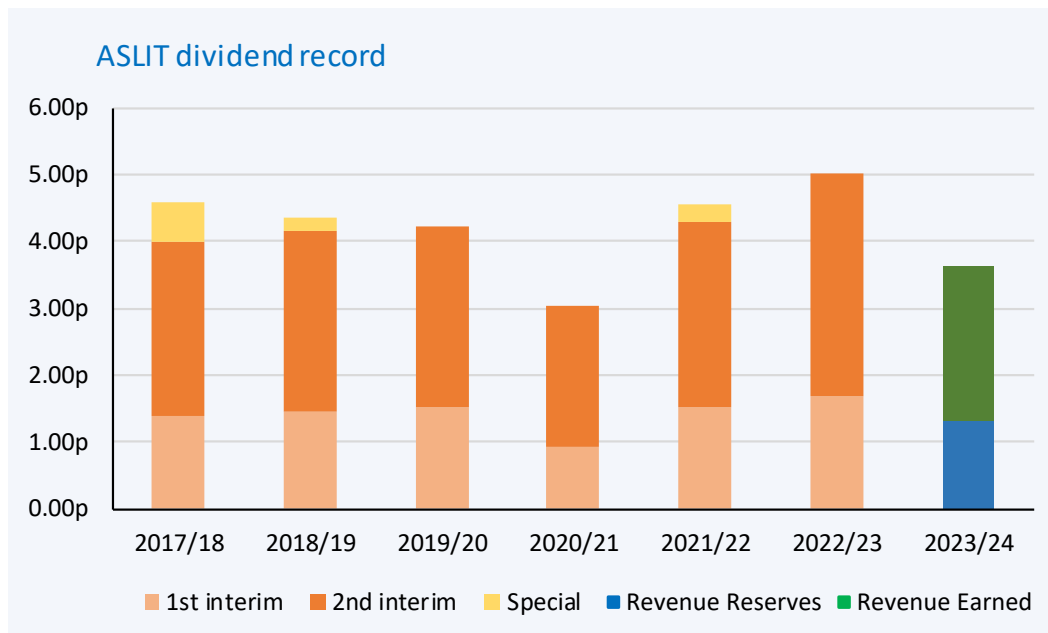
4. Investment trust

8% discount
Effective PE c.7x

Income

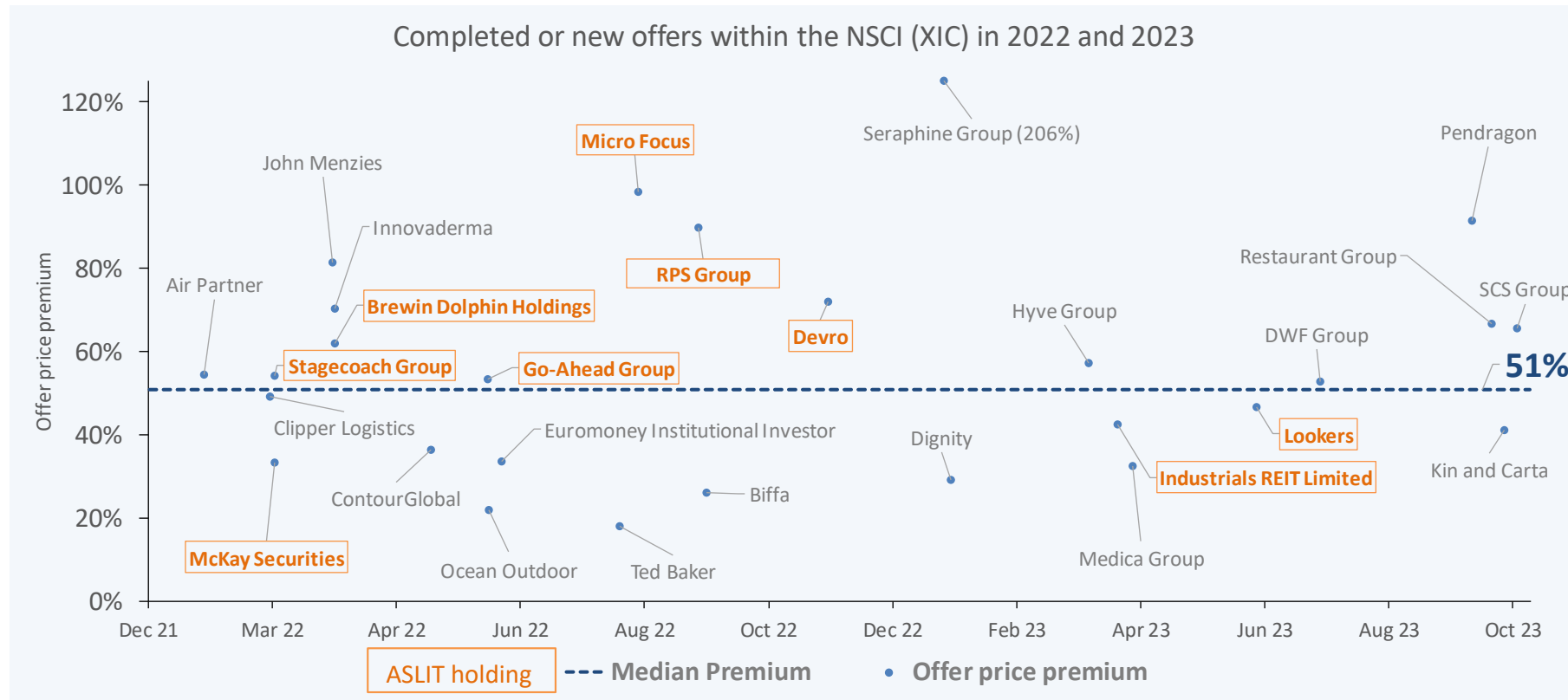


- Resilient portfolio dividend experience
- Historical portfolio yield of 5.7%
- Some offset to economic headwinds from
 - Portfolio dividend cover of 2.3x
 - Strong balance sheets



- Growth since inception
- Interrupted by the pandemic
- For financial year 2023/24
 - 2.31p of revenue earned so far
 - 1.32p of revenue reserves

M&A continues and exposes low valuations



- The barbarians are at the gate ... higher funding costs have not curtailed interest
 - Low valuations can meet private equity hurdles, levered and unlevered
 - 2023 EV/EBITDA of 11.5x on takeovers vs. 5.7x for ASLIT
- Aberforth expects timely consultation from boards – we do not support all approaches

How we engage – purposeful and discreet



- We have always engaged **to improve investment outcomes**
- We have the resource to engage effectively
- We engage with executives and non-executives, prioritising the chair
- Any issue that affects value is relevant
 - Capital allocation, sustainability, board composition, etc.
- We have influence – **17 stakes >10% (28% of the portfolio)**
- Evidence of added value in takeover situations:
 - **RPS:** consultation and our 17% stake led to a higher offer **+£1.2m to ASLIT**
 - **Lookers:** engagement contributed to improved terms **+£0.5m to ASLIT**

Engagement example – recommended offer for Lookers



Backdrop

Valuation plagued by worries about the economic cycle

Bid from Alpha Auto in June at 120p, a 35% premium

Valuation – 8.5x 2023 PE

We had conviction in the valuation and worked to stop the deal

Engagement

Stake Second largest shareholder with a 9% stake

Insiders Yes

Board No meaningful consultation

Irrevocable No support from Aberforth

Collective The largest shareholder withdrew its support

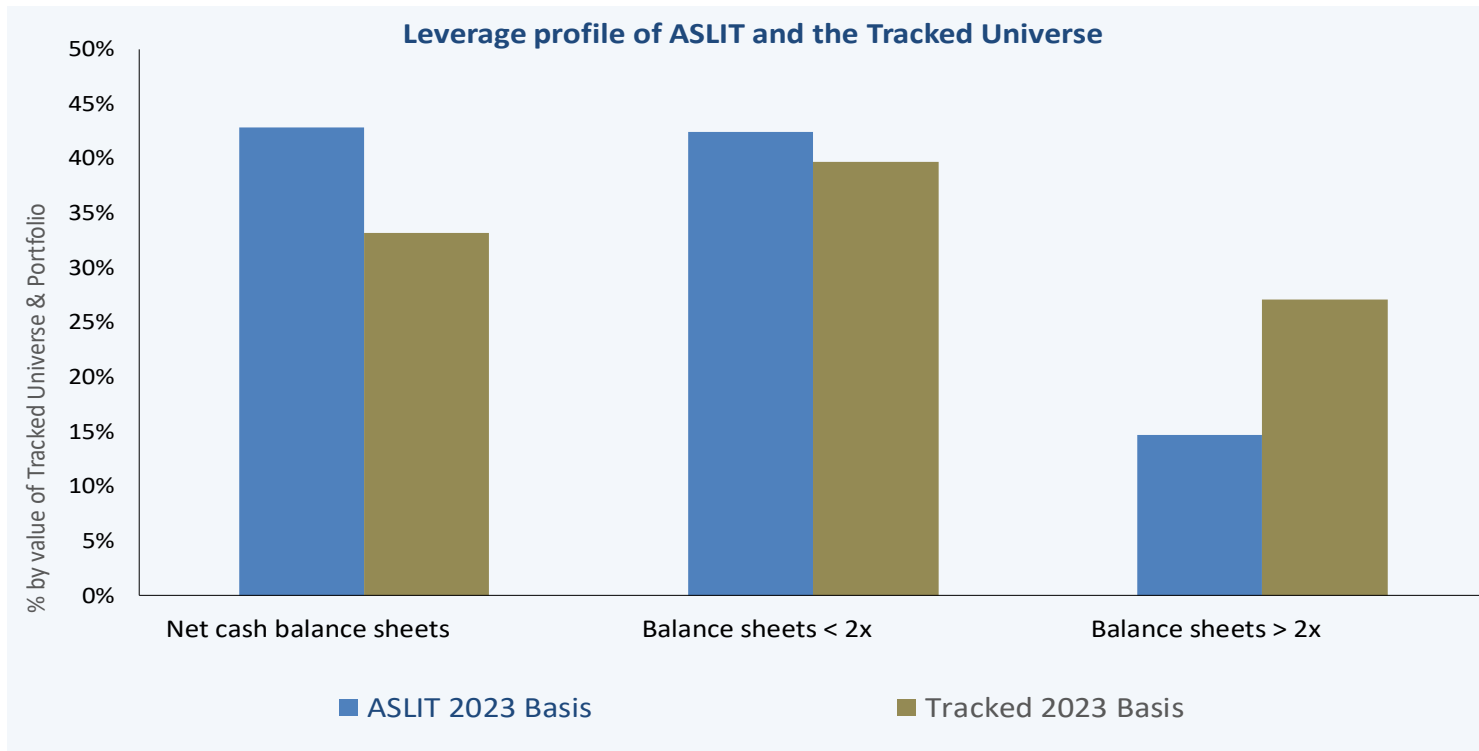
Status

Higher offer at 130p +1p dividend

The deal completed despite our opposition – Aberforth voted against

Total gain on cost of 56%

Resilient companies

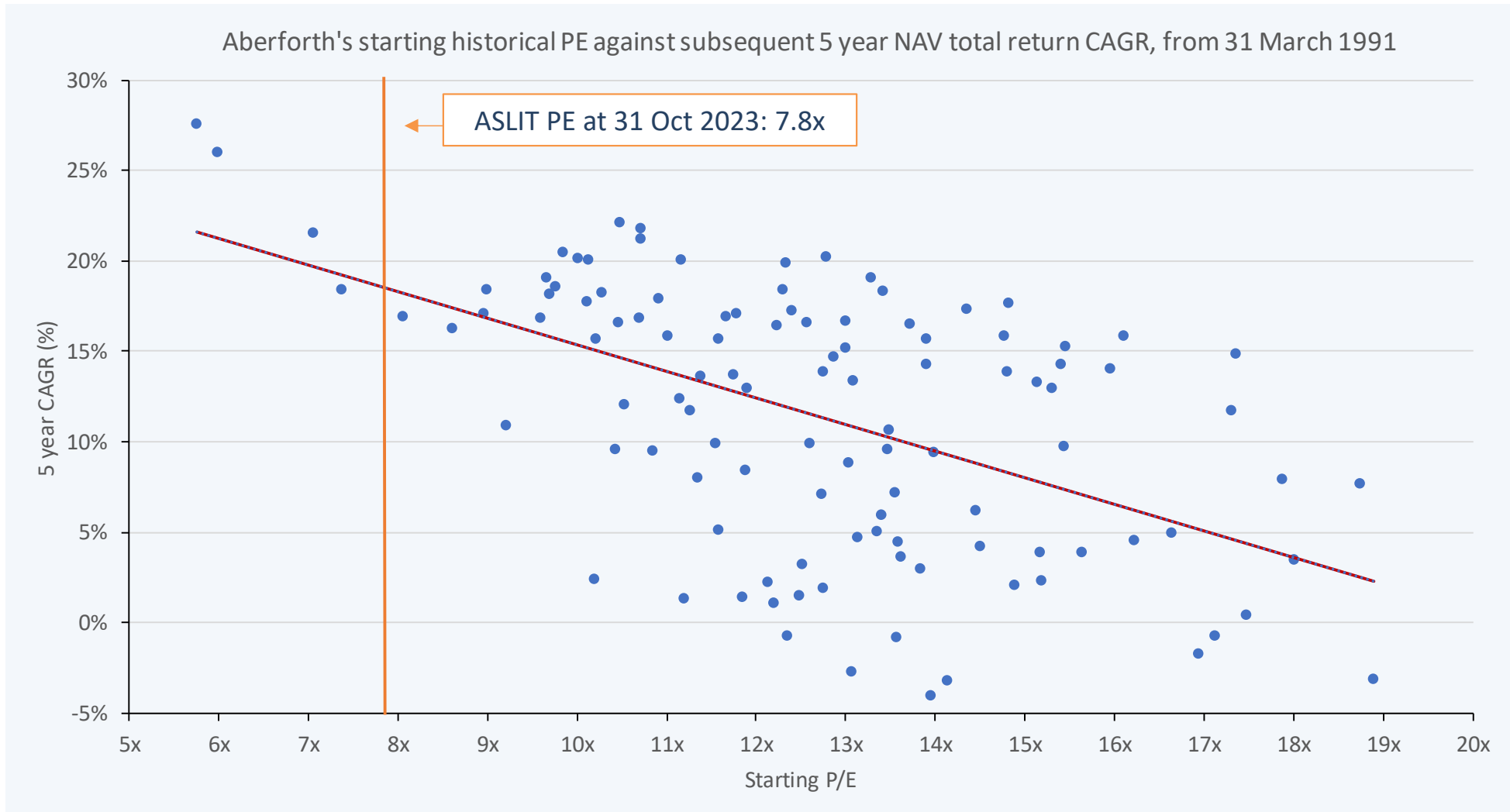


- Balance sheets have not been this strong since 2014
 - Unusual but welcome at this stage in the cycle
- Pension deficits are improving to the benefit of free cash flow
 - Favourable updates: Reach, TT Electronics, Wincanton

Starting valuations matter



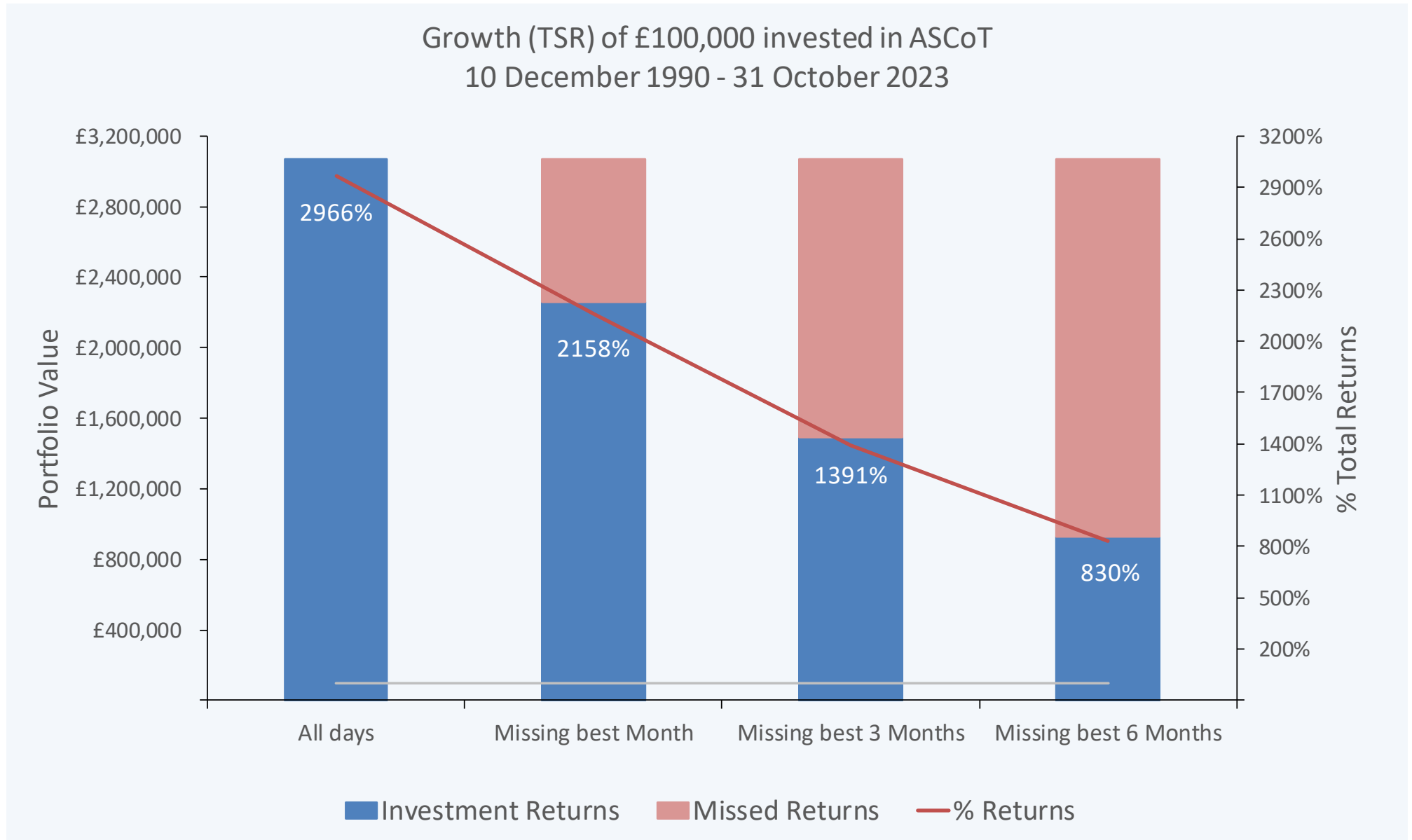
- History suggests compelling prospective returns from current valuations
 - Using ASCoT for a long-term perspective



Time in, not timing, the stockmarket



- Using ASCoT for a long-term perspective





- Two lessons from history
 - The quadruple discount is a compelling starting point for strong mid-term returns
 - But it is easy to miss the turn

- ASLIT's characteristics de-risk the timing
 - Purposeful engagement
 - M&A optionality
 - The value style is not a headwind
 - Resilient investee companies
 - Attractive income profile

- Today's investment opportunity is towards the best in Aberforth's 33 years
 - But the planned wind-up date is fast approaching

What comes next?



- Both classes of shareholder will receive a choice
 - Cash out or retain exposure to a value portfolio of small UK quoted companies

- Three paths to retain exposure
 - (a) Continue ASLIT with refreshed gearing, e.g. from a new ZDP issue, or
 - (b) Create a new trust with the same strategy under a Section 110 Scheme, or
 - (c) Roll into an existing Aberforth fund, most likely the unit trust (AFund)

- Aberforth is keen to offer the geared exposure offered by ASLIT today
 - Therefore, we are exploring (a) and (b), despite a higher cost of debt

Your thoughts, please



- Work with advisers is underway but it is still too early to be definitive
 - Market conditions in early 2024 will be important
- The Board and Aberforth are interested in shareholders' input
 - Preference for cash or rollover
 - Gearing
 - Life of a successor
 - Importance of income
- Feedback to Aberforth or ASLIT's chair, Angus Gordon Lennox
 - angus.gordonlennox@aberforth.co.uk



Appendix

Winners and losers – year to date



10 Best Winners				
Rank	Company		Total return (%)	Contribution (bp)
1	International Personal Finance	▲	96	134
2	FirstGroup	▲	59	130
3	Lookers	▲	76	121
4	XPS Pensions Group	▲	61	83
5	Vistry Group		55	73
6	Galliford Try Holdings		46	61
7	Moneysupermarket.com		41	54
8	Sabre Insurance Group		41	45
9	Castings		15	22
10	Vanquis Banking Group		-34	20

10 Worst Losers				
Rank	Company		Total return (%)	Contribution (bp)
1	Videndum	▲	-70	-123
2	CMC Markets	▲	-57	-96
3	Ecora Resources	▲	-40	-88
4	Morgan Advanced Materials	▲	-25	-83
5	Centamin		-24	-75
6	Rathbones Group		-22	-73
7	Headlam Group	▲	-36	-65
8	Energiean		-31	-65
9	Robert Walters	▲	-26	-59
10	Jupiter Fund Management		-37	-55

▲ High engagement

Value roll – year to date



Top 10 Purchases		
Rank	Company	£m
1	Close Brothers Group	5.5
2	Redrow	2.8
3	Workspace Group	2.6
4	Quilter	2.4
5	NCC Group	1.8
6	PageGroup	1.1
7	Crest Nicholson Holdings	0.9
8	Jupiter Fund Management	0.8
9	Wincanton	0.7
10	Videndum	0.7

Top 10 Sales		
Rank	Company	£m
1	Lookers	6.2
2	Vistry Group	4.2
3	Devro	3.8
4	Vanquis Banking Group	2.4
5	RPS Group	2.1
6	FirstGroup	1.5
7	Industrials REIT Limited	1.2
8	Rathbones Group	1.1
9	Foxtons Group	1.0
10	Keller Group	0.9

New Holding or Total Sales

- 12 month turnover – 18%
- The purchases
 - Fallen angels – Close Brothers, Redrow, Quilter and PageGroup
- The sales
 - M&A related – Lookers, Devro, RPS and Industrials REIT

Top 20 holdings



Rank	Company	Activity	Total portfolio (%)
1	Redde Northgate	Van rental	3.4
2	Wilmington	Business publishing & training	3.3
3	Vesuvius	Metal flow engineering	3.3
4	FirstGroup	Bus & rail operator	3.1
5	International Personal Finance	Home credit provider	3.1
6	Rathbones Group	Private client fund manager	3.0
7	Wincanton	Logistics	2.9
8	Centamin	Gold miner	2.9
9	Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.8
10	Close Brothers Group	Bank, stockbroker & private client fund manager	2.5
11	Bloomsbury Publishing	Independent publishing house	2.5
12	XPS Pensions Group	Pension Consultancy	2.5
13	Conduit Holdings	Bermuda based (re)insurer	2.3
14	Bakkavor Group	Food manufacturer	2.2
15	Galliford Try Holdings	Housebuilding & construction	2.1
16	C&C Group	Brewer and drinks distributor	2.1
17	Moneysupermarket.com	Price comparison websites	1.9
18	Workspace Group	Property - rental to small businesses	1.9
19	PayPoint	Alternative payment services	1.9
20	Castings	Engineering - automotive castings	1.8
Top 20			51.5
21 - 30			17.0
31 - 62			31.5
Actively managed portfolio with an active share of 76%			100.0

ASLIT – sector exposure



Sector	NSCI (XIC) weight	ASLIT weight	Relative weight	Significant holdings
Technology	8.6%	3.9%	-4.7%	Moneysupermarket.com
Telecommunications	1.0%	0.0%	-1.0%	
Health Care	1.4%	0.0%	-1.4%	
Financials	19.8%	22.4%	2.6%	International Personal Finance, Sabre Insurance Group, Rathbones Group, Conduit Holdings, Close Brothers Group, XPS Pensions Group
Real Estate	9.1%	2.3%	-6.8%	Workspace Group
Consumer Discretionary	22.5%	25.9%	3.4%	Bloomsbury Publishing, FirstGroup, Reach, Wilmington, Crest Nicholson Holdings, Hollywood Bowl Group
Consumer Staples	4.7%	4.3%	-0.4%	Bakkavor Group, C&C Group
Industrials	22.2%	31.7%	9.5%	Castings, Morgan Advanced Materials, PayPoint, Robert Walters, Vesuvius, Wincanton, Redde Northgate, PageGroup, Galliford Try Holdings
Basic Materials	6.8%	7.1%	0.3%	Centamin, Kenmare Resources
Energy	3.4%	1.6%	-1.8%	
Utilities	0.4%	0.8%	0.4%	

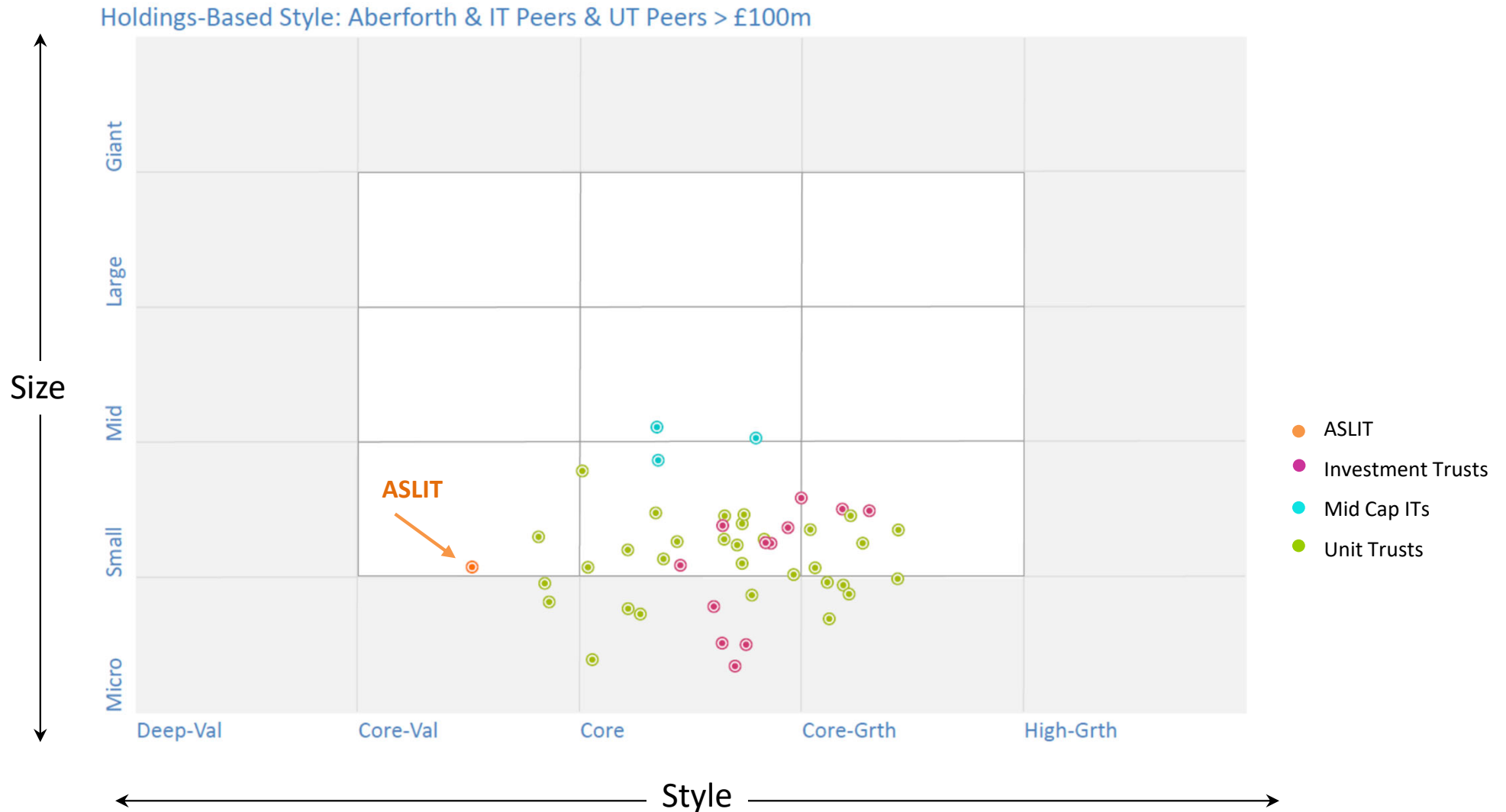
EV/EBITA – our favoured metric



EV/EBITA	Number of stocks	2022	2023	2024	
ASLIT	62	6.6x	7.3x	6.7x	Low portfolio valuation in absolute and relative terms
Tracked Universe	229	8.9x	9.2x	8.3x	Small cap profits to fall in 2023 as the economy slows
<i>Growth stocks</i>	40	12.4x	12.0x	11.8x	Growth stocks still on a wide valuation premium
<i>Other stocks</i>	189	8.4x	8.8x	7.7x	
<i>Stocks < £600m mkt. cap.*</i>	157	6.9x	7.8x	6.8x	
<i>Stocks > £600m mkt. cap.*</i>	72	10.6x	10.3x	9.5x	The most attractive valuations are among the "smaller smalls", where ASLIT is over-weight

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

Aberforth's differentiation



- Less repositioning among peers than might have been expected
 - Value should benefit from a cycle of higher interest rates

ESG framework and methodology



Factors	Environmental	Social	Governance
Sub factors	<ul style="list-style-type: none"> Climate change Pressure on natural resources Pollution and waste 	<ul style="list-style-type: none"> Employee culture Health and safety External stakeholders Product liability and consumer protection 	<ul style="list-style-type: none"> Board composition and succession Effectiveness Remuneration and alignment Capital allocation Ethics
Metrics & Data	<ul style="list-style-type: none"> GHG Scope 1, 2 and 3 Carbon offset Freshwater consumed Net Zero target year Sustainability linked loans Member of SBTi TCFD compliant 	<ul style="list-style-type: none"> % Female in workforce % Female senior manager 	<ul style="list-style-type: none"> % overall board female % executive board female % independent non-Exec Ethnic diversity of board Policy & targets in place for Female representation Policy & targets in place for Board Ethnicity Remuneration linked to ESG

Risk score					Evaluation score				
5	4	3	2	1	5	4	3	2	1
<ul style="list-style-type: none"> A 1 to 5 Risk score – where 1 is Good At sub-factor level Sector classification and materiality based E.g. “Pollution and waste” for Chemical sector = 4 Determined by Stewardship Committee Factor score is the amalgamation of sub-factors 					<ul style="list-style-type: none"> A 1 to 5 Evaluation score – where 1 is Good At sub-factor level Materiality in relation to the individual company Determined by the responsible investment manager Risk score is the starting point Considers mitigating practices, opportunities, targets Factor score is the amalgamation of sub-factors 				

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

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.
- **GHG:** Green House Gas emissions.
- **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.

Glossary – Aberforth Funds



- **IPO:** Initial Public Offering.
- **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).
- **RDR:** Retail Distribution Review.
- **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.
- **SBTI:** Science Based Targets Initiative.
- **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.

Glossary – Aberforth Funds



- **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.
- **TCFD:** Task Force on Climate-Related Disclosures.
- **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%.



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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- 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.
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- 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.



- 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.