

# Key Information Document ("KID")

Aberforth Split Level Income Trust plc  
Ordinary shares



## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

<b>Product:</b>	Aberforth Split Level Income Trust plc - Ordinary shares
<b>Manufacturer (AIFM):</b>	Aberforth Partners LLP (Aberforth)
<b>Product ISIN:</b>	GB00BYBPD394
<b>Website:</b>	<a href="http://www.aberforth.co.uk/trusts-and-funds/aberforth-split-level-income-trust-plc">www.aberforth.co.uk/trusts-and-funds/aberforth-split-level-income-trust-plc</a>
<b>Telephone:</b>	+44 131 220 0733
<b>Regulator:</b>	Financial Conduct Authority
<b>Document valid as at:</b>	11/08/2023 (based on information as at 30/06/2023)

## What is this product?

**Type:** Aberforth Split Level Income Trust plc (the Company) is an investment trust whose shares are listed on the London Stock Exchange and an Alternative Investment Fund under the Alternative Investment Fund Managers Directive.

**Objectives:** The Company's objective is to provide Ordinary shareholders with a high level of income, together with the potential for income and capital growth, and to provide Zero Dividend Preference (ZDP) shareholders with a pre-determined final capital entitlement of 127.25p on the planned winding up date of **1 July 2024**, by investing in a diversified portfolio of securities issued by small UK quoted companies.

The Company's shares are bought and sold via markets. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it.

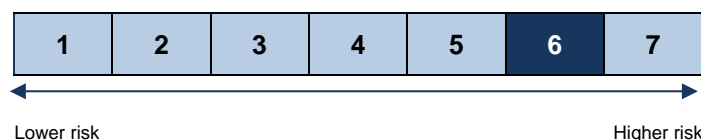
The Company was launched on 3 July 2017 and has a planned winding up date of **1 July 2024**.

The Company's Ordinary shares are geared by the capital entitlement of the ZDP shares. This will magnify any gains or losses made by the assets attributable to the Ordinary shares.

The ZDP shares had a gross redemption yield of 3.5% at launch, based on the issue price of 100p. ZDP shareholders do not receive any dividends.

**Intended retail investor:** This product is suitable for investors planning to hold an investment for the medium to long-term (until the planned winding up date of **1 July 2024**) and is designed to be used as one component in an investment portfolio – **potential investors in the Company's Ordinary shares are advised to consult their professional investment advisers in respect of any investment decision in relation to those shares.**

## What are the risks and what could I get in return?



### Risk indicator

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets.

We have classified this product as class 6 out of 7, which is a high risk class.

This classifies the potential volatility from future performance at a high level, and poor market conditions are likely to impact the capacity for you to receive a positive return on investment. This classification is based on the volatility of the product's share price returns over 5 years.



The risk indicator assumes you hold your investment until the planned winding up date of **1 July 2024**. The actual risk can vary significantly if you sell your investment within a shorter timeframe and you may get back less. You may not be able to sell your investment easily, or may have to sell at a price that significantly impacts on how much you get back.

Investments in shares of smaller companies are generally considered to carry a higher degree of risk. The performance of shares of smaller companies may be more volatile than the shares of larger companies over short time periods.

This product does not include any protection from future market performance so you could lose some or all of your investment.

## Investment Performance Information

### Factors likely to affect future returns:

The factor most likely to determine the outcome of the investment and have an impact on performance is the application of the product's value investment philosophy, which targets superior long term returns for its clients. This involves the purchase of shares in companies that are selling below their intrinsic value ("value stocks"). Consistent application of investment process does not guarantee superior returns in each and every year, but, there is evidence that it can produce results that meet the investment objective over the long term.

### Benchmark:

The NSCI (XIC) is the Company's chosen benchmark. It is the reference point for defining the investment objective and evaluating the Company's performance. Portfolio stock selection will impact investment performance relative to the benchmark, as the portfolio would typically be over-weight in stocks relative to the benchmark and have no holdings in others.

### What could affect my return positively?

Consistent application of a value investment style enhances investment returns: within the NSCI (XIC), this is supported by historical evidence which indicates that value stocks have out-performed growth stocks since the index's inception. The value cohort of the index is populated by cyclical companies which may benefit the portfolio valuation in certain economic conditions. The Company's investment returns will be determined, over a reasonable time frame, by the underlying progress of its diversified portfolio of investee companies. As a result of the Company's structural gearing (by the capital entitlement of the ZDP shares) the Company's performance can be enhanced where the portfolio is increasing in value.

### What could affect my return negatively?

While there is persuasive evidence that a value approach within small UK quoted companies may result in superior returns over the long term, there can be extended periods when the value style is out of favour and could result in periods of under-performance against the benchmark. In view of the cyclical nature of the value cohort of the index, it is likely that concerns about a recession would disproportionately affect the valuations of a portfolio, such as the Company, selected under a value investment philosophy. Concern about recession may lead to a negative return from the portfolio and from the NSCI (XIC). The structural gearing can negatively impact the Company's performance amid a weakness or fall in the portfolio of equity investments.

### Adverse market conditions:

The Company was launched on 3 July 2017 and has a planned winding up date of **1 July 2024**. This product does not include any protection from future market performance so you could lose some or all of your investment if encashed under adverse market conditions. Investments in shares of smaller companies are generally considered to carry a higher degree of risk. The performance of shares of smaller companies may be more volatile than the shares of larger companies over short time periods.

## What happens if Aberforth Split Level Income Trust plc is unable to pay out?

As a shareholder of the Company you would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that the Company is unable to pay out.

## What are the costs?

The Reduction in Yield (RIY) illustrates the impact the total costs you pay may have on your investment return. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself and assume you invest 10,000 GBP. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

### Costs over time

Investment 10,000 GBP	If you cash in after 1 year
Total costs	225.96 GBP
Impact on return (RIY) per year	2.26%

### Composition of costs

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and what the different cost categories mean.

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment.
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Ongoing costs	Exit costs	0.00%	The impact of the costs of exiting your investment.
	Portfolio transaction costs	0.17%	The impact of the costs of Aberforth buying and selling underlying investments in the product's portfolio.
	Other ongoing costs	2.65%	The impact of the expenses necessarily incurred in the operation of the product. This includes the annual management fee paid to Aberforth and the cost of gearing employed.
Incidental costs	Performance fee	0.00%	There is no performance fee.
	Carried interests	0.00%	There are no carried interests.

## How long should I hold it and can I take my money out early?

**Recommended minimum holding period:** until the planned winding up date

The Company has a planned winding up date of **1 July 2024**. Any investment in this product should be viewed as a medium to long-term investment and therefore you should be prepared to stay invested until the planned winding up date. You may sell your investment before the end of the recommended holding period without penalty/charge.

## How can I complain?

As a shareholder of the Company, you do not have a right to complain to the Financial Ombudsman Service (FOS) about the management of the Company. Complaints about the Company, or this KID, should be sent to:

**Address:** 14 Melville Street, Edinburgh, EH3 7NS

**Website:** [www.aberforth.co.uk/contact-us](http://www.aberforth.co.uk/contact-us)

**E-mail:** [enquiries@aberforth.co.uk](mailto:enquiries@aberforth.co.uk)

We will then handle your request and provide you with a feedback as soon as possible.

## Other relevant information

As stated in the section "What are the risks and what could I get in return?" above, the scenarios of estimated future performance are based on evidence from the past on how the value of this product has varied and are not an exact indicator or guarantee of future performance. The cost figures shown in the "What are the costs?" section above may differ materially from the Ongoing Charges Figure published in the Company's Factsheet, Annual Report and on the Aberforth website. This is because the methodology for the calculation of costs mandated under the PRIIPs Regulation includes the costs of any borrowing and estimates of transaction costs of buying and selling investments in the portfolio. Further information on the Company, including its latest Annual Report, is available at [www.aberforth.co.uk](http://www.aberforth.co.uk).

A detailed list of the risks associated with investing in this product, together with risks relevant to the market in which this Company invests, is available from the Risk Warnings section at [www.aberforth.co.uk](http://www.aberforth.co.uk). Aberforth does not provide investors with investment advice. This document has been issued for information purposes only. It does not contain any investment recommendations or an invitation to invest in the product. Investors should consider seeking advice from an authorised financial adviser prior to making any investment decisions.