This document has been issued by Aberforth Partners LLP (the "**AIFM**") solely in order to make particular information available to investors in Aberforth Geared Value & Income Trust plc (the "**Company**") before they invest, in accordance with the requirements of the FCA Rules implementing the UK Alternative Investment Fund Managers regime (derived from Directive 2011/61/EU) (the "AIFM Directive"). This document is being made available to investors in the Company at www.aberforth.co.uk.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

ABERFORTH GEARED VALUE & INCOME TRUST PLC

INVESTOR DISCLOSURE DOCUMENT

IMPORTANT INFORMATION

Regulatory status of the Company

Aberforth Geared Value & Income Trust plc is an 'alternative investment fund' ("**AIF**") for the purposes of the AIFM Directive.

The Company's Ordinary Shares and Zero Dividend Preference Shares are listed on the Official List of the UK Listing Authority and are admitted to trading on the main market of the London Stock Exchange. The Company is subject to its articles of association ("**Articles**"), the Listing Rules, the Disclosure Guidance and Transparency Rules, the UK Corporate Governance Code and the Companies Act 2006.

The provisions of the Company's Articles are binding on the Company and its shareholders. The Articles set out the respective rights and restrictions attaching to the Company's shares. All shareholders are entitled to the benefit of and are bound by and are deemed to have notice of, the Company's Articles.

Limited purpose of this document

This document is issued solely in order to make required regulatory disclosures to investors and, to the fullest extent permitted under applicable law and regulations, the AIFM, the Company and its Directors will not be responsible to persons other than the Company's shareholders for their use of this document, nor will they be responsible to any person (including the Company's shareholders) for any use which they may make of this document.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Company's shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document is not intended to include all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company.

No advice given

The AIFM, the Company and its Directors are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the AIFM, the Company, or any of its affiliates, officers, Directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in its shares.

Overseas investors

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares.

THE COMPANY

Background

The Company is a UK investment trust whose shares are traded on the London Stock Exchange. It was incorporated on 29 March 2024 and its shares were admitted to trading on the London Stock Exchange on 1 July 2024. The Company's registered office is Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS. The Company was established in England and its Articles are governed by the Companies Act 2006 (as amended from time to time).

Investment Objective

The Company's investment objective is to provide Ordinary Shareholders with high total returns, incorporating an attractive level of income, and to provide ZDP Shareholders with a pre-determined final capital entitlement of 160.58 pence on the planned winding-up date of 30 June 2031.

Investment Policy

The Company aims to achieve its objective by investing in a diversified portfolio of securities issued by small UK quoted companies.

Small UK quoted companies are those having a market capitalisation, at time of investment, equal to or lower than the largest company in the bottom 10 per cent, by market capitalisation, of the London Stock Exchange's Main Market for listed securities or companies in the Deutsche Numis Smaller Companies Index (excluding investment companies) ("**DNSCI (XIC)**").

As at 1 January 2026 (the date of the last annual DNSCI (XIC) rebalancing), the DNSCI (XIC) 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 satisfies this definition of a small UK quoted company its securities become candidates for sale unless the AIFM determines that the Company's investment objective would be better served by their retention. For the avoidance of doubt, such retained securities would be eligible for further investment.

Notwithstanding the above, the AIFM would not normally expect more than 15 per cent. of Total Assets to be invested in a combination of: (i) securities issued by small UK quoted companies that are neither securities with equity rights, nor securities convertible into such securities; and/or (ii) holdings in companies that satisfied the definition of a small UK quoted company at the time of initial investment but no longer do so and that are not categorised as candidates for sale.

It is intended that a diversified portfolio will be maintained at all times and the single largest investment will not exceed 15 per cent. of Total Assets at the time of investment. In practice each exposure will typically be substantially less and, at market value, typically each exposure is expected to represent less than 5 per cent. of Total Assets on an on-going basis. The Board expects that this approach will normally result in a portfolio comprising holdings in between 50 and 100 companies.

Investment will only be made in companies with securities traded on the Main Market or, in limited circumstances, in AIM listed investments. AIM listed investments will only be held in the Company's portfolio if (a) an AIM listed company has given a formal commitment to move to the Main Market, (b) an existing investee company has moved its listing from the Main Market to AIM, or (c) an AIM listed company has acquired an existing holding with part of the consideration being shares of the acquiring company.

The Company will not invest in securities issued by other UK listed closed-ended investment funds except where they are eligible to be included in the DNSCI (XIC). In any event, the Company will invest no more than 15 per cent. of Total Assets in other listed closed-ended investment funds.

The Company will aim to be near to fully invested at all times. There will normally be no attempt to engage in market timing by holding high levels of liquidity though due consideration will be given to liquidity requirements as the Company nears the end of its planned life. At this time, management initiatives may include, for example, holding an increased cash position and/or investing in UK Government bonds, gilts and/or exchange traded funds.

The Company has a policy to maintain total gearing, including the ZDP Shares, below the total of: (i) the accrued capital entitlement of the ZDP Shares from time to time; plus (ii) 5 per cent. of its Total Assets at the time of drawdown. The Directors have delegated responsibility to the AIFM for the operation of the Company's overdraft and working capital facilities within the above parameters.

The Company does not intend to utilise any bank borrowings other than short term overdraft or working capital facilities. The Directors expect that, in normal market conditions, bank borrowings will not exceed 2.5 per cent. of Total Assets. The Articles limit the level of such bank borrowings to a maximum of 5 per cent of Total Assets at the time of drawdown.

Changes to the investment policy

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution at a general meeting.

Board of Directors

It is the responsibility of the Board of Directors to ensure that there is effective stewardship of the Company's affairs. The Board of Directors comprise Angus Gordon Lennox (Chair), Graeme Bissett (Chair of the Audit Committee), Lesley Jackson (Senior Independent Director and Chair of the Management Engagement Committee) and June Jessop (Chair of the Remuneration & Nomination Committee).

Capital Structure

The Company has two classes of shares: Ordinary Shares and Zero Dividend Preference (ZDP) Shares.

Ordinary Shares

The Company's objective is to provide Ordinary Shareholders with high total returns, incorporating an attractive level of income. Ordinary Shareholders are entitled, on a winding up, to receive any undistributed revenue reserves of the Company in priority to the capital entitlements of the ZDP Shareholders. Ordinary Shareholders are also entitled to the net assets of the Company after all liabilities of the Company have been settled and the entitlements of the ZDP Shares have been met in full. The Company's capital structure is such that the underlying value of assets attributable to the Ordinary Shares is geared by the rising capital entitlements of the ZDP Shares. The Ordinary Shares are therefore geared by the ZDP Shares. Accordingly, the Ordinary Shares should be regarded as carrying above average risk.

Zero Dividend Preference Shares

The Company's objective is to provide ZDP Shareholders with a pre-determined level of capital return on the planned winding up date. The final capital entitlement of 160.58 pence per ZDP Share represents a gross redemption yield of 7.0 per cent. per annum over the planned life of the ZDP Shares, based on the issue price of 100 pence per ZDP Share. The holders of ZDP Shares are not entitled to receive dividend payments. ZDP Shares have been recorded as a liability in the Company's balance sheet.

Duration of the Company

The Company has a planned life lasting until 30 June 2031 and the Directors are required by the Articles to convene a general meeting of the Company on or within the three months prior to 30 June 2031, at which a special resolution will be proposed to wind up the Company voluntarily by not later than the planned winding up date. As these arrangements are designed to ensure that the ZDP Shareholders will be entitled to realise their investment, weighted voting provisions shall apply in respect of this resolution so as to ensure that this resolution will be passed if any Shareholder votes in favour. However, before this date, the Directors will examine means whereby holders of Ordinary Shares may effectively continue their investment in a tax efficient manner while allowing the ZDP Shareholders to realise their investment. The Directors may be released from the obligation to call a general meeting if a special resolution has been passed to that effect not later than 30 June 2031.

Distributions out of the Company's capital reserves

The Directors have the ability under the Articles to make distributions out of capital, including any special reserve arising out of the cancellation of any share premium account, to Ordinary Shareholders provided always that the cover of the ZDP Shares (calculated as at the latest practicable date in accordance with the Articles) would not, immediately following such capital distribution, be less than 2.0 times.

Leverage

The Company does not intend to utilise any bank borrowings other than short-term overdraft or working capital facilities. The Directors expect that, in normal market conditions, bank borrowings will not exceed 2.5 per cent. of Total Assets at the time of drawdown. The Articles limit the level of such bank borrowings to a maximum of 5 per cent of Total Assets at the time of drawdown.

Bank borrowings give rise to leverage as defined by the AIFM Directive whereas, for the avoidance of doubt, ZDP Shares are part of the share capital of the Company and are not borrowings under the UK AIFMD Laws.

The Company's capital structure is such that the underlying value of assets attributable to the Ordinary Shares will be geared by the rising capital entitlements of the ZDP Shares. Accordingly, the Ordinary Shares should be regarded as carrying above average risk.

Changes to leverage

Any changes to this maximum level of leverage that the AIFM may employ on behalf of the Company will only be implemented after consultation between the Board and the AIFM. Any material changes to the maximum level of leverage will require the approval of shareholders by passing an ordinary resolution.

Derivatives

Subject to the prior approval of the Board, the Investment Manager may use derivative instruments such as financial futures, exchange traded funds and options for the purposes of efficient portfolio management. The Board's current expectations is that derivatives will rarely be used if at all.

Investment restrictions

The Company may only invest in small UK quoted companies as defined in the Investment Policy.

A maximum of 15 per cent. of the assets of the Company may be invested in any one security at the time of investment.

The Company may not invest in any unquoted companies. Neither does the Company invest in securities issued by other UK listed closed-ended investment funds except where they are eligible to be included in the DNSCI (XIC). In any event, the Company will invest no more than 15 per cent. of total assets in other listed closed-ended investment funds.

Investment strategy and investment techniques

The Investment Managers adhere to a value investment philosophy. While there can be extended periods when the value investment style is out of favour, there is compelling evidence that the value approach within small UK quoted companies has resulted in superior returns to those of the DNSCI (XIC) as a whole over the long term.

In valuing businesses, the Investment Managers place emphasis on the ratio of total enterprise value (which is the market capitalisation of the small UK quoted company adjusted for the average debt or cash level of such company) to the earnings before interest, tax and amortisation that the company generates (known as the EV/EBITA ratio). The Investment Managers also utilise other 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 the value investment approach, the average valuation metrics of the Company's holdings will usually be more modest than those of the DNSCI (XIC), the investment universe.

The Company benefits from the expertise of Aberforth Partners' well-resourced investment management team, who together have a total of over 120 years' of investment management industry experience. The investment strategy and investment process have been consistently applied since Aberforth Partners was established in 1990.

Investment analysis

The investment universe is divided by sector among the investment team. Within their allocated sectors, each investment manager is responsible for covering companies, both holdings and non-holdings, and for identifying investment opportunities. With six experienced investment managers in recent years and around 350 companies in total to analyse, the level of resource directed at the investment universe is very high.

The Investment Managers seek to understand how a company makes its money, its barriers to entry, its vulnerabilities, any significant ESG factors, the motivation of its executives and the oversight provided by the chair and non-executive directors. Scrutiny of historical results and regular contact with management are important features of the analytical effort. Using the output of their analysis, the Investment Managers determine a valuation for the company in question. A variety of methodologies and metrics – most commonly the ratio of enterprise value to earnings before interest, tax and amortisation – are utilised, with the aim of calculating a target price for each stock.

Decision making

While analysis is conducted by individual investment managers within their allocated sectors, buy and sell decisions for clients' portfolios, along with broader portfolio construction considerations, are taken together by the group of six. This collegiate approach means that each holding has been subject to the full scrutiny of the team. The focus of team discussions is on the context of the valuations of the prospective and existing investee companies – including the rest of the portfolio, the investment universe and overseas peers – and on the assumptions behind the upside that is calculated by the Investment Managers for each stock.

Engagement

An important component of the investment process is regular engagement with board members and management of prospective and existing investee companies. Engagement is purposeful, discreet and constructive, with the overarching objective of improving investment outcomes. The well-resourced investment team allows for regular and meaningful engagement. Topics of engagement comprise anything that materially affects valuations and shareholders rights, including capital allocation, M&A terms, equity issuance, dividend policy and board change.

Engagement includes regular updates with executive directors and encompasses meetings with non-executives. There is a particular focus on the chair since that role is paramount within the UK's corporate governance structure. Aberforth Partners emphasises to chairs the importance of timely and meaningful consultation if a board is considering a course of action that affects shareholders.

Aberforth Partners is willing to take significant stakes in investee companies across its client base. By way of illustration, at 30 June 2026 there were 29 stakes where clients' combined holdings were above 10 per cent. of a company's issued share capital. This can increase the influence of the Investment

Managers when engaging with the boards of investee companies. In addition, the Investment Managers are prepared to be taken inside for extended periods, which indicates the commitment to responsible stewardship and which can be helpful to investee companies.

ESG Integration

The Investment Managers integrate consideration of ESG factors into the investment process. Anything that affects the value of an investee company is relevant and, depending on the significance of its impact, may be the subject of engagement with an investee company's board. The Investment Managers believe that a company's system of corporate governance is crucial to how its environmental and social policies are designed and implemented. They also believe that investment returns can be enhanced by investment in and engagement with companies whose valuations are affected by ESG challenges and which are already seeking to address them or can be encouraged to do so. Except when requested by clients, the Investment Managers do not exclude investments from portfolios on the basis of ESG matters alone and will invest in any constituent of its investment universe as long as the risks affecting it, ESG or otherwise, are reflected in its stock market valuation together with an adequate margin of safety. More information can be found in the Annual Report which is available on the AIFM's website at www.aberforth.co.uk.

Changes to Investment Policy

As a closed-ended investment fund whose shares are admitted to the Official List under Chapter 11 of the Listing Rules, the Company is required to obtain the prior approval of its shareholders for any material change to its published investment policy. The Company's published investment policy is set out in the section entitled 'Investment Policy' above.

Any change in investment strategy or investment policy that does not amount to a material change to the published investment policy may be made without shareholder approval.

The Company will update this document annually or more frequently if necessary and make the most recent version available on the AIFM's website at www.aberforth.co.uk.

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The Alternative Investment Fund Manager (AIFM)

The AIFM is Aberforth Partners LLP, a limited liability partnership incorporated in England & Wales, having its registered office at Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS and having a place of business at 14 Melville Street, Edinburgh EH3 7NS.

The AIFM is authorised and regulated by the United Kingdom Financial Conduct Authority (firm reference number 435657).

The duties of the AIFM

The Company has appointed the AIFM to act as its AIFM with responsibility for, *inter alia*, the portfolio management and risk management of the assets of the Company.

The fees payable to the AIFM by the Company

The AIFM receives an annual management fee, calculated and payable quarterly in advance, equal to 0.1875% of the Company's Total Assets at the end of the quarter preceding that to which the fee relates. Assuming a constant level of Total Assets, this would be equivalent to 0.75% of Total Assets over the course of a year

The management fee is charged 70% to capital reserves and 30% to the revenue account.

The Depositary

The Depositary is NatWest Trustee and Depositary Services Limited, a public limited company incorporated in England & Wales having its registered office at 250 Bishopsgate, London EC2M 4AA and whose ultimate parent company is NatWest Group plc.

The duties of the Depositary

The Company appointed the Depositary, as required by the AIFM Directive, to undertake various functions including safekeeping of assets and the monitoring of cashflows, changes in issued share capital and the valuation of assets.

Delegation by the Depositary

With the consent of the Company, the Depositary has delegated the safekeeping of assets to The Northern Trust Company, 50 Bank Street, Canary Wharf, London E14 5NT (the "**Custodian**").

The Liability of the Depositary

The Depositary has not entered into any arrangement contractually to discharge itself of liability, in accordance with Article 21(13) of the AIFM Directive. The Company will notify shareholders of any changes with respect to the discharge by the Depositary of its liability in accordance with Article 21(13) of the AIFM Directive through a Regulatory Information Service.

The Fees payable to the Depositary and the Custodian by the Company

The Depositary receives an annual fee, payable quarterly in arrears, of 0.0095% of the net assets of the Company, being £11,000 for the year ended 30 June 2026.

Although the Depositary has delegated the provision of custody services to the Custodian, the Company pays the Custodian's fees directly. The Custodian fees for the year ended 30 June 2026 were £9,000.

The Auditor

Johnston Carmichael LLP (the "**Auditor**"), chartered accountants, whose registered office is situated at Bishop's Court, 29 Albyn Place, Aberdeen AB10 1YL has been appointed as the Company's external auditor.

The duties of the Auditor

The Auditor reviews and expresses an independent opinion on the financial statements of the Company.

The fees payable to the Auditor by the Company

The fees charged by the Auditor are agreed in advance based on an estimate of the time to be spent by the Auditor on the affairs of the Company. The Auditor's fees for audit services in respect of the year ending 30 June 2026 were £50,000 plus VAT.

The Registrar

The Registrar is MUFG Corporate Markets based at Central Square, 29 Wellington Street, Leeds LS1 4DL.

The duties of the Registrar

The Registrar maintains the share register of the Company and is also responsible for dividend payments. All administrative enquiries concerning shareholdings, dividend payments, change of address or lost certificates should be addressed to the Company's Registrar.

The fees payable to the Registrar by the Company

The Registrar received an annual fee of £34,000 in consideration for the provision of registrar and associated shareholder administration services to the Company

Delegation of functions by the AIFM

The AIFM has not delegated any of its functions to any other companies.

The Company Secretary

The Company Secretary is Aberforth Partners LLP.

The duties of the Company Secretary

The Company Secretary is responsible for all administrative matters, regulatory filings and notifications on behalf of the Board and the Company.

SHAREHOLDER INFORMATION

Annual and Interim Reports

The Company's Annual and Interim Reports can be obtained on the AIFM's website at www.aberforth.co.uk.

Daily publication of net asset values

The latest net asset value of the Company can be obtained on the AIFM's website at www.aberforth.co.uk.

Valuation Policy

The assets of the Company are valued in accordance with UK GAAP under FRS 102 and in accordance with the AIC's Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts. In summary, investments are valued at their fair value, which, for quoted investments is represented by the quoted bid price. Any unquoted investments are valued at the Board's estimate of fair value.

Further details of the accounting policies are included in the Annual Report which is available on the AIFM's website at www.aberforth.co.uk.

Historical performance of the Company

Details of the Company's historical financial performance are provided in the Company's Annual Reports and Accounts and Monthly Factsheets, which are available via the AIFM's website at www.aberforth.co.uk.Investors should note that past performance of the Company is not necessarily indicative of future performance. 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.

There can be no guarantee that the investment objective of the Company will be achieved or provide the returns sought by the Company or its investors.

Purchases and sales of shares by investors

The Company's shares are admitted to trading on the main market of the London Stock Exchange where they may be purchased or sold.

Consumer Duty and fair treatment of investors

The legal and regulatory regime to which the AIFM, the Company and the Directors are subject ensures the fair treatment of investors. The Listing Rules require that the Company treats all shareholders of the same class of shares equally.

In particular, the Directors have certain statutory duties under the Companies Act 2006 with which they must comply. These include a duty upon each Director to act in the way she or he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors.

The Ordinary Shares rank equally with each other and the ZDP Shares rank equally with each other.

RISK FACTORS

The risk factors referred to below are the risks that are currently considered by the AIFM and the Company to be material, but they are not the only risk factors relating to the Company or its shares. Additional risks and uncertainties relating to the Company or its shares that are not currently known to the AIFM or the Company or that the AIFM or the Company do not currently consider to be material may also have a material adverse effect on the Company. Potential investors in the Company's shares should review these risk factors carefully and consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

(i) Investment policy/performance risk

The Company's investment policy and strategy expose the portfolio to share price movements. The performance of the investment portfolio will be influenced by stock selection, liquidity and market risk (see Market risk below). The Board's aim is to achieve the investment objective by ensuring the investment portfolio is managed in accordance with the policy and strategy. The Board has outsourced portfolio management to experienced investment managers with a clearly defined investment philosophy and investment process. The Board receives regular and detailed reports on investment performance and risk. Senior investment representatives of Aberforth Partners attend each Board meeting. This is a dynamic risk, with detailed consideration during the year. The Managers' Report contains information on portfolio investment performance and risk.

(ii) Market risk

Investment performance is affected by several market risk factors, such as economic, geopolitical, and societal factors, which cause uncertainty about future price movements of investments. The Board delegates consideration of market risk to the Managers to be carried out as part of the investment process. The Managers regularly assess the exposure to market risk when making investment decisions and the Board monitors the results via the Managers' reporting. The Board and Managers closely monitor economic and political developments including the potential effects of climate change. This is a dynamic risk, with detailed consideration during the year. The Managers' Report contains information on market risk.

(iii) Political and taxation changes outwith the Company's control

Investment performance is affected by political, regulatory and taxation risk factors, which cause uncertainty about future price movements of investments. The Board monitors in conjunction with the Managers the political, regulatory and tax landscape affecting the Company and takes action if in the best interests of shareholders as a whole. Company advisers provide regular updates. This is a dynamic risk.

(iv) Structural conflicts of interest between the objectives of the Ordinary and ZDP Shareholders

The different rights and expectations of the holders of Ordinary Shares and the holders of ZDP Shares may give rise to conflicts of interest between them. The Company's investment objective and policy seek to strike a balance between the interests of both classes of Shareholder. There can be no guarantee that such a balance will be achieved and maintained during the life of the Company. The

Board is cognisant of this risk and considers both sets of Shareholders, it acts in a manner that it considers fair, reasonable and equitable to both classes of Shareholder. This is a stable risk.**(v) Significant fall in revenue generation from the portfolio**

A significant fall in investment income could lead to the inability to provide an attractive level of income to Ordinary Shareholders. The Board receives regular and detailed reports from the Managers on income performance together with income forecasts. The Board and Managers monitor investment income and it is considered a dynamic risk.

(vi) Loss of key investment management personnel

The Board believes that a risk exists in the potential loss of key investment personnel at the Managers. The Board recognises that the collegiate approach employed by the Managers mitigates this risk. Board members are in regular contact with the partners and staff of the Managers and monitor personnel changes. This is a stable risk.

(vii) Failure to meet the continuing obligations associated with regulatory risks

Breach of regulatory rules could lead to suspension of the Company's share price listings, financial penalties or a qualified audit report. Breach of Section 1158 of the Corporation Tax Act 2010 could lead to the Company losing investment trust status and, as a consequence, any capital gains would then be subject to tax. The Board reviews regular reports from the Secretaries to monitor compliance with regulations. This is a stable risk.

(viii) Cyber risk

The Company and/or Managers could be subject to a cyber risk event, impairing operational systems and the Company's information they contain, thereby negatively affecting Shareholders or other stakeholders. The Board oversees the Managers' and other service providers' cyber security controls via external control reports and Board update papers. This is a dynamic risk.

RISK MANAGEMENT

Risk profile

Investment in small companies is generally perceived to carry more risk than investment in large companies. While this is reasonable when comparing individual companies, it is much less so when comparing the volatility of returns from diversified portfolios of small and large companies. The Company has a diversified portfolio. In addition, the Company invests only in small UK quoted companies and outsources all the main operational activities to recognised, well-established firms.

The Company will periodically disclose information regarding its current risk profile to investors on its website and in its Annual Report and Accounts which is available to investors.

Risk management systems

The AIFM and the Company have established an on-going process for identifying, evaluating and managing the principal risks faced by the Company.

The principal risks identified by the AIFM and the Company are summarised in the Company's Annual Report and Financial Statements together with an explanation of the approach taken in managing these risks. A copy of the Annual Report and Financial Statements is obtainable on the AIFM's website at www.aberforth.co.uk.

Liquidity risk management

The AIFM has a liquidity management policy in relation to the Company which is intended to ensure that the Company's investment portfolio maintains a level of liquidity that is appropriate to the Company's obligations. This policy involves an assessment by the AIFM of portfolio construction including individual stock weightings, index dispersion and the impact of target trades. This analysis takes into account the sensitivity of assets to particular market risks and other relevant factors.

Shares in the Company are not redeemable, and shareholders do not have the right to require their shares to be purchased by the Company. Accordingly, the liquidity management policy ensures that the Company's investment portfolio is sufficiently liquid to meet the following principal obligations:

- the payment of operating and financing expenses: in practice, these expenses are typically covered by dividend income received from the Company's investments;
- the settlement of investment purchases: the Company's portfolio is substantially fully invested, and accordingly new or additional investments are typically required to be funded through the prior sale of other investments;
- the payment of the interim dividends: these distributions to shareholders are typically covered by dividend income received from the Company's investments.

See section on "Duration of the Company" which sets out the process to be followed on the winding up of the Company.

The liquidity management policy requires the AIFM to identify and monitor its investment in assets which are considered to be relatively illiquid. All of the Company's investment portfolio is invested in securities of companies listed on the London Stock Exchange. The liquidity of the holdings will be monitored on an ongoing basis to ensure that the portfolio is adequately diversified.

The liquidity management policy will be reviewed and updated, as required, on at least an annual basis.

Investors will be notified, by way of a disclosure on the AIFM's website and in the Company's Interim and Annual Reports, in the event of any material changes being made to the liquidity management systems and procedures or where any new arrangements for managing the Company's liquidity are introduced.

Professional negligence liability risks

In addition to maintaining sufficient own funds at an appropriate level, the AIFM also maintains professional indemnity insurance with a reputable insurer for a reasonable amount having regard to its responsibilities as the AIFM to the Company.

Issued: 30 October 2026