

Aberforth Partners LLP

Presentation to

AGVIT Investors

November 2024

This presentation is intended for investment professionals.
It does not represent investment advice.



ABERFORTH PARTNERS

14 Melville Street - Edinburgh EH3 7NS

Tel 0131 220 0733

enquiries@aberforth.co.uk - www.aberforth.co.uk

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



- Valuations offer a compelling opportunity in small UK quoted companies

- 34 years of experience managing small cap money
 - Consistency: one asset class, value investment, collegiate process, engagement
 - Capacity discipline: focus on our existing clients; c.£200m of AuM capacity today
 - Alignment: partners continue to add to their holdings in the funds

- A busy 2024 for Aberforth
 - Engagement with investee companies running at elevated levels
 - Successful wind-up of ASLIT and IPO of AGVIT



<p>IPO on 1 July 2024</p>	<ul style="list-style-type: none"> ▪ £147m total assets split across Ordinary and ZDP shares ▪ Support from investors rolling out of ASLIT and £15m new money raised ▪ Partners of Aberforth increased their investment by £4m in the IPO
<p>Transaction costs</p>	<ul style="list-style-type: none"> ▪ c.£1.1m = c.1.1p per Ordinary Share ▪ Net of a contribution of £450k from Aberforth Partners
<p>37.5% gearing at IPO</p>	<ul style="list-style-type: none"> ▪ To take advantage of the investment opportunity in smaller companies ▪ Additional upside for the Ordinary Shares from 9% discount to NAV
<p>7 year fixed life</p>	<ul style="list-style-type: none"> ▪ Planned wind-up no later than 30 June 2031 ▪ A clear solution to discount risk
<p>NAVs at 31 October 2024</p>	<ul style="list-style-type: none"> ▪ Ordinary Share (excluding current year revenue) = 93.69p ▪ Ordinary Share (including current year revenue) = 96.33p ▪ ZDP Share (accrued entitlement per the Articles) = 102.31p

In accordance with the rules of the Financial Conduct Authority (FCA), investment performance information can be made available once the Fund has a full 12-month period of performance history

Illustrative returns



Ordinary shares

Redemption yields:

Capital growth p.a.	Terminal NAV	Dividend growth p.a.				
		0.0%	2.5%	5.0%	7.0%	+10%
-10.0%	2.1p	-20.0%	-18.6%	-17.1%	-15.9%	-14.0%
-5.0%	29.6p	-6.6%	-5.9%	-5.2%	-4.6%	-3.6%
+0.0%	66.6p	2.1%	2.6%	3.1%	3.5%	4.2%
+5.0%	115.9p	9.3%	9.7%	10.0%	10.4%	10.9%
+7.0%	139.7p	12.0%	12.3%	12.6%	12.9%	13.4%
+10.0%	180.5p	15.8%	16.1%	16.4%	16.6%	17.0%
+15.0%	264.1p	21.9%	22.1%	22.4%	22.6%	22.9%
+20.0%	371.2p	27.7%	27.9%	28.1%	28.3%	28.6%

Hurdle rates: (p.a. returns to 30 June 2031)

	<u>31 Oct.</u>	<u>Launch</u>
To return share price	2.3%	3.0%
To return 100p	3.5%	3.0%
To return nil value	-10.5%	-10.3%

Premium/(discount) incl. revenue reserves: -9%

ZDP shares

Redemption yields: (p.a. returns to 30 June 2031)

Now	6.43%	106p to 160.58p at 30 June 2031
At launch	7.00%	100p to 160.58p at 30 June 2031

Hurdle rates: (p.a. returns to 30 June 2031)

	<u>31 Oct.</u>	<u>Launch</u>
To return 160.58p	-10.5%	-10.3%
To return nil value	-54.4%	-52.9%

Premium/(discount) to net asset value: 5%

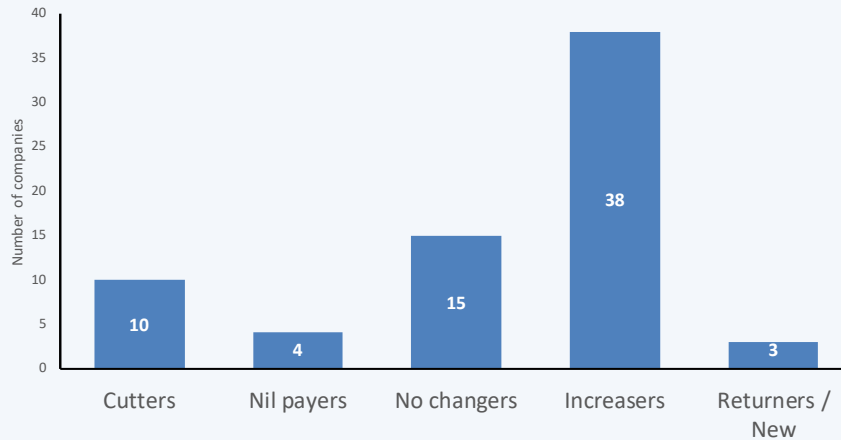
Final cumulative cover: 31 Oct.
3.3x Launch
3.5x

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 Prospectus dated 28 May 2024.

Attractive income

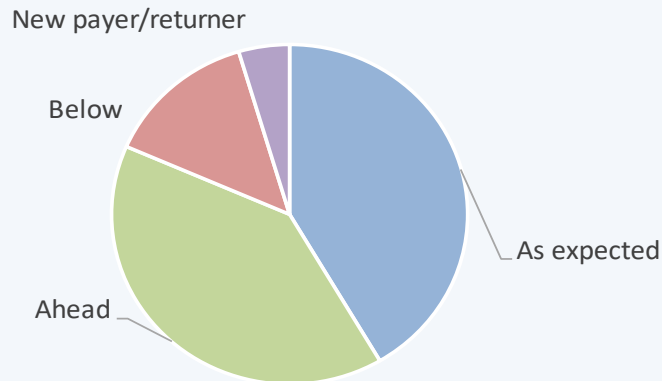


Portfolio categorised by holding's most recent dividend action



- A backdrop of resilient small cap income
- Supported by strong balance sheets
- Cutters influenced by recession

Dividend experience since launch

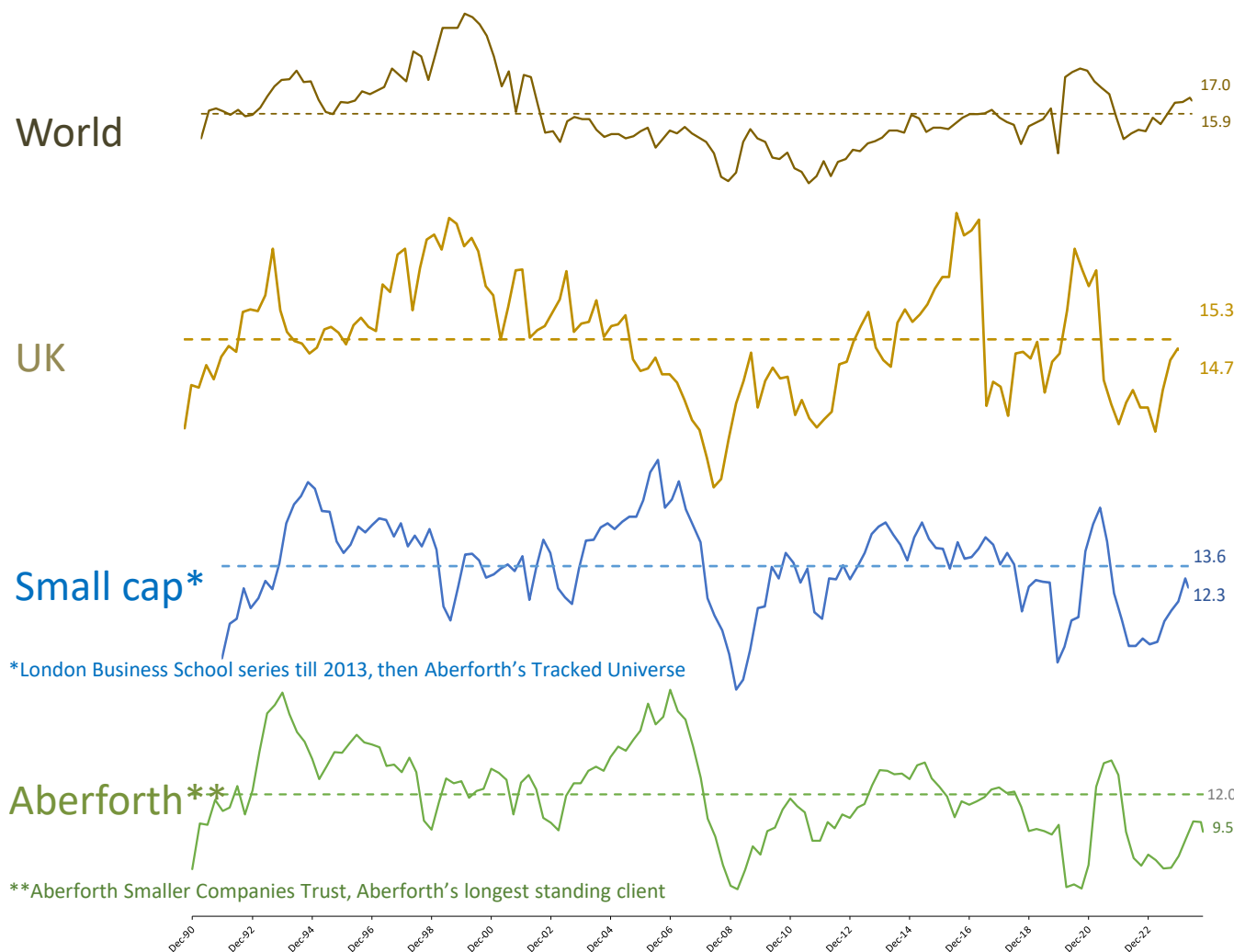


- Dividend experience has so far been good
 - 40% of dividends better than expected
- Current year portfolio yield and cover
 - 5.0% and 2.0x
- Anticipated first year dividend:
 - 4.0-5.0p (per the Prospectus)
- 2.64p income earned at 31 October 2024

Valuations – the triple discount



Historical PEs



PE relatives – the triple discount:

1. The UK vs. RoW

33Y average	0.96
Today	0.86

2. Small caps vs. UK

33Y average	0.89
Today	0.84

3. Aberforth vs. Small caps

33Y average	0.89
Today	0.78

Note: Past performance is not a guide to future performance, nor a reliable indicator of future results or performance.

Discount: a term used to reference illustrated PE ratios that are all at levels below their long-term average.

The UK – the tide is turning



- Total return from DNSCI (XIC) +25% over 12 months to 31 October 2024
 - All re-rating – the market is looking through the impact of the recession on profits
- Why?
 - There are marginal buyers: bigger companies, private equity, share buy-backs
 - UK economic performance is less of an outlier
 - Government – mixed
 - Budget: greater burden on businesses; scepticism reflected in gilts and sterling
 - But recognition that regulation has contributed to a lack of investment in the UK
- What would help a further move higher for small caps?
 - Profit inflection, as lower interest rates feed through to economic activity

Winners and Losers – 4 months to 31 October



10 Best Winners			
Rank	Company	Total return (%)	Contribution (bp)
1	Centamin	39	123
2	Galliford Try Holdings	60	77
3	TI Fluid Systems	35	57
4	Eurocell	44	55
5	PayPoint	25	51
6	Keller Group	30	48
7	XPS Pensions Group	26	46
8	Quilter	18	36
9	Kenmare Resources	18	29
10	Halfords Group	24	25

10 Worst Losers			
Rank	Company	Total return (%)	Contribution (bp)
1	Vesuvius	-23	-113
2	TT Electronics	-48	-70
3	Morgan Advanced Materials	-21	-61
4	Dowlais Group	-33	-52
5	PageGroup	-19	-48
6	MONY Group	-16	-43
7	Crest Nicholson Holdings	-29	-41
8	Castings	-21	-32
9	ZIGUP	-11	-27
10	Bodycote	-21	-24

- Winners: M&A and more domestically oriented holdings
- Losers: a skew to overseas oriented companies

Purchases and Sales – 4 months to 31 October



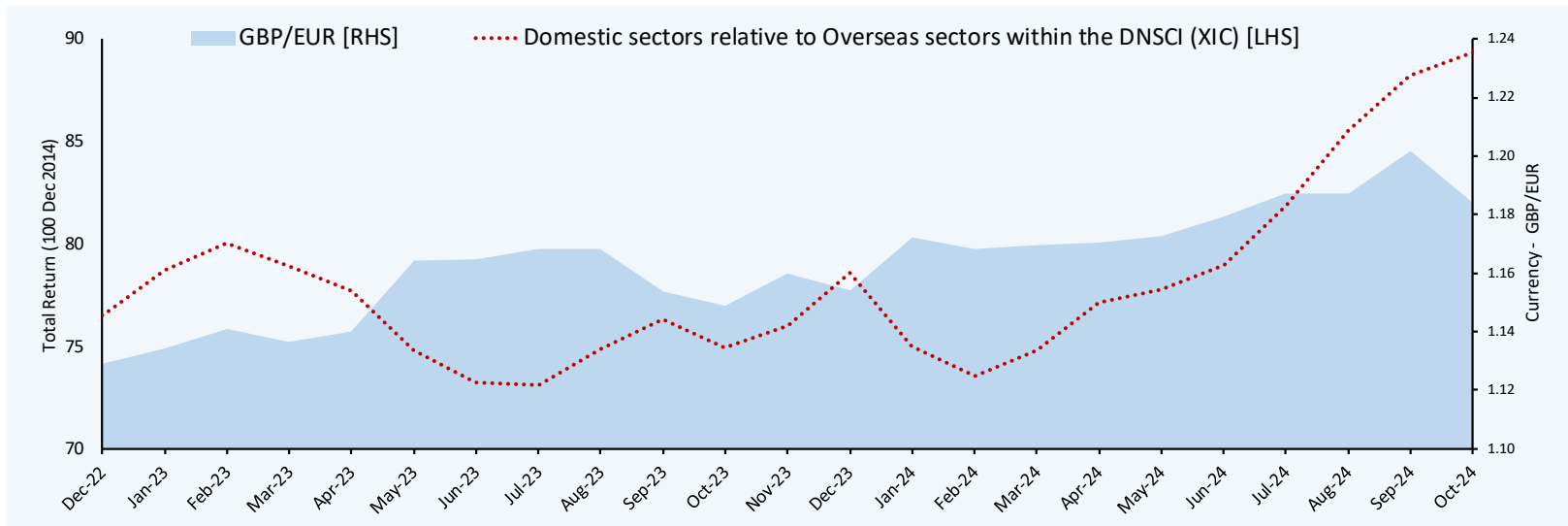
Top 10 Purchases		
Rank	Company	£m
1	Dowlais Group	1.9
2	Morgan Advanced Materials	1.6
3	Jupiter Fund Management	1.3
4	FirstGroup	1.2
5	Rathbones Group	1.2
6	Card Factory	1.1
7	MONY Group	1.1
8	Ashmore Group	0.9
9	Castings	0.8
10	Sabre Insurance Group	0.8

Sales		
Rank	Company	£m
1	Centamin	4.8
2	Energiean	1.2
3	National World	0.1

New holding acquired since 1 July 2024

- Sales: a bid for Centamin
- Purchases: a broad opportunity set
- Value roll
 - 2024 Yield: 4.1% for sales vs. 5.8% for purchases
 - 2024 EV/EBITA: 9.0x for sales vs. 6.5x for purchases

Geography – performance divergence in the DNSCI (XIC)



- Domestic earners have re-rated while overseas earners have de-rated recently
 - Optimism about the UK interest rate cycle, weaker overseas markets, sterling
- Good opportunities in both camps
 - *Domestics* – the market is looking through lacklustre UK trading to profit recovery
 - The early 1990s recession showed the opportunity from the turn in profits
 - *Overseas* – likely later in the profit cycle but low valuations for good businesses
 - 2025 EV/EBITA – Bodycote 8.3x, Vesuvius 5.7x, Morgan Advanced 7.5x, TI Fluids 5.3x

Eurocell – a domestic earner re-rating



Aberforth clients' stake: 24% = £45m

AGVIT weight: 1.9%

Market cap: £186m

Business

- PVC products for windows, doors and roofing
- Customers are fabricators; ancillary products sold through 210 branches

Opportunity

- Cyclical pressures mask underlying operational improvement
- Large investment projects complete, boosting free cash flow
- Input cost and sustainability advantage: unmatched recycling capabilities

Engagement

- Appointment of Derek Mapp as chair in May 2022
- Priorities: driving profitability, testing capital allocation, strengthening the board
- New CEO appointed to focus on operational improvement

Recent events

- Trading: demand still in the doldrums but margins rising on lower input costs
- Share buy-backs funded by strong cash generation
- New strategic targets: £500m sales at a 10% operating margin

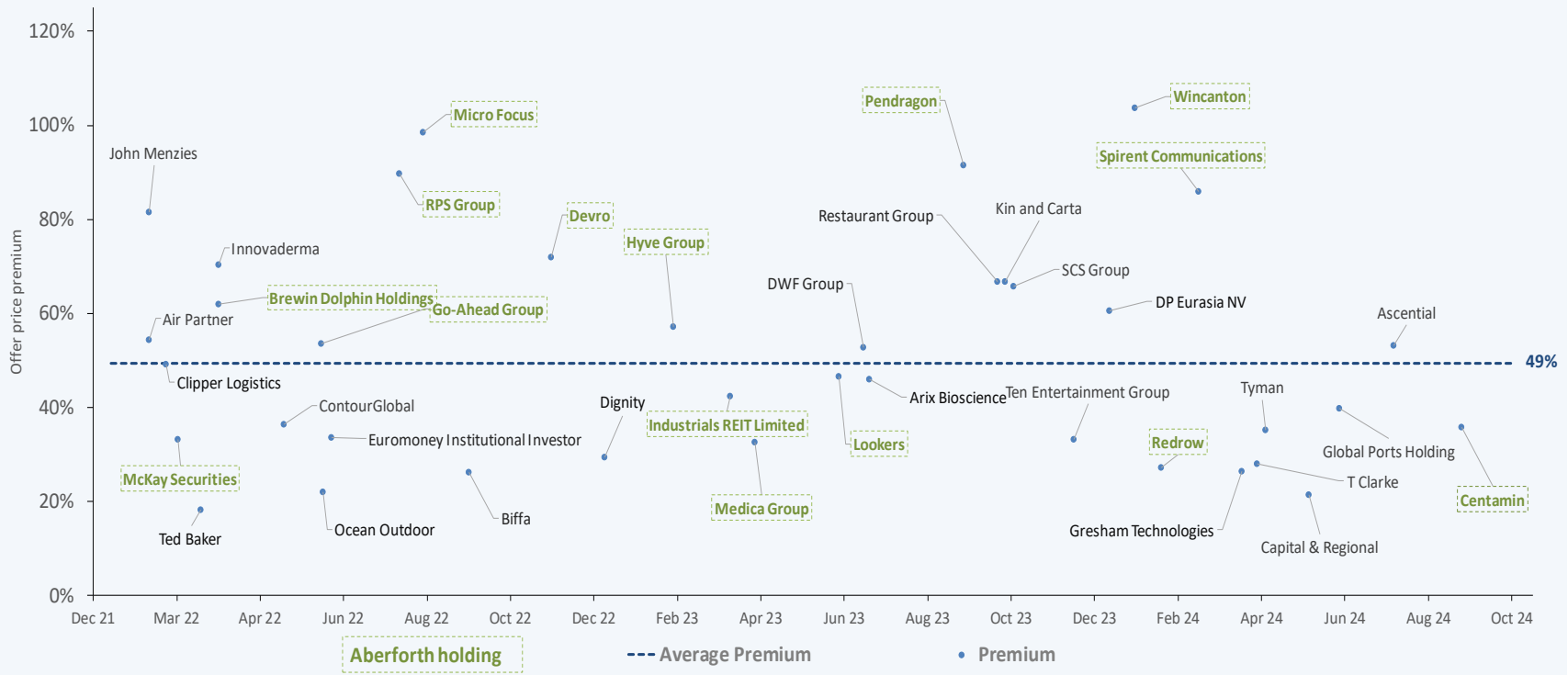
Valuation @185p

- The market is starting to anticipate recovery – price +39% in 2024
- Historical EV/EBITA up from 4.4x in late 2023 to 9.4x
- Forward EV/EBITA: 7.0x for 2025 and 4.0x on achievement of strategic targets

M&A continues to expose low valuations



Completed or new offers within the DNSCI (XIC) since 31/12/2021

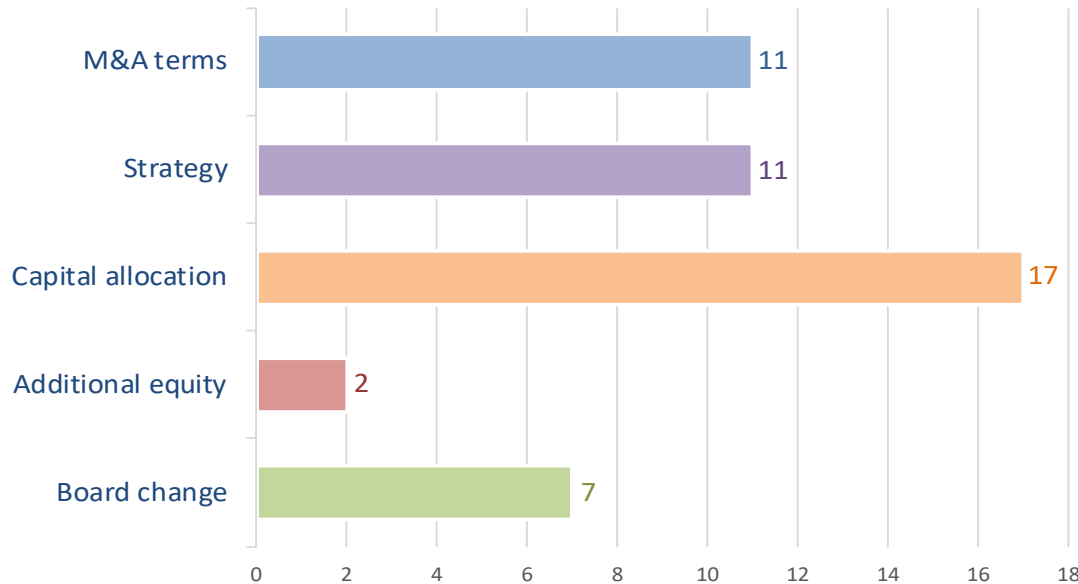


- Trade and private equity interest in the asset class remains elevated
 - AGVIT’s 2024 7.9x EV/EBITA compares to 13.9x on the 41 takeovers
- Takeover may be the right solution BUT AT THE RIGHT PRICE
 - Aberforth has helped to reject Hyve several under-valued takeover approaches in 2024

Aberforth's engagement – an active period



Instances of influential engagement in 2024



Aberforth's engagement:

- To improve investment returns
- Purposeful and discreet
- Through the chair
- Influence from significant stakes
- Practised for 33 years

- Depressed valuations mean that engagement remains particularly important
 - 4 of the 11 instances of M&A engagement were not public
- Our letter about engagement to the chairs of all investee companies has been useful
 - Earlier consultation than may otherwise have been the case

Conclusion



- Good performance from the asset class and more to go for
 - Led by domestic companies as the market starts to discount profit recovery
 - Increasing value opportunity among the overseas earners

- M&A continues apace, exposing the attractiveness of valuations

- Encouragingly, more consultation from the boards of investee companies

- AGVIT is well positioned for the valuation opportunity
 - Differentiated value investment style
 - Structural gearing
 - Attractive income profile



Appendix

Top 20 holdings



Rank	Company	Activity	Total portfolio (%)
1	Vesuvius	Metal flow engineering	3.8
2	Rathbones Group	Private client fund manager	2.7
3	PayPoint	Alternative payment services	2.7
4	Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.7
5	Bakkavor Group	Food manufacturer	2.5
6	Quilter	Wealth management	2.5
7	Conduit Holdings	Bermuda based (re)insurer	2.4
8	Wilmington	Business information & training	2.4
9	ZIGUP	Van rental	2.4
10	NCC Group	IT security	2.3
11	MONY Group	Price comparison websites	2.3
12	TI Fluid Systems	Automotive parts manufacturer	2.3
13	Galliford Try Holdings	Building & infrastructure contractor	2.2
14	XPS Pensions Group	Pension Consultancy	2.2
15	Keller Group	Ground engineering services	2.2
16	C&C Group	Brewer and drinks distributor	2.1
17	PageGroup	Recruitment	2.1
18	Workspace Group	Property - rental to small businesses	2.0
19	Kenmare Resources	Miner of titanium minerals	2.0
20	Sabre Insurance Group	Car insurance	2.0
Top 20			48.0
21 - 30			17.5
31 - 70			34.5
Actively managed portfolio with an active share of 74%			100.0

Sector exposure



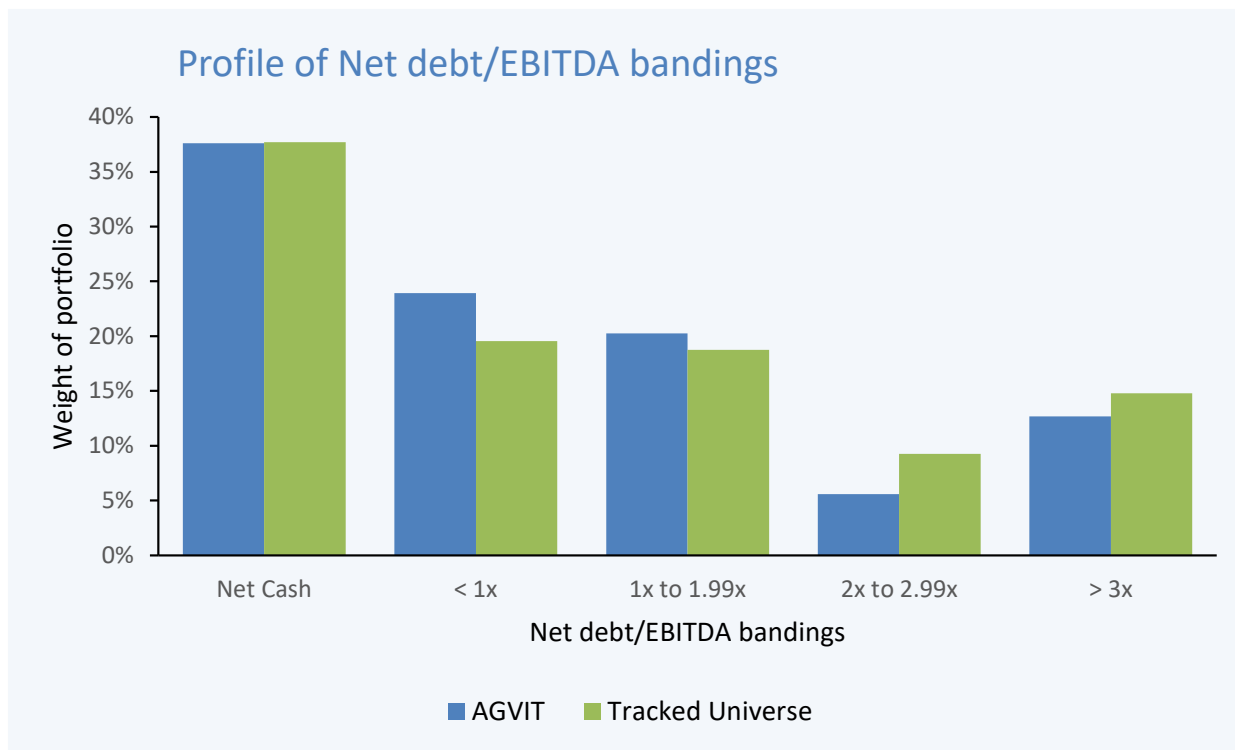
Sector	DNSCI (XIC) weight	AGVIT weight	Relative weight	Significant holdings (>1.5% portfolio weight)
Technology	6.2%	5.5%	-0.7%	NCC Group, MONY Group
Telecommunications	4.0%	0.0%	-4.0%	
Health Care	3.0%	0.0%	-3.0%	
Financials	21.1%	22.6%	1.5%	International Personal Finance, CMC Markets, Sabre Insurance Group, Rathbones Group, Jupiter Fund Management, Conduit Holdings, XPS Pensions Group, Quilter, City of London Investment Group
Real Estate	8.5%	6.6%	-1.9%	Workspace Group
Consumer Discretionary	18.5%	19.7%	1.3%	Card Factory, Reach, TI Fluid Systems, Wilmington, Dowlais Group
Consumer Staples	5.1%	5.9%	0.9%	C&C Group, Bakkavor Group
Industrials	22.7%	33.7%	11.0%	Eurocell, FirstGroup, Keller Group, Morgan Advanced Materials, PayPoint, Vesuvius, Smiths News, PageGroup, Galliford Try Holdings, ZIGUP
Basic Materials	7.2%	4.6%	-2.5%	Kenmare Resources
Energy	3.5%	0.4%	-3.0%	
Utilities	0.4%	0.0%	-0.4%	

EV/EBITA – our favoured metric



EV/EBITA	Number of stocks	2023	2024	2025
AGVIT	70	7.6x	7.9x	7.1x
Tracked Universe	219	10.2x	9.5x	8.7x
<i>Growth stocks</i>	31	18.2x	15.0x	13.7x
<i>Other stocks</i>	188	9.3x	8.8x	8.0x
<i>Stocks < £600m mkt. cap.*</i>	131	8.8x	8.5x	7.4x
<i>Stocks > £600m mkt. cap.*</i>	88	10.8x	9.9x	9.2x

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



- Strong balance sheets among small companies
- Higher leverage for pub and property companies
- 16 Aberforth holdings have bought back shares in 2024
- Free cash flow boost from pension de-risking

The early 1990s precedent – history rhymes?



- A downturn caused by inflation and tighter monetary policy

The slingshot in action:	1990	1991	1992	1993	Cumulative 1991-1993	2022	2023
<i>Economic context</i>							
UK GDP YoY	+0.6%	-1.4%	+0.2%	+2.3%	+1.1%	+0.6%	-0.2%
UK CPI YoY	+7.0%	+8.5%	+4.2%	+2.5%	+15.9%	+10.5%	+4.0%
UK base rates	13.9%	10.4%	6.9%	5.4%		3.5%	5.3%
<i>DNSCI (XIC) experience</i>							
Implied earnings growth *	+1.8%	-13.7%	-13.1%	+6.2%	-20.3%	+33.9%	-8.2%
Year end historical PE *	8.2x	11.3x	13.9x	18.6x		8.1x	12.8x
Total return	-23.5%	+18.3%	+6.4%	+41.6%	+78.2%	-17.9%	+10.1%

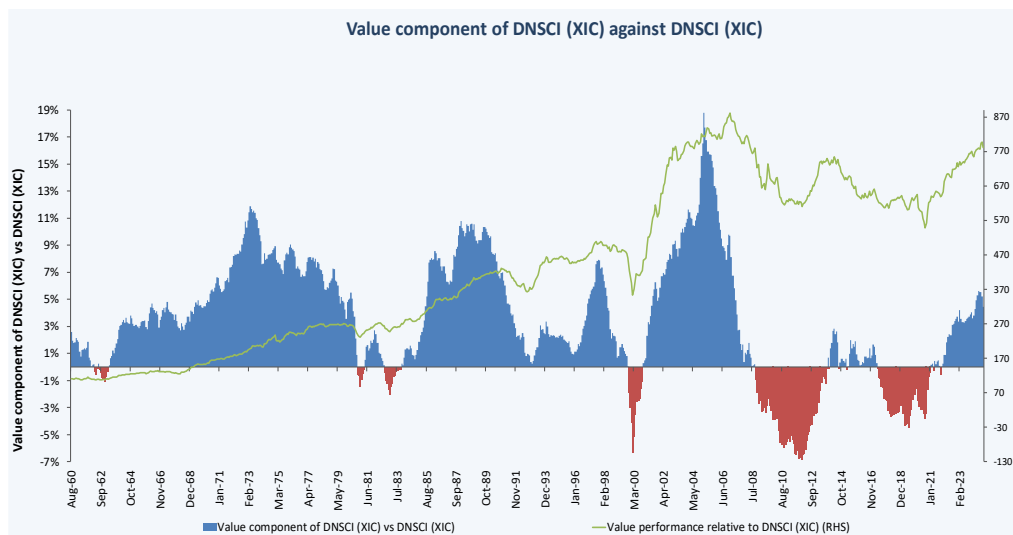
* Earnings and PE data: LBS for 1990-1993 and Tracked Universe for 2022-2023

- The market anticipates – strong total returns despite weak fundamentals
- Returns powered by expectation of earnings recovery and re-rating

Value style and size



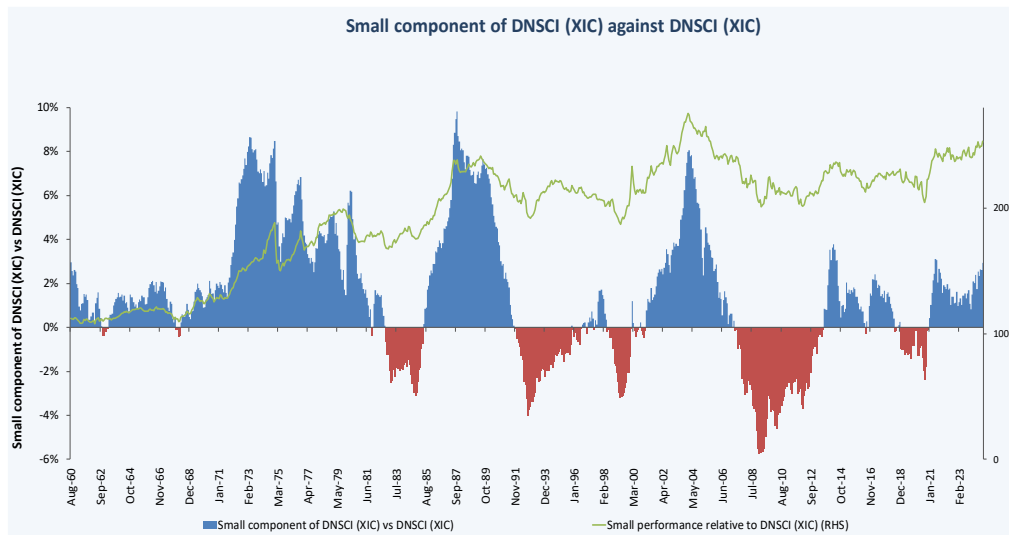
Value component of DNSCI (XIC) against DNSCI (XIC)



Value style

- The value style remains helpful to performance
 - Influenced by inflation and bond yields
 - A slight tailwind year-to-date
- Value premium within the DNSCI (XIC) since
 - The index's inception in 1955 +3.3% p.a.
 - Aberforth's inception in 1990 +2.0% p.a.

Small component of DNSCI (XIC) against DNSCI (XIC)



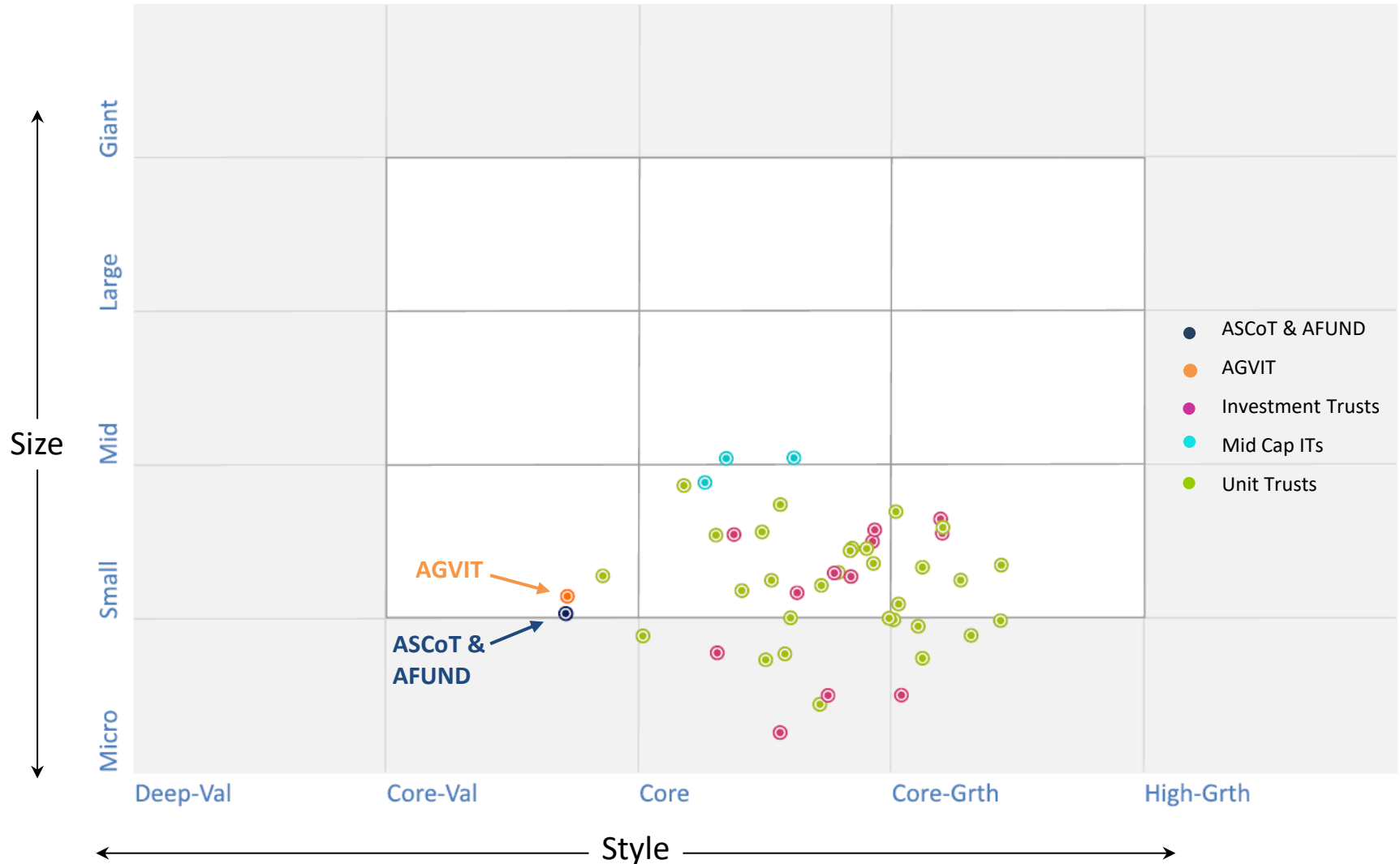
Size

- Size has also been helpful to performance
 - AGVIT is over-weight in “smaller smalls”
 - A strong tailwind year-to-date
- Size premium within the DNSCI (XIC) since
 - The index's inception in 1955 +1.4% p.a.
 - Aberforth's inception in 1990 +0.5% p.a.

Aberforth's differentiation



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



2024 growth stocks



All non-holdings at 31 October 2024

4imprint Group	IP Group
AJ Bell	JTC
Alphawave IP Group	Kainos Group
AO World	Kin and Carta
Arix Bioscience	Molten Ventures
Auction Technology Group	Oxford Biomedica
Baltic Classifieds Group	Oxford Instruments
Bytes Technology Group	PensionBee Group
Ceres Power Holdings	Porvair
Chemring Group	PureTech Health
discoverIE Group	SolGold
Dominos Pizza Group	THG
DP Eurasia	Trainline
Genus	Treatt
Goodwin	Trustpilot Group
Gresham Technologies	Volution Group
Helios Towers	Zotefoams
Integrafin Holdings	

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

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 				

Investment managers



SAMUEL G FORD MEng

Sam joined Aberforth in August 2019 and became a Partner in May 2021. As a fund manager on M&G Investments' equity income team for the previous 5 years, he managed UK equity portfolios for a range of clients. Prior to that he was an investment manager with Alliance Trust for 8 years. Sam has passed all three levels of the CFA programme.

JEREMY G A HALL MA (Hons)

Jeremy joined Aberforth in October 2018 and became a Partner in January 2020. Fund management roles with Abbey National Asset Managers and SVM Asset Management were followed by ten years with Cartesian Capital Partners LLP, where he was a partner and managed UK equity portfolios for a range of clients. Jeremy has passed all three levels of the CFA programme.

EUAN R MACDONALD BA (Hons)

Euan joined Aberforth in May 2001 and became a Partner in May 2004. Previously he was with Baillie Gifford for 10 years where he managed portfolios invested in small companies both in Continental Europe and the UK.

C ROWAN MARRON MSc

Rowan joined Aberforth in November 2023. She has fifteen years' previous experience as an equity analyst, most recently at Rathbones Investment Management. Her experience covers a wide variety of sectors, geographies and cap sizes, and includes eighteen months with a quantitative start-up. Rowan has passed all three levels of the CFA programme.

ROBERT D SCOTT MONCRIEFF BSc (Hons)

Rob joined Aberforth in February 2022 and became a Partner in March 2024. He previously worked as a global equities analyst with Latitude Investment Management. Rob's early career included UK-focussed equity research responsibilities with Brewin Dolphin, following an internship with International Value Advisers, in New York. Rob has passed all three levels of the CFA programme.

PETER R SHAW BCom (Hons), CA

Peter joined Aberforth in April 2016 and became a Partner in May 2017. He joined from Kames Capital where he spent 15 years in equity fund management. Initially the experience gained was exclusively in the small company market. However, the subsequent integration of the small company team into the broader UK equity team led to a wider range of portfolio and research responsibilities.

3 collective investment vehicles



	Aberforth Smaller Companies Trust (ASCoT)	Aberforth UK Small Companies Fund (AFUND)	Aberforth Geared Value & Income Trust (AGVIT)
Inception	December 1990	March 1991	July 2024
Structure	Closed-end	Open-end	Closed-end
Gearing	Tactical = 5.8%	N/A	Structural (ZDPs) = 39.5%
Size (AUM)	£1,468m	£144m	£145m
Number of investee companies	80	80	70
Benchmark	DNSCI (XIC)	DNSCI (XIC)	N/A
Investment philosophy	Value	Value	Value/Income
Management fees (<i>ongoing charges</i>)	73 bps* (79 bps)	75 bps* (80 bps)	75 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

Investment trust



Aberforth Smaller Companies Trust plc (ASCoT)

Ordinary shares

84,139,605

- next continuation vote in March 2026 and every 3 years thereafter
- authority to buy back up to 12,626,767 shares in the calendar year granted at AGM
- cumulative shares bought back for cancellation since inception = 14,670,183

Gearing

- as at 31 October 2024 actual was 5.8%
- potential for up to £130m or 8.8%

Dividends

Based on the following historic actuals:

2024

- interim paid August 2024 (13.60p)

2023

50.50p

- final paid March 2024 (28.55p)
- special paid March 2024 (9.00p)
- interim paid August 2023 (12.95p)

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)

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



Aberforth UK Small Companies Fund (AFUND)

	Issue Price	Cancellation Price	Units in Issue
Accumulation Units	£340.72	£335.07	276,413
Income Units	£217.20	£213.60	235,820

Limited issue fund with Accumulation and Income units

- value at cancellation price: £143m
- no entry or exit fees charged; dealing spread 1.7% (mid-basis)
- yield on Income units: 3.5%
- current distribution period ended 30 June 2024; paid August 2024
- previous distribution period ended 31 December 2023; paid February 2024
- 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

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).
- **Capacity** refers to Aberforth's self-imposed limit on the total funds under management that is managed by the firm
- **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 Deutsche Numis Smaller Companies Index (Excluding Investment Companies) which are referred to as “DNSCI (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.
- Source references to FTSE refer to FTSE International Limited (“FTSE”) © FTSE 2024. FTSE® is a trademark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data and no party may rely on any FTSE indices, ratings and/or underlying data contained in this communication. No further distribution of FTSE data is permitted without FTSE’s express written consent. FTSE does not promote, sponsor or endorse the content of this communication.
- The information contained in this presentation is for background purposes and is subject to updating, revision and amendment. This presentation does not contain, and does not purport to contain, a full description of the Fund(s) or all the information investors should consider before investing in the Fund(s). All expressions of opinion are subject to change without notice and do not constitute advice and should not be relied upon as a promise or representation as to the future. This presentation may contain forward-looking statements which are based on current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Such forward-looking statements are not a reliable indicator of future performance. This presentation is not intended as an offer, invitation or solicitation for the purchase or sale of any investment, nor is its issuance intended to give rise to any other legal relations whatsoever and this presentation must not be relied upon for the purposes of any investment decision. While this presentation has been prepared in good faith, no representation or warranty of any sort, express or implied, is made in respect of this presentation and no liability whatsoever is accepted by Aberforth Partners LLP or Aberforth Unit Trust Managers Limited or any other person in relation thereto.

Important information



- This presentation is intended only for persons who satisfy the requirements of Article 19 (Investment Professionals) and Article 49 (High Net Worth Companies etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and may not be copied or passed to any other person. It in no way represents investment advice. No representations or warranties are given by Aberforth Partners LLP, or any other party, as to the data and other information contained herein.
- The information contained in this presentation does not constitute an offer of, or an invitation to apply for, securities in any jurisdiction where such an offer or invitation is unlawful or in which the person making such offer is not qualified to do so or to whom it is unlawful to make such an offer or solicitation. Specifically, any Fund(s) described will not be registered under the U.S. Securities Act of 1933, as amended, and may not be directly or indirectly sold or offered in the U.S.A. or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of a U.S. person.
- Persons resident in countries other than the UK should consult with their professional advisers as to whether they require any governmental or other consents in order to enable them to invest in any product described in these pages.
- Aberforth Partners LLP is a limited liability partnership registered in England and Wales (registered number OC313353) and its registered office address is Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS. It has its principal place of business at 14 Melville Street, Edinburgh EH3 7NS.
- Aberforth Unit Trust Managers Limited is a company registered in Scotland (registered number 124771) and its registered office address is 14 Melville Street, Edinburgh EH3 7NS. Aberforth Unit Trust Managers Limited is wholly owned by Aberforth Partners LLP.

For use by Professional Investors only, not to be relied upon by retail investors.

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 investment trusts, unit trusts and other funds managed by Aberforth Partners LLP or Aberforth Unit Trust Managers Limited (the "Funds").
- The market price of securities issued by a 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 a Fund.
- There can be no guarantee that the investment objective of a 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 Geared Value & 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.
- The dealing spread of Aberforth UK Small Companies Fund, which represents the difference between the buying and selling prices, will have an impact on the realisable value of any investment made in this Fund, particularly in the short term. To mitigate the impact of capital erosion, investors should regard investments in this Fund as long term.
- Tax legislation and the levels of relief from taxation can change at any time. Any change in the tax status of a 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 a 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.