



Aberforth Split Level Income Trust plc

Monthly Factsheet

31 August 2019

Fund structure

The Fund is a split capital investment trust – a type of investment company, or collective investment fund – with Premium (Ord) & Standard (ZDP) share listings on the Main Market of the London Stock Exchange.

Manager: Aberforth Partners

The Fund is managed by Aberforth's investment team of seven fund managers:

Sam Ford	Jeremy Hall
Euan Macdonald	Keith Muir
Peter Shaw	Christopher Watt
Alistair Whyte	

Further information on the investment team is available at www.aberforth.co.uk.

Investment universe: NSCI (XIC)

The Fund's primary investment universe is the Numis Smaller Companies Index (excluding Investment Companies). This index is rebalanced every January and its profile at the date of this Factsheet was:

Number of companies	344
Total market value	£147bn
Largest constituent	£2.1bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

Key Fund information

Total investments	£203m
Number of investments	62
Active share	81.5%
Gearing - ZDP shares	£51m
Net gearing	31.8%
Total net assets	£154m
Ord share NAV	80.81p
Ord share price	71.50p
Ord discount/(premium)	11.5%
ZDP share NAV (Accounts basis)	107.28p
ZDP share price	108.00p
ZDP discount/(premium)	(0.7%)

Fees & charges

Management fee* (12m to 30 Jun 19)	0.98%
Performance fee	None
Ongoing charges (at 30 Jun 19 & includes Management fee)	1.18%

* Further details of the Management fee are available at www.aberforth.co.uk.

Yield & dividends (Ord)

Yield	5.8%
1 st interim dividend (paid 7 Mar 19)	1.45p
2 nd interim dividend (paid 30 Aug 19)	2.71p
Special dividend (paid 30 Aug 19)	0.19p

Objective

The Fund's objective is to provide Ordinary (Ord) shareholders with a high level of income, 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 per ZDP share on the planned winding up date of 1 July 2024.

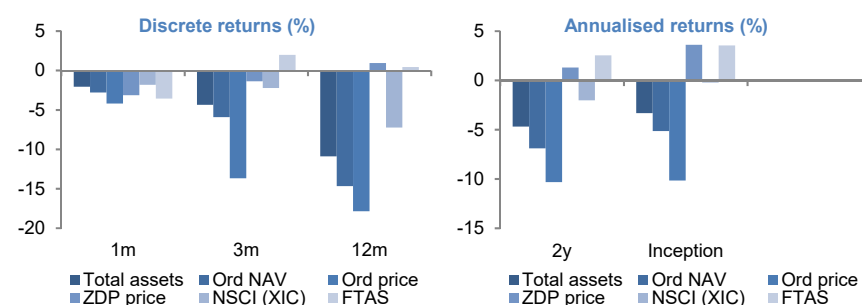
Investment style: Value

Aberforth are value investors who buy shares in companies that they calculate to be selling below their intrinsic value. This is determined through detailed financial and industrial analysis, combined with a valuation approach that focuses on both stockmarket and corporate worth.

Investment performance (annualised total returns)

Growth (%)	1m	3m	6m	1y	2y	Inception
Total assets	-2.1	-4.3	-2.6	-10.9	-4.7	-3.3
Ord NAV	-2.8	-5.9	-3.9	-14.7	-6.9	-5.1
Ord price	-4.2	-13.7	-11.4	-17.9	-10.3	-10.2
ZDP price	-3.1	-1.4	0.9	0.9	1.3	3.6
NSCI (XIC)	-1.8	-2.2	-0.4	-7.2	-2.0	-0.2
FTAS	-3.6	2.0	4.3	0.4	2.5	3.5

Notes: 1m, 3m & 6m returns not annualised; Inception = 30 Jun 17; FTAS = FTSE All-Share Index.



Investment commentary

The effects of the trade war continue to emerge, with Germany's export-oriented economy perhaps the most significant victim to date. The uncertainty of Brexit brings additional uncertainty to UK assets. The FTSE All-Share's return was -3.6%, which compares with -1.8% for the NSCI (XIC). The Fund's return was -2.1%. It was a better month for the value investment style, though size exposure was unhelpful: the share prices of "smaller small" companies, presently favoured by the Fund, struggled relative to the NSCI (XIC)'s larger constituents.

Turning to stocks, performance was assisted by Ultra Electronics, whose interim results confirmed the improvement in trading conditions. Spirent, which produces telecom test equipment, also helped, thanks to good interim results, while Pets at Home's recovery continued with another encouraging update.

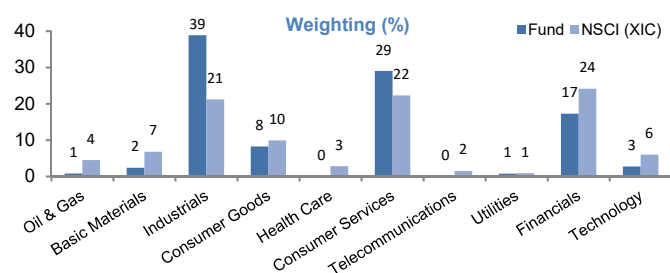
However, another retailer, McColl's, was among the biggest losers: the trading backdrop remained challenging through the summer months. The interim results of TI Fluid Systems, an auto supplier, were affected by the trade war and the downturn in the Chinese car market. Meanwhile, the price of Huntsworth, the PR business, fell despite decent interim results at the end of the previous month.

Sam Ford has joined the investment team. He previously managed UK equity portfolios for M&G, prior to which he was an investment manager with Alliance Trust.

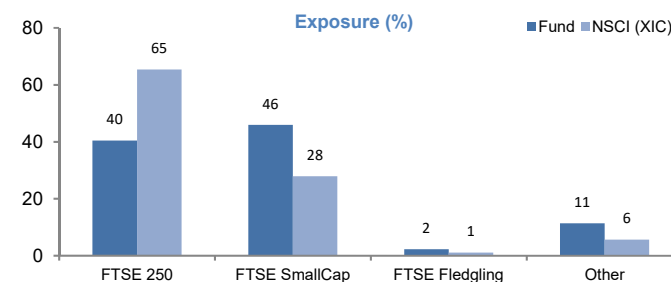
Top 10 equity investments

Name	Activity	%
Ultra Electronics Holdings	Specialist electronic & software technologies	3.0
Brewin Dolphin Holdings	Private client fund manager	2.9
Go-Ahead Group	Bus & rail operator	2.9
RM	IT services for schools	2.7
Vesuvius	Metal flow engineering	2.7
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.7
Bovis Homes Group	Housebuilding	2.6
Wincanton	Logistics	2.5
Northgate	Van rental	2.4
Anglo Pacific Group	Natural resources royalties	2.4

Sector exposure



Size exposure



Gearing

The Fund's Ord shares are geared by the capital entitlement of the ZDP shares which will rise continuously until the planned winding up date of 1 July 2024. The net gearing figure shown in the Key Fund information section is the percentage by which the total value of investments exceeds the total net assets.

Hurdle rates & redemption yields

The Fund's latest hurdle rates and redemption yields are available from the AIC website at www.theaic.co.uk; select Statistics, then ZDP Analytics.

Data sources & calculations

All data supplied by Aberforth, except NSCI (XIC) data (from Numis/Paul Marsh and Elroy Dimson – London Business School) and FTSE data (from FTSE International Limited).

Performance returns are total returns after all expenses and assume reinvestment of dividends. Yield is based on the Fund's trailing 12 months' dividends (excluding Specials). Active share is a measure of how the Fund's portfolio differs from the NSCI (XIC). Small companies are represented by the NSCI (XIC). Large companies are represented by the FTAS.

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 may be less liquid than that for shares of larger companies, making shares of smaller companies more difficult to buy and sell.

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.

There can be no guarantee that the investment objective of the Fund will be achieved or provide the dividends and returns sought by the Fund.

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.

An investment trust is a public limited company, the shares of which are traded on the Main Market of the London Stock Exchange. Accordingly, the ability of shareholders to sell their shares will be dependent on the market price of the shares. The shares may trade at a discount or premium to their net asset value.

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 Fund's Ordinary shares (Ords) are geared by the Zero Dividend Preference shares (ZDPs) and rank for repayment of capital after the ZDPs and any creditors of the Fund. A positive net asset value for the Ords will be dependent upon the Fund's assets being sufficient to meet the prior capital entitlements of the holders of the ZDPs. The Ords should therefore be regarded as carrying above average risk. The ZDPs are not a protected or guaranteed investment. In particular, should the Fund be wound up prior to its planned winding up date, holders of ZDPs would only receive their accrued capital entitlement to the date of winding up - which would be less than the final anticipated capital entitlement of the ZDPs.

Aberforth Partners LLP does not provide retail 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 Fund. Investors should seek advice from an authorised financial adviser prior to making investment decisions.

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Security codes & other information

Ord shares	ZDP shares	Other information
SEDOL: BYPBD39	SEDOL: BYPBD51	Launched: 3 Jul 17
ISIN: GB00BYPBD394	ISIN: GB00BYPBD519	Next year-end: 30 Jun 20
TIDM: ASIT	TIDM: ASIZ	LEI: 21380013QYW082NZV529
Shares in issue: 190,250,000	Shares in issue: 47,562,500	Planned winding-up: 1 Jul 24
Market value: £136m	Market value: £51m	

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