



Aberforth Split Level Income Trust plc

Monthly Factsheet

31 August 2020

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	328
Total market value	£120bn
Largest constituent	£2.4bn
Largest constituent if index rebalanced at Factsheet date	£1.4bn

Key Fund information

Total investments	£148m
Number of investments	69
Active share	79.3%
Gearing - ZDP shares	£53m
Net gearing	54.9%
Total net assets	£96m
Ord share NAV	50.34p
Ord share price	44.70p
Ord discount/(premium)	11.2%
ZDP share NAV (Accounts basis)	111.15p
ZDP share price	107.50p
ZDP discount/(premium)	3.3%

Fees & charges

Management fee* (12m to 30 Jun 20)	1.03%
Performance fee	None
Ongoing charges (at 30 Jun 20 & includes Management fee)	1.26%

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

Yield & dividends (Ord)

Yield	9.4%
1 st interim dividend (paid 6 Mar 20)	1.51p
2 nd interim dividend (paid 28 Aug 20)	2.71p

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.

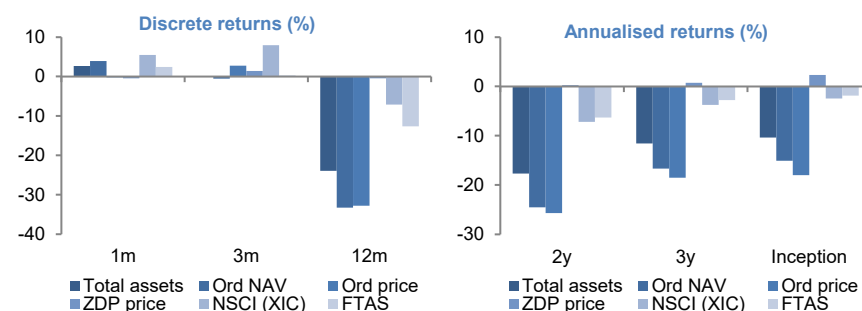
Investment style: Value

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	12m	2y	3y	Inception
Total assets	2.6	-0.1	-23.9	-17.7	-11.6	-10.4
Ord NAV	3.9	-0.6	-33.3	-24.5	-16.7	-15.1
Ord price	-0.2	2.7	-32.8	-25.7	-18.5	-18.0
ZDP price	-0.5	1.4	-0.5	0.2	0.7	2.3
NSCI (XIC)	5.5	7.9	-7.1	-7.2	-3.8	-2.5
FTAS	2.4	0.3	-12.6	-6.3	-2.8	-1.9

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



Monthly investment commentary: August

Global equities continued their recovery in August, buoyed by improving forward looking economic indicators. The FTSE All-Share rose by 2.4% but lagged the technology heavy US stockmarket. Smaller companies, however, fared better than their larger peers, which were burdened by concentrated positions in the oil and gas and pharmaceutical sectors. The NSCI (XIC) rose by 5.5% and the Fund returned 2.6%. Consistent with recent style trends, value under-performed growth in the month.

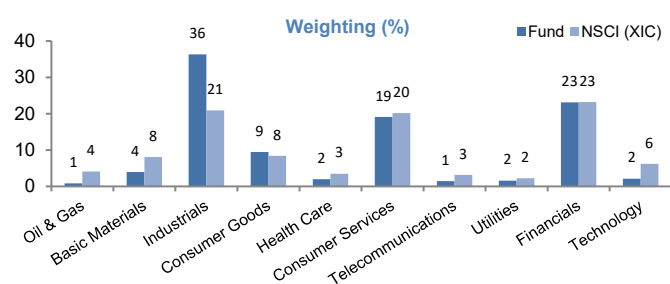
Despite the coronavirus-induced shock to economic growth, the on-going results season evidences that companies are addressing liquidity issues and are looking through the downturn to the inevitable recovery. Provident Financial rose in response to interim results that showcased the funding strength of the group relative to competition. The business should be well positioned to benefit from enhanced demand across consumer finance markets. Elsewhere, Keller responded positively to a trading update and confirmed payment of the previously deferred 2019 final dividend, an act that maintains a track record of paying progressive dividends since 1994.

Turning to the holdings that hampered the Fund's performance, education services provider RM will see demand for its products tested by the re-opening of schools. Elsewhere, the market continues to fret over the outlook for news publisher Reach. Concerns centre on the perceived structural decline of print advertising, though the company continues to make meaningful progress on its own digital transition. Meanwhile, TI Fluid Systems' interim results showed the impact of lockdown on automotive demand, though there were encouraging signs that the recovery has started.

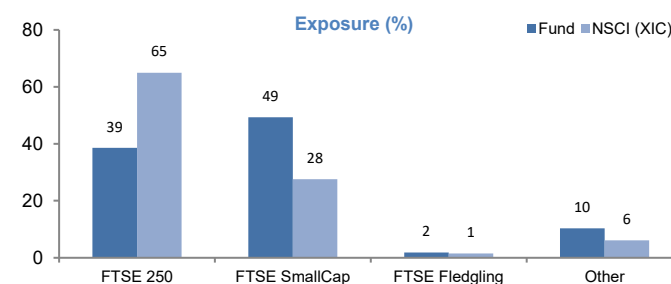
Top 10 equity investments

Name	Activity	%
CMC Markets	Financial derivatives dealer	3.9
Vesuvius	Metal flow engineering	3.3
Brewin Dolphin Holdings	Private client fund manager	3.2
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.9
Rathbone Brothers	Private client fund manager	2.8
Wincanton	Logistics	2.8
Bloomsbury Publishing	Independent publishing house	2.8
PayPoint	Alternative payment services	2.7
Eurocell	Manufacture of UPVC building products	2.5
Essentra	Filters & packaging products	2.5

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

COVID-19 virus – in the context of market price risk, please note the exceptional circumstances arising from the COVID-19 pandemic and the responses to it. These have profoundly affected macro-economic activity, the operations of companies around the world and their stockmarket valuations. The universe of UK small quoted companies market invested in by the Fund, has seen a significant fall in its aggregate valuation due to the uncertainties arising from the spread of this virus. Aberforth Partners LLP and the Directors of Aberforth Split Level Income Trust plc are closely monitoring market developments as the impact of the pandemic progresses.

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 21
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: £85m	Market value: £51m	

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