



Aberforth Split Level Income Trust plc

Monthly Factsheet

30 September 2017

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 six fund managers:

Euan Macdonald	Keith Muir
Richard Newbery	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	335
Total market value	£174bn
Largest constituent	£2.5bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

Key Fund information

Total investments	£239m
Number of investments	68
Active share	77.5%
Gearing - ZDP shares	£48m
Net gearing	20.6%
Total net assets	£199m
Ord share NAV	104.34p
Ord share price	101.50p
Ord discount/(premium)	2.7%
ZDP share NAV (Accounts basis)	100.24p
ZDP share price	105.63p
ZDP discount/(premium)	(5.4%)

Fees & charges

Management fee*	0.75%
Performance fee	None
Ongoing charges (less than 12m since launch on 3 Jul 17)	-

* Details of the Management fee structure are available at www.aberforth.co.uk.

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.

It is the Directors' current intention that, in the absence of unforeseen circumstances, the Fund will declare dividends totalling not less than 4 pence per Ord share in respect of the initial period to 30 June 2018. Full details of the Fund's Dividend Policy are available at www.aberforth.co.uk.

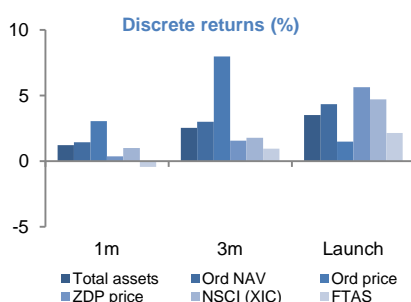
Investment style: Value

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

Growth (%)	1m	2m	Launch	-	-	-
Total assets	1.2	2.5	3.5	-	-	-
Ord NAV	1.4	3.0	4.3	-	-	-
Ord price	3.0	8.0	1.5	-	-	-
ZDP price	0.4	1.6	5.6	-	-	-
NSCI (XIC)	1.0	1.8	4.7	-	-	-
FTAS	-0.4	1.0	2.1	-	-	-

Notes: Launch date = 3 Jul 17; FTAS = FTSE All-Share Index.



Investment commentary

The NSCI (XIC) generated a total return of 1.0% in September, out-performing the FTSE All-Share's return of -0.4%. The Fund returned 1.2%. Style influences were immaterial. Politics remained a source of uncertainty, with Brexit negotiations showing little progress and the German election highlighting that the populist tide has not yet turned. On the other hand, evidence continued to build of synchronised global economic recovery, which benefited commodity prices and presumably brings forward tighter monetary policy.

This background was broadly helpful to overseas facing businesses: a case in point was Vitec, the provider of broadcast and photographic products, which also announced two acquisitions in the period. However, some of the domestically oriented companies were the portfolio's biggest winners. Dunelm, the homewares retailer, reported better than feared results, and Games Workshop, the fantasy hobby retailer, benefited from continued strong trading and the announcement of a dividend. Meanwhile, Pets At Home reported progress in repositioning prices and further growth in the veterinary business.

The main detractors to performance were also UK domestic businesses. Restaurant Group was the worst performer despite recently reporting positive results. The share price fell in response to negative news from peers: sales across the casual dining arena are suffering from over-supply and pressure on consumer spending. The share price of Trinity Mirror, the newspaper group, also declined, while Topps Tiles, the domestic tile retailer, declined on anticipation of softer trading into its year end.

Top 10 equity investments

Name	Activity	%
Vesuvius	Metal flow engineering	3.8
Bovis Homes Group	Housebuilding	2.8
Northgate	Van rental	2.6
Galliford Try	Housebuilding & construction	2.6
Brewin Dolphin Holdings	Private client fund manager	2.6
Hansteen Holdings	Property - industrial	2.5
N Brown Group	Catalogue retailer	2.3
RPS Group	Energy & environmental consulting	2.3
Go-Ahead Group	Bus & rail operator	2.2
TT Electronics	Sensors & other electronic components	2.2

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, or 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 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.

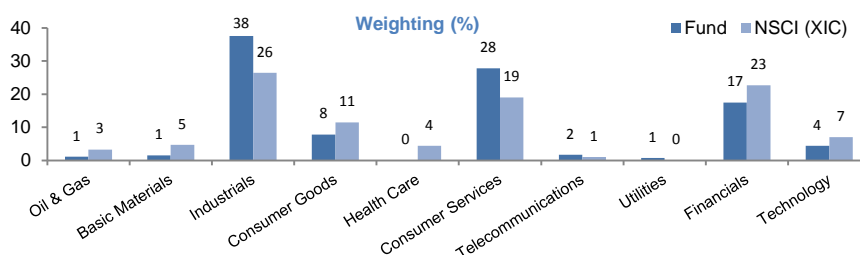
Aberforth Partners LLP does not provide retail investors with investment advice.

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.

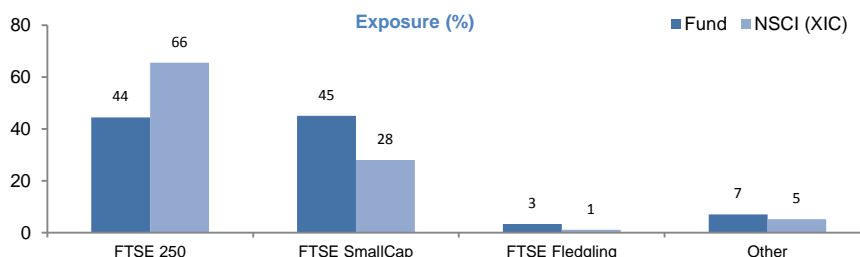
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Sector exposure



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 by visiting www.morningstar.co.uk; searching with the code ASIZ; then selecting Aberforth Split Level Income Trust and scrolling down to the relevant sections of the report that appears.

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. 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.

Security codes & other Fund information

Ord shares	SEDOL: BYPBD39	ISIN: GB00BYPBD394	TIDM: ASIT
ZDP shares	SEDOL: BYPBD51	ISIN: GB00BYPBD519	TIDM: ASIZ
Ord shares in issue	190,250,000	Ord market value	£193m
ZDP shares in issue	47,562,500	ZDP market value	£50m
Launched: 3 Jul 17	Next year-end: 30 Jun 18	Planned wind up: 1 Jul 24	

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