



# Aberforth Split Level Income Trust plc

## Monthly Factsheet

30 June 2018

### 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](http://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	£164bn
Largest constituent	£2.1bn
Largest constituent if index rebalanced at Factsheet date	£1.6bn

### Key Fund information

Total investments	£243m
Number of investments	69
Active share	77.8%
Gearing - ZDP shares	£49m
Net gearing	22.0%
Total net assets	£199m
Ord share NAV	104.71p
Ord share price	99.20p
Ord discount/(premium)	5.3%
ZDP share NAV (Accounts basis)	102.93p
ZDP share price	106.50p
ZDP discount/(premium)	(3.5%)

### Fees & charges

Management fee* (12m to 30 Jun 18)	0.92%
Performance fee	None
Ongoing charges (at 30 Jun 18 & includes Management fee)	1.10%

\* Details of the Management fee structure are available at [www.aberforth.co.uk](http://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](http://www.aberforth.co.uk).

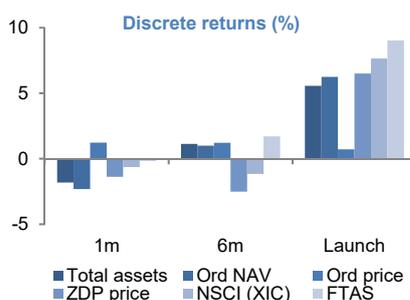
### Investment style: Value

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	3m	6m	9m	Inception
Total assets	-1.8	0.1	6.4	1.1	2.0	5.6
Ord NAV	-2.3	0.0	7.9	1.0	1.8	6.2
Ord price	1.2	3.1	0.0	1.2	-0.8	0.7
ZDP price	-1.4	-1.8	-1.4	-2.5	0.8	6.5
NSCI (XIC)	-0.6	0.3	6.1	-1.2	2.8	7.6
FTAS	-0.2	2.6	9.2	1.7	6.7	9.0

Notes: Inception = 30 Jun 17; FTAS = FTSE All-Share Index.



### Investment commentary

Global equity markets struggled in June against a background of growing trade tensions and further affirmation from policy makers that the days of easy money are behind us. UK equities followed the global trend with the FTSE All-Share generating a total return of -0.2% compared with -0.6% for the NSCI (XIC); the Fund generated a total return of -1.8% influenced by a poorer month for value investing.

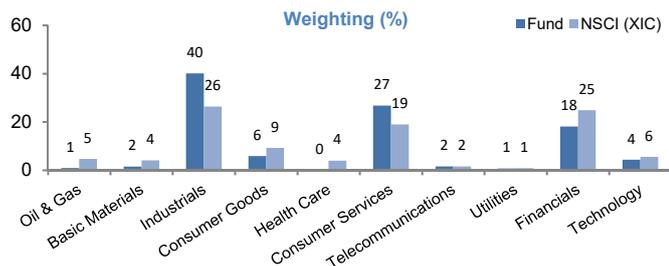
The most significant positive contributor was Huntsworth. Here, the increased focus of this public relations and marketing services business on the healthcare sector has led to improved financial performance which has, in turn, been rewarded by a re-rating of the shares as they have caught the attention of the growth investor. STV was a strong performer as investors warm to the strategy being presented by the new chief executive. Finally, STthree made double digit progress following the release of a positive trading update.

There were three share price declines worthy of comment. Connect Group warned on profits and indicated a future dividend cut. N. Brown announced a scheduled trading update, which indicated no change in estimates but a cash cost to come following their decision to close their small store estate. Bovis Homes was unfavourably impacted as competitors commented on more difficult trading.

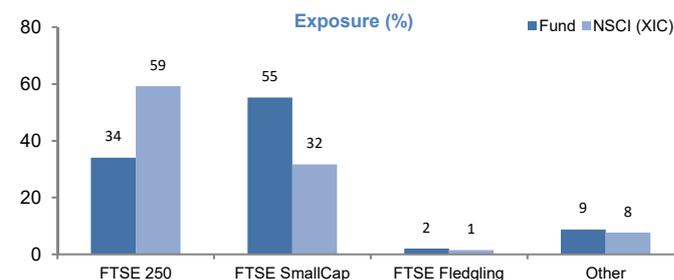
### Top 10 equity investments

Name	Activity	%
Vesuvius	Metal flow engineering	3.8
Keller Group	Ground engineering services	3.0
Brewin Dolphin Holdings	Private client fund manager	2.7
Dunelm Group	Homewares retailer	2.6
Northgate	Van rental	2.6
RPS Group	Energy & environmental consulting	2.4
Bovis Homes Group	Housebuilding	2.4
Spirent Communications	Telecoms test equipment	2.4
Wincanton	Logistics	2.4
Essentra	Filters & packaging products	2.1

## 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](http://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.

## 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 19
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: £189m	Market value: £51m	

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