



Aberforth Split Level Income Trust plc

Monthly Factsheet

30 June 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 six fund managers:

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	349
Total market value	£152bn
Largest constituent	£2.3bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

Key Fund information

Total investments	£214m
Number of investments	65
Active share	79.8%
Gearing - ZDP shares	£51m
Net gearing	29.5%
Total net assets	£165m
Ord share NAV	86.70p
Ord share price	77.00p
Ord discount/(premium)	11.2%
ZDP share NAV (Accounts basis)	106.63p
ZDP share price	111.50p
ZDP discount/(premium)	(4.6%)

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	5.3%
1 st interim dividend (paid 7 Mar 19)	1.45p
2 nd interim dividend (paid 31 Aug 18)	2.60p
Special dividend (paid 31 Aug 18)	0.60p

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.

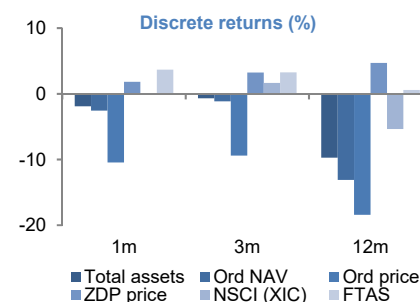
Investment style: Value

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	9m	12m	Inception
Total assets	-1.9	-0.7	9.1	-7.4	-9.7	-2.4
Ord NAV	-2.6	-1.2	11.5	-10.0	-13.1	-3.9
Ord price	-10.5	-9.4	3.2	-18.7	-18.4	-9.3
ZDP price	1.8	3.2	6.7	4.7	4.7	5.6
NSCI (XIC)	0.1	1.6	10.5	-4.0	-5.4	0.9
FTAS	3.7	3.3	13.0	1.4	0.6	4.7

Notes: 1m, 3m, 6m & 9m returns not annualised; Inception = 30 Jun 17; FTAS = FTSE All-Share Index.



Investment commentary

After a weak May, equities rallied as central banks confirmed dovish intentions on interest rate policy. The FTSE All-Share rose by 3.7%. Small companies under-performed large: the more domestically orientated NSCI (XIC)'s 0.1% return was influenced by an increasingly confused political environment in the UK. The Fund's return was -1.9%.

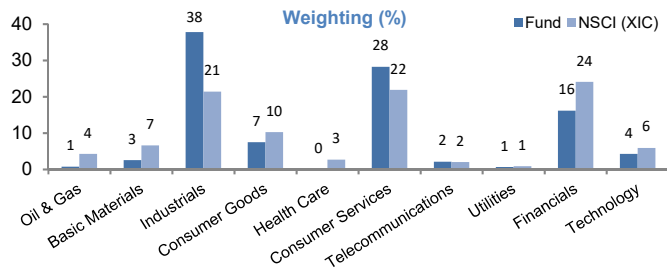
Against the backdrop of the lowest bond yields since 2016, June was another tough month for value, continuing the tricky start to the year: the first half of 2019 was the toughest start to a calendar year in Aberforth's 29 years and, indeed, in the NSCI (XIC)'s 64 year history. Such conditions are a challenge to the performance of the portfolio. Size offered no mitigation since the NSCI (XIC)'s "smaller small" companies, in which the Fund retains its relatively high exposure, trailed the larger constituents. The performance drag from the size factor may have been compounded by recent unfortunate events in the open-ended fund world.

Performance was hindered by international consultancy firm RPS, with the share price falling in response to a profit warning. Motor retail group Lookers was blighted by uncertainty over the outcome of a FCA investigation into the company's sales processes. More positively, telecoms business KCOM received a takeover bid from a Macquarie investment fund, higher than the previous offer from USS, a pension fund.

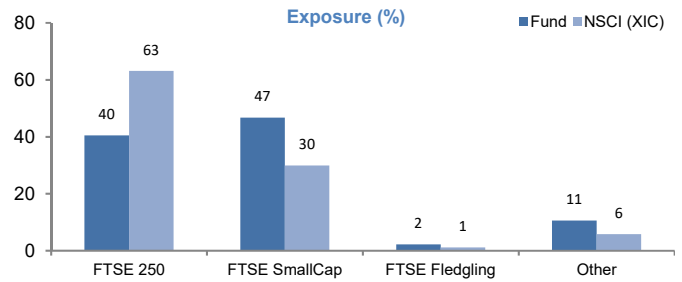
Top 10 equity investments

Name	Activity	%
Vesuvius	Metal flow engineering	3.0
Brewin Dolphin Holdings	Private client fund manager	2.8
Wincanton	Logistics	2.8
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	2.7
Go-Ahead Group	Bus & rail operator	2.6
Anglo Pacific Group	Natural resources royalties	2.5
Northgate	Van rental	2.5
Bovis Homes Group	Housebuilding	2.5
RM	IT services for schools	2.4
PayPoint	Alternative payment services	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, then Analytics and terminal asset values (TAV).

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. 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.

FTSE® is a trade mark 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.

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: £146m	Market value: £53m	

Subscribe & contact

If you wish to subscribe to this Factsheet, or have any queries regarding its content, please contact Aberforth's Investor Support team:

(T) 0131 220 0733

(E) investors@aberforth.co.uk