



Aberforth Split Level Income Trust plc

Monthly Factsheet

31 October 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	333
Total market value	£178bn
Largest constituent	£2.9bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

Key Fund information

Total investments	£240m
Number of investments	68
Active share	77.9%
Gearing - ZDP shares	£48m
Net gearing	20.2%
Total net assets	£200m
Ord share NAV	104.94p
Ord share price	99.00p
Ord discount/(premium)	5.7%
ZDP share NAV (Accounts basis)	100.54p
ZDP share price	108.63p
ZDP discount/(premium)	(8.0%)

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.

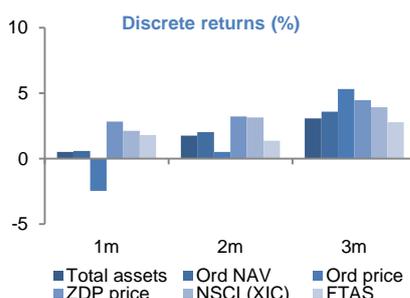
Investment style: Value

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	3m	Launch	-	-
Total assets	0.5	1.8	3.1	4.1	-	-
Ord NAV	0.6	2.0	3.6	4.9	-	-
Ord price	-2.5	0.5	5.3	-1.0	-	-
ZDP price	2.8	3.2	4.5	8.6	-	-
NSCI (XIC)	2.1	3.1	3.9	6.9	-	-
FTAS	1.8	1.4	2.8	4.0	-	-

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



Investment commentary

The NSCI (XIC) generated a total return of 2.1% during October, edging ahead of the FTSE All-Share which returned 1.8%. The Fund returned 0.5% and was hampered by style headwinds of growth over value. After the Trump inspired rally ran out of steam early this year, growth has gained the upper hand over value, which has contributed to the development of valuation anomalies, particularly for UK domestic facing businesses. These are unpopular owing to well documented issues such as real wage pressure, Brexit uncertainty and profit disappointments. October saw further evidence of this, with several consumer focused businesses reporting challenging market conditions. More encouragingly, there was evidence across the market of increased M&A and IPO activity.

The three biggest drags on performance during the period were all consumer-centric UK businesses. Pendragon, the car retailer, warned on profits, whilst N Brown, the specialist fashion retailer, reversed some of its previous gains following the release of its interim results. Pets at Home declined following a large placing of shares from an erstwhile private equity backer.

Keller, the global ground engineering business, was a beneficiary of anticipated operational improvements in a number of their international businesses, whereas Games Workshop, the fantasy hobby retailer, benefited after releasing another positive trading statement. Meanwhile, Bovis, the UK housebuilder, performed well as the market buys into their operational improvement agenda, aided by the extension of the help-to-buy scheme by the government.

Top 10 equity investments

Name	Activity	%
Vesuvius	Metal flow engineering	3.8
Bovis Homes Group	Housebuilding	3.0
Northgate	Van rental	2.7
Brewin Dolphin Holdings	Private client fund manager	2.6
Hanstee Holdings	Property - industrial	2.4
Galliford Try	Housebuilding & construction	2.3
RPS Group	Energy & environmental consulting	2.3
Go-Ahead Group	Bus & rail operator	2.3
McColl's Retail Group	Retailing - convenience stores	2.3
Keller Group	Ground engineering services	2.3

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.

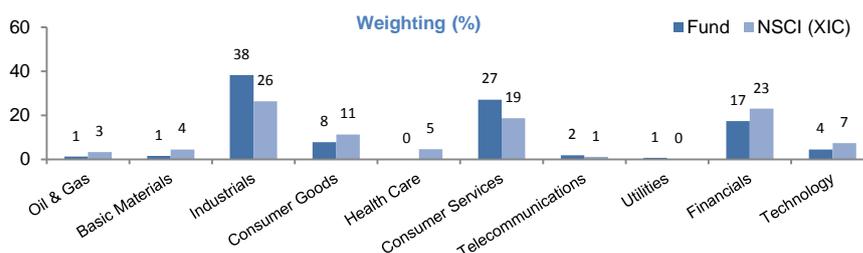
Aberforth Partners LLP does not provide retail investors with investment advice.

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.

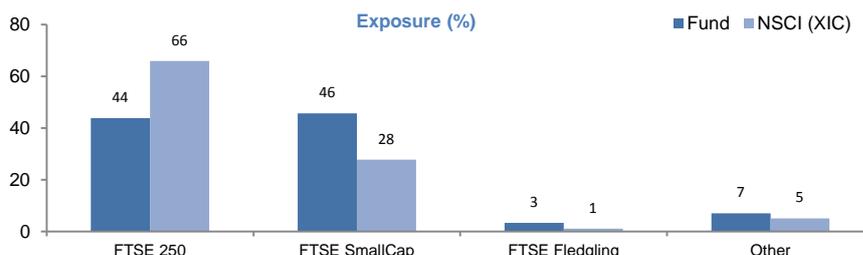
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Sector exposure



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	£188m
ZDP shares in issue	47,562,500	ZDP market value	£52m
Launched: 3 Jul 17	Next year-end: 30 Jun 18	Planned wind up: 1 Jul 24	

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(T) 0131 220 0733 (F) 0131 220 0735 (E) investors@aberforth.co.uk