



Aberforth Split Level Income Trust plc

Monthly Factsheet

31 August 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.

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	339
Total market value	£160bn
Largest constituent	£2.0bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

Key Fund information

Total investments	£237m
Number of investments	70
Active share	76.8%
Gearing - ZDP shares	£49m
Net gearing	24.8%
Total net assets	£190m
Ord share NAV	99.80p
Ord share price	92.00p
Ord discount/(premium)	7.8%
ZDP share NAV (Accounts basis)	103.55p
ZDP share price	107.00p
ZDP discount/(premium)	(3.3%)

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.

Yield & dividends (Ord)

Yield	4.3%
Interim dividend (paid 6 Mar 18)	1.40p
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.

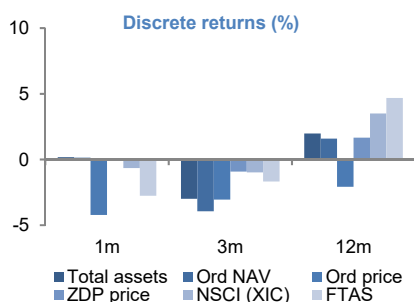
Investment style: Value

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	0.2	-3.0	4.5	2.3	2.0	3.6
Ord NAV	0.1	-3.9	5.2	2.2	1.6	3.8
Ord price	-4.2	-3.1	4.9	-2.1	-2.1	-3.0
ZDP price	0.0	-0.9	-0.5	-1.6	1.7	5.9
NSCI (XIC)	-0.7	-1.0	5.0	2.0	3.5	6.2
FTAS	-2.8	-1.7	5.6	4.9	4.7	6.2

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



Investment commentary

The US aside, most equity markets struggled during the month, responding to the strong dollar, emerging market stress and suggestions of lower Chinese and European growth. The FTSE All-Share fell by 2.8%, not helped by its significant exposure to miners. Less encumbered in this respect, the NSCI (XIC) slipped by 0.7%. The Fund secured a modest but positive return of 0.2%, on which style effects had negligible effect.

At the stock level, the biggest winners were companies that issued interim results in the month. TT Electronics and TI Fluid Systems both generate the majority of their revenues overseas and their results benefited accordingly. Perhaps more surprisingly, Restaurant Group, which operates chains such as Frankie & Benny's, confounded the gloom surrounding the domestic economy to announce satisfactory numbers: benefiting from new management, it has returned to like-for-like sales growth.

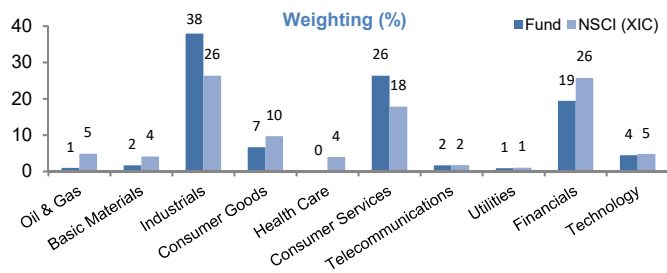
The largest loser was Wincanton, which announced a revised pension deficit recovery plan and was affected by concern about the logistics sector following House of Fraser's problems. Meanwhile, Just Group, the annuity provider, was again a poor performer: the PRA's review of the value of investments in equity release mortgages is likely to require the raising of additional equity capital.

Though not affecting the fund during August, there are signs of renewed M&A activity after a quiet summer, while IPOs also look set to pick up again.

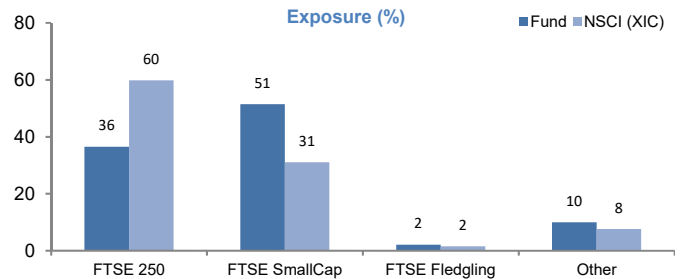
Top 10 equity investments

Name	Activity	%
Keller Group	Ground engineering services	3.1
Vesuvius	Metal flow engineering	3.1
Brewin Dolphin Holdings	Private client fund manager	2.8
Dunelm Group	Homewares retailer	2.7
Northgate	Van rental	2.7
Spirent Communications	Telecoms test equipment	2.5
Bovis Homes Group	Housebuilding	2.4
RPS Group	Energy & environmental consulting	2.3
TT Electronics	Sensors & other electronic components	2.2
Wincanton	Logistics	2.2

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 yield are available by visiting www.morningstar.co.uk; searching with the code ASIZ; then selecting Aberforth Split Level Income ZDP 2024 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. 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.

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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: £175m	Market value: £51m	

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