



# Aberforth Split Level Income Trust plc

## Monthly Factsheet

31 March 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 seven fund managers:

Jeremy Hall	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	355
Total market value	£152bn
Largest constituent	£1.9bn
Largest constituent if index rebalanced at Factsheet date	£1.4bn

### Key Fund information

Total investments	£216m
Number of investments	66
Active share	79.9%
Gearing - ZDP shares	£50m
Net gearing	29.6%
Total net assets	£167m
Ord share NAV	87.71p
Ord share price	85.00p
Ord discount/(premium)	3.1%
ZDP share NAV (Accounts basis)	105.70p
ZDP share price	108.00p
ZDP discount/(premium)	(2.2%)

### 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%

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

### Yield & dividends (Ord)

Yield	4.8%
1 <sup>st</sup> interim dividend (paid 7 Mar 19)	1.45p
2 <sup>nd</sup> 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.

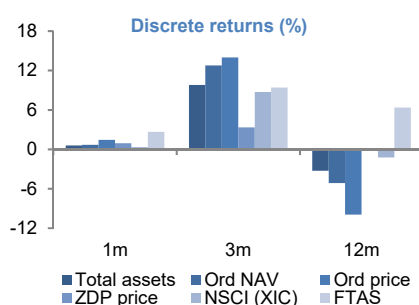
### Investment style: Value

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
<b>Total assets</b>	0.6	9.8	-6.7	-9.1	-3.3	-2.3
<b>Ord NAV</b>	0.7	12.8	-9.0	-12.1	-5.1	-3.8
<b>Ord price</b>	1.4	14.0	-10.3	-9.9	-9.9	-5.4
<b>ZDP price</b>	0.9	3.3	1.4	1.4	0.0	4.5
<b>NSCI (XIC)</b>	0.3	8.7	-5.6	-6.9	-1.2	0.1
<b>FTAS</b>	2.7	9.4	-1.8	-2.6	6.4	3.5

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



### Investment commentary

As central banks turned dovish, the first quarter of 2019 delivered strong equity returns, in contrast to the pain of the fourth quarter. The NSCI (XIC) generated a total return of 0.3% in March, which lagged the FTSE All-Share's return of 2.7%: the outperformance of traditional defensive sectors and US dollar sensitive companies was more helpful for larger companies. The Fund generated a return of 0.6%, despite another poor month for value investing.

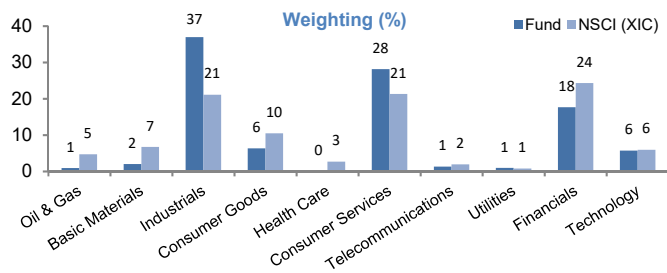
The largest loser was annuity provider Just Group. The company announced the raising of additional equity capital and no final dividend in respect of 2018. Although results were acceptable, the tension between maximising growth and achieving capital self-sufficiency remains. PR company Huntsworth reported higher sales and profits but the share price was affected by concerns regarding poor cash conversion.

Among the winners were holdings that reported strong results. These included electronic components manufacturer TT Electronics, global ground engineering business Keller and Ultra Electronics, a specialist electrical and electronics engineering company. More broadly, with the results season nearly concluded, it would appear that 2018 was good in terms of sales and profit progress for small companies, in sharp contrast to the year's lower share prices.

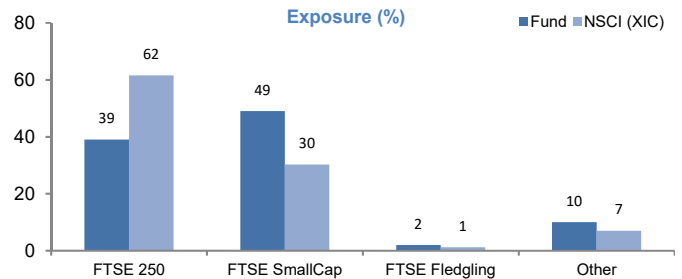
### Top 10 equity investments

Name	Activity	%
<b>Dunelm Group</b>	Homewares retailer	3.7
<b>Spirent Communications</b>	Telecoms test equipment	3.3
<b>Vesuvius</b>	Metal flow engineering	3.2
<b>Northgate</b>	Van rental	2.7
<b>Brewin Dolphin Holdings</b>	Private client fund manager	2.6
<b>Go-Ahead Group</b>	Bus & rail operator	2.6
<b>Bovis Homes Group</b>	Housebuilding	2.5
<b>Wincanton</b>	Logistics	2.4
<b>RM</b>	IT services for schools	2.4
<b>Forterra</b>	Manufacture of bricks	2.3

## 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](http://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.**

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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: £162m	Market value: £51m	

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