



Aberforth Split Level Income Trust plc

Monthly Factsheet

31 May 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	346
Total market value	£166bn
Largest constituent	£2.1bn
Largest constituent if index rebalanced at Factsheet date	£1.5bn

Key Fund information

Total investments	£249m
Number of investments	70
Active share	77.5%
Gearing - ZDP shares	£49m
Net gearing	22.1%
Total net assets	£204m
Ord share NAV	107.20p
Ord share price	98.00p
Ord discount/(premium)	8.6%
ZDP share NAV (Accounts basis)	102.63p
ZDP share price	108.00p
ZDP discount/(premium)	(5.2%)

Fees & charges

Management fee*	0.75%
Performance fee	None
Ongoing charges (less than 12m since launch on 3 Jul 17)	N/A

* 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

In accordance with the rules of the Financial Conduct Authority (FCA), investment performance information will be shown here once the Fund has a full 12-month period of performance history.

Investment commentary

UK equities performed well in a global context in May as markets digested the vagaries of Italian politics and renewed strength of the US dollar. Large companies, represented by the FTSE All-Share, rose by 2.8% as resources companies performed especially well; this exceeded the NSCI (XIC)'s 0.9% gain. Size factors mattered little over the month, but, after a couple of better months, style data showed value trailing growth.

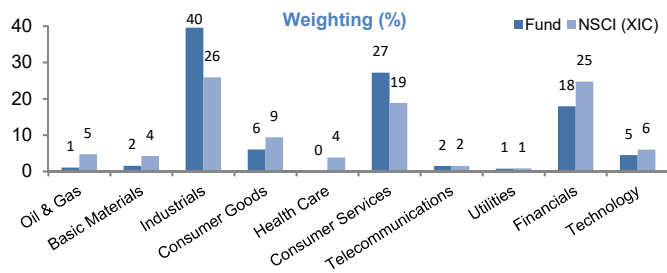
At the stock level share prices responded to results and notable winners included independent publisher Bloomsbury and logistics provider Wincanton. Property development company U and I Group also reported good results and benefited additionally from a larger than expected gain on a property disposal. Shares in TT Electronics, a global manufacturer of electronic components, rose following the acquisition of Stadium Group.

Performance was hindered by two holdings in the general retail sector. Both Pets at Home and Halfords warned of rising costs, with the latter noting the impact of sterling's weakness since the EU referendum. Elsewhere, a trading update from Go-Ahead highlighted weak volumes in its regional bus operation. Shares in International Personal Finance, a home collected credit provider, fell in response to cautious comments on trading in Romania, while Hansard, which provides life assurance based savings products, suffered a weak quarter for new business.

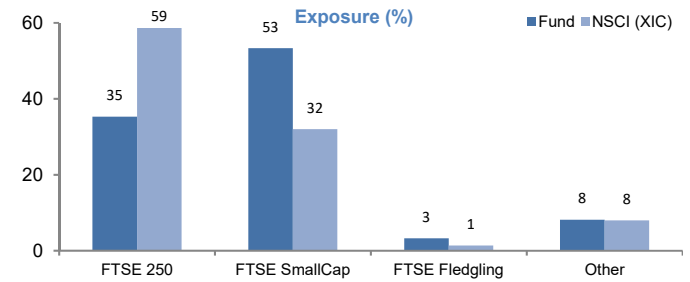
Top 10 equity investments

Name	Activity	%
Vesuvius	Metal flow engineering	3.9
Keller Group	Ground engineering services	3.0
Dunelm Group	Homewares retailer	2.6
Brewin Dolphin Holdings	Private client fund manager	2.6
Bovis Homes Group	Housebuilding	2.6
Northgate	Van rental	2.5
RPS Group	Energy & environmental consulting	2.4
Wincanton	Logistics	2.4
Spirent Communications	Telecoms test equipment	2.3
Huntsworth	Public relations	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 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).

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, 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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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 18
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: £186m	Market value: £51m	

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