



Aberforth Split Level Income Trust plc

Monthly Factsheet

30 November 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 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.

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	336
Total market value	£143bn
Largest constituent	£1.7bn
Largest constituent if index rebalanced at Factsheet date	£1.4bn

Key Fund information

Total investments	£208m
Number of investments	70
Active share	77.5%
Gearing - ZDP shares	£50m
Net gearing	27.7%
Total net assets	£163m
Ord share NAV	85.56p
Ord share price	82.50p
Ord discount/(premium)	3.6%
ZDP share NAV (Accounts basis)	104.47p
ZDP share price	104.50p
ZDP discount/(premium)	(0.0%)

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.

Yield & dividends (Ord)

Yield	4.8%
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.

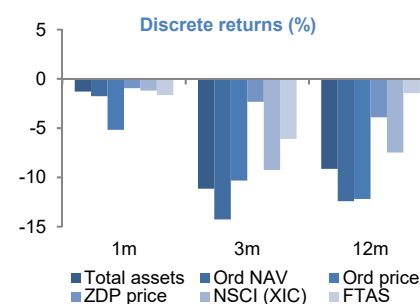
Investment style: Value

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	-1.3	-11.1	-13.8	-7.2	-9.1	-5.2
Ord NAV	-1.8	-14.3	-17.7	-9.8	-12.4	-7.4
Ord price	-5.2	-10.3	-13.1	-6.0	-12.2	-9.7
ZDP price	-0.9	-2.3	-3.2	-2.8	-3.9	3.1
NSCI (XIC)	-1.2	-9.3	-10.1	-4.7	-7.5	-1.9
FTAS	-1.6	-6.1	-7.7	-0.8	-1.5	0.6

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



Investment commentary

UK equity markets struggled during the month, responding to prolonged Brexit uncertainty. Large companies, represented by the FTSE All-Share, generated a total return of -1.6%. Smaller size offered some respite, though the NSCI (XIC) still declined, returning -1.2%. The Fund's return was -1.3%. With the portfolio retaining a relatively high exposure to "smaller small" companies, the size factor benefited fund performance, but style data showed value trailing growth.

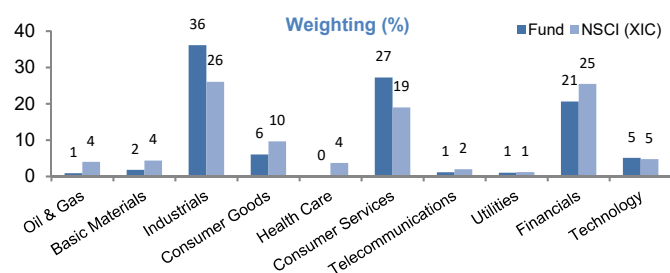
At the stock level share prices responded to results and notable winners included logistics company Wincanton and payments and retail technology services provider PayPoint. Transport group Go-Ahead rose following a reassuring trading update. The largest loser was communications and IT services provider KCOM. Although the core Hull telecoms business continues to perform well, it warned that the other segments are suffering from low order intake and high customer churn.

Performance was also hindered by two holdings that announced deeply discounted rights issues, a poor deal structure that threatens existing shareholders with substantial dilution. As regards Restaurant Group, the frustration is compounded by the high price that the company is paying to acquire Wagamama. Aberforth's vote against the deal was insufficient to prevent its approval at the recent general meeting. UK building contractor Kier raised equity to strengthen its balance sheet. This adds to evidence of tighter lending conditions within the construction industry and perhaps heralds a period of greater scrutiny of corporate leverage in general.

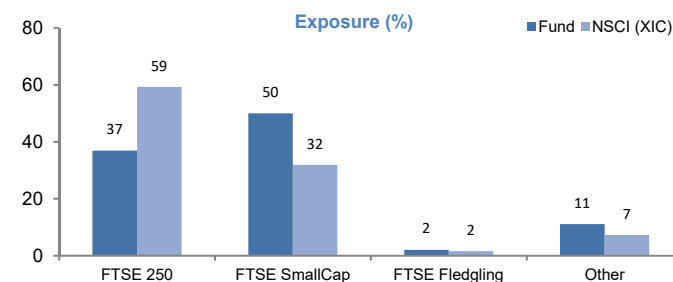
Top 10 equity investments

Name	Activity	%
Dunelm Group	Homewares retailer	3.2
Spirent Communications	Telecoms test equipment	3.1
Vesuvius	Metal flow engineering	3.0
Northgate	Van rental	2.9
Brewin Dolphin Holdings	Private client fund manager	2.8
Wincanton	Logistics	2.7
Go-Ahead Group	Bus & rail operator	2.4
Huntsworth	Public relations	2.2
U and I Group	Property - investment & development	2.2
McKay Securities	Property - London & South East offices	2.1

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: £157m	Market value: £50m	

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