



Aberforth Split Level Income Trust plc

Monthly Factsheet

30 September 2020

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:

Sam Ford	Jeremy Hall
Euan Macdonald	Keith Muir
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	325
Total market value	£119bn
Largest constituent	£2.9bn
Largest constituent if index rebalanced at Factsheet date	£1.3bn

Key Fund information

Total investments	£145m
Number of investments	68
Active share	80.1%
Gearing - ZDP shares	£53m
Net gearing	57.3%
Total net assets	£92m
Ord share NAV	48.32p
Ord share price	39.50p
Ord discount/(premium)	18.3%
ZDP share NAV (Accounts basis)	111.47p
ZDP share price	107.00p
ZDP discount/(premium)	4.0%

Fees & charges

Management fee* (12m to 30 Jun 20)	1.03%
Performance fee	None
Ongoing charges (at 30 Jun 20 & includes Management fee)	1.26%

* Further details of the Management fee are available at www.aberforth.co.uk.

Yield & dividends (Ord)

Yield	10.7%
1 st interim dividend (paid 6 Mar 20)	1.51p
2 nd interim dividend (paid 28 Aug 20)	2.71p

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.

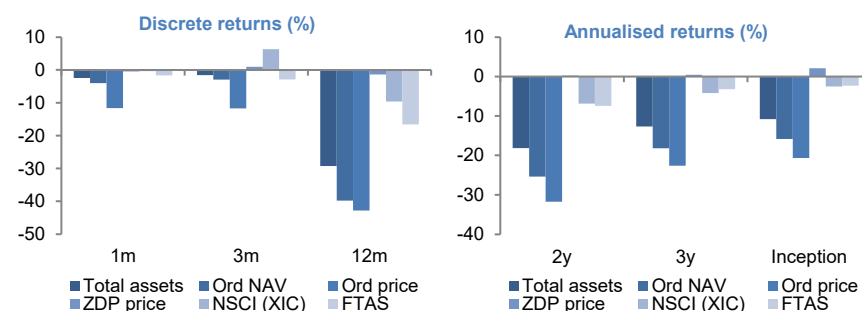
Investment style: Value

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	12m	2y	3y	Inception
Total assets	-2.5	-1.6	-29.3	-18.2	-12.7	-10.8
Ord NAV	-4.0	-3.0	-39.8	-25.4	-18.2	-15.8
Ord price	-11.6	-11.7	-42.8	-31.8	-22.6	-20.7
ZDP price	-0.5	0.9	-1.4	0.2	0.4	2.1
NSCI (XIC)	-0.4	6.3	-9.6	-6.9	-4.2	-2.5
FTAS	-1.7	-2.9	-16.6	-7.5	-3.2	-2.3

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



Monthly investment commentary: September

September was a more challenging month for stockmarkets. The FTSE All-Share fell by 1.7% as concerns developed about the economic fall-out from the coronavirus's second wave. Despite their greater exposure to the domestic economy, smaller companies out-performed. The NSCI (XIC) fell by 0.4%, while the Fund's return was -2.5%. In keeping with the experience of the year, value under-performed growth.

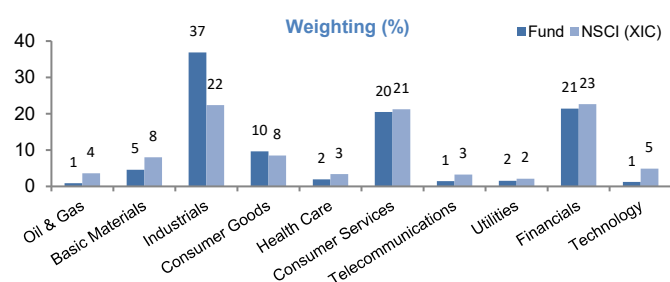
There was a reminder that M&A activity has the potential to rebound, with the surprise announcement that William Hill, a non-holding and the largest constituent of the NSCI (XIC) at the start of September, was to be acquired by its US JV partner in online sports betting, Caesars Entertainment. Among the holdings, PayPoint fell in response to news that energy regulator Ofgem is investigating potentially anti-competitive exclusivity agreements with suppliers. Meanwhile, holdings in domestically exposed cyclical Rank Group and Provident Financial detracted from returns as the market worried about the re-imposition of local lockdowns and consequent demand effects.

Among the better performing holdings, dividend announcements were taken particularly well as the UK stockmarket's income drought continues. Reach (formerly known as Trinity Mirror) demonstrated its relevance in the digital world, with its online revenues building and the announcement that its dividend would be reinstated. In keeping with this theme, STV also announced a return to the dividend register at its interim results. Whilst these dividends will be satisfied by way of bonus shares, the intention of both companies is to restore the cash dividend at the earliest opportunity.

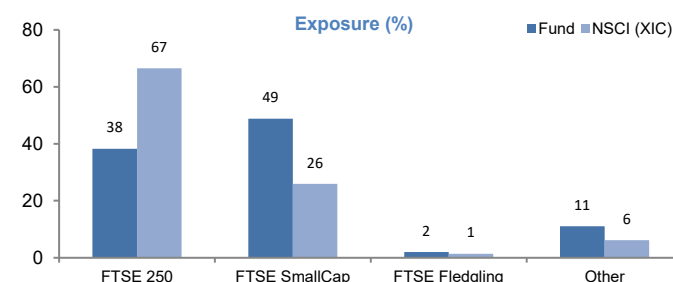
Top 10 equity investments

Name	Activity	%
Vesuvius	Metal flow engineering	3.2
CMC Markets	Financial derivatives dealer	3.2
Brewin Dolphin Holdings	Private client fund manager	3.1
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	3.1
Wincanton	Logistics	2.9
Reach	UK newspaper publisher	2.8
Bloomsbury Publishing	Independent publishing house	2.7
Eurocell	Manufacture of UPVC building products	2.7
Rathbone Brothers	Private client fund manager	2.6
TT Electronics	Sensors & other electronic components	2.5

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; select Statistics, then ZDP Analytics.

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 (excluding Specials). 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

COVID-19 virus – in the context of market price risk, please note the exceptional circumstances arising from the COVID-19 pandemic and the responses to it. These have profoundly affected macro-economic activity, the operations of companies around the world and their stockmarket valuations. The universe of UK small quoted companies market invested in by the Fund, has seen a significant fall in its aggregate valuation due to the uncertainties arising from the spread of this virus. Aberforth Partners LLP and the Directors of Aberforth Split Level Income Trust plc are closely monitoring market developments as the impact of the pandemic progresses.

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 21
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: £75m	Market value: £51m	

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