



# Aberforth Split Level Income Trust plc

## Monthly Factsheet

31 May 2024

### 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:

Sam Ford	Jeremy Hall
Euan Macdonald	Rowan Marron
Rob Scott Moncrieff	Peter Shaw

Further information on the investment team is available at [www.aberforth.co.uk](http://www.aberforth.co.uk).

### Investment universe: DNSCI (XIC)

The Fund's primary investment universe is the Deutsche 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	341
Total market value	£150bn
Largest constituent	£1.9bn
Largest constituent if index rebalanced at Factsheet date	£1.8bn

### Key Fund information

Total investments	£210m
Number of investments	68
Active share	76.6%
Gearing – ZDP shares	£60m
Net gearing	23.9%
Total net assets	£170m
Ord share NAV	89.19p
Ord share price	86.50p
Ord discount/(premium)	3.0%
ZDP share NAV (Accounts basis)	126.87p
ZDP share price	126.00p
ZDP discount/(premium)	0.7%

### Fees & charges

Management fee* (12m to 30 Jun 23)	1.01%
Performance fee	None
Ongoing charges (at 30 Jun 23 & includes Management fee)	1.26%

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

### Yield & dividends (Ord)

Yield	6.9%
1 <sup>st</sup> interim dividend (paid 8 Mar 24)	2.75p
2 <sup>nd</sup> interim dividend (payable 24 Jun 24)	3.25p

### 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.

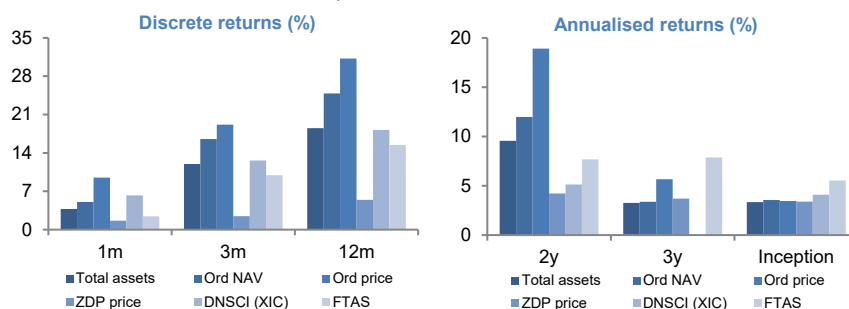
### Investment style: Value

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	3.8	12.0	18.5	9.6	3.3	3.3
Ord NAV	5.1	16.5	24.8	12.0	3.4	3.5
Ord price	9.5	19.1	31.2	18.9	5.7	3.5
ZDP price	1.6	2.4	5.4	4.2	3.7	3.4
NSCI (XIC)	6.2	12.6	18.2	5.1	0.0	4.1
FTAS	2.4	9.9	15.4	7.7	7.9	5.5

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



### Monthly investment commentary: May

UK equities performed strongly during the month, indicating investors are waking up to the UK opportunity. The FTSE All-Share continued its strong run, up by a further 2.4% in May. Having lagged large caps to the end of April, small companies, represented by the DNSCI (XIC), returned 6.2% in the month, which was a welcome broadening of investor appetite for UK assets. The fund's portfolio return was 3.8%, with its bias to smaller sized companies within the benchmark proving unhelpful in the month. Additionally, as the end of its planned life approaches, liquidity has started to build to meet the likely cash demands of those choosing to realise their investments.

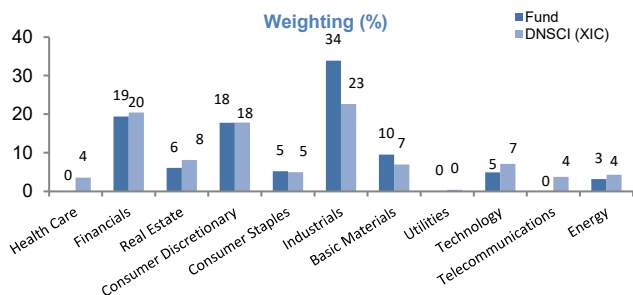
The prospect of falling interest rates and an easing of cost-of-living pressures buoyed some UK domestics, including housebuilder **Crest Nicholson**, which joined in a sector rally, and food producer **Bakkavor**, which has coped well with inflationary pressures and seeing margins expand. Conversely, floor coverings distributor **Headlam** issued a profit warning owing to continued weakness in consumer demand linked to reduced housing activity. It typically enjoys a seasonal uplift in spring, but this did not materialise this year.

Other detractors to performance in the month were publishing business **Centaur Media**, which rebuffed an approach from Dutch private equity firm Waterland and saw its share price fall back to its pre-approach level. Meanwhile, **TT Electronics** reported on weaker demand as a result of destocking in North America.

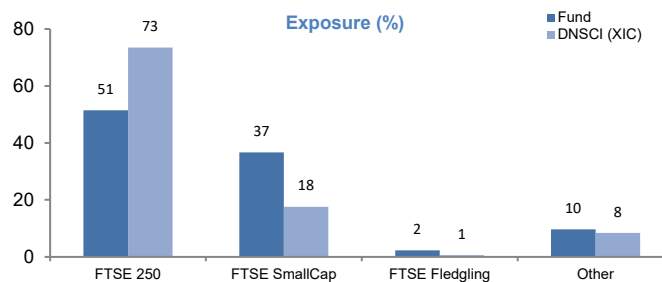
### Top 10 equity investments

Name	Activity	%
Vesuvius	Metal flow engineering	3.5
Centamin	Gold miner	3.3
Energiean	Oil & gas exploration and production	1.8
ZIGUP	Van rental	1.5
Morgan Advanced Materials	Manufacture of carbon & ceramic materials	1.5
PageGroup	Recruitment	1.4
Wilmington	Business publishing & training	1.4
Bakkavor Group	Food manufacturer	1.4
Conduit Holdings	Bermuda based (re)insurer	1.3
Rathbones Group	Private client fund manager	1.3

## Sector exposure\*



## Size exposure\*



\*Sector exposure and Size exposure charts above exclude United Kingdom Gilt and Vanguard UCITS 250 ETF, which are held for liquidity purposes ahead of the planned winding up.

## Proposed reconstruction and winding-up

The Fund has reached agreement with Aberforth Geared Value & Income Trust plc (AGVIT) on the terms of the reconstruction and winding-up of the Fund, under which AGVIT will act as the rollover option for investors in the Fund.

The Fund has published a Circular in respect of the proposals, which are conditional on approval by Shareholders at general meetings of the Fund to be held on 20 and 28 June 2024. The reconstruction will allow Shareholders to exchange their investment in the Fund for cash and/or AGVIT Ordinary shares and/or AGVIT ZDP shares. Ordinary Shareholders who do not make a valid election under the proposals will be deemed to have elected for AGVIT Ordinary shares. ZDP Shareholders who do not make a valid election under the proposals will be deemed to have elected to receive cash.

Full details of the proposals, including the expected timetable, are available at [www.aberforth.co.uk](http://www.aberforth.co.uk).

## 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 ZDP Analytics section of the AIC website at [www.theaic.co.uk](http://www.theaic.co.uk).

## Risk warnings

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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## Data sources & calculations

All data supplied by Aberforth, except DNSCI (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 DNSCI (XIC). Small companies are represented by the DNSCI (XIC). Large companies are represented by the FTAS.

## 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 24
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: £165m	Market value: £60m	

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