



# Aberforth Split Level Income Trust plc

## Monthly Factsheet

31 January 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 seven fund managers:

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

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	350
Total market value	£139bn
Largest constituent	£1.9bn
Largest constituent if index rebalanced at Factsheet date	£1.6bn

### Key Fund information

Total investments	£200m
Number of investments	65
Active share	76.7%
Gearing - ZDP shares	£60m
Net gearing	33.7%
Total net assets	£149m
Ord share NAV	78.57p
Ord share price	73.90p
Ord discount/(premium)	5.9%
ZDP share NAV (Accounts basis)	125.40p
ZDP share price	122.50p
ZDP discount/(premium)	2.3%

### 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	8.2%
1 <sup>st</sup> interim dividend (payable 8 Mar 24)	2.75p
2 <sup>nd</sup> interim dividend (paid 31 Aug 23)	3.30p

### 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.

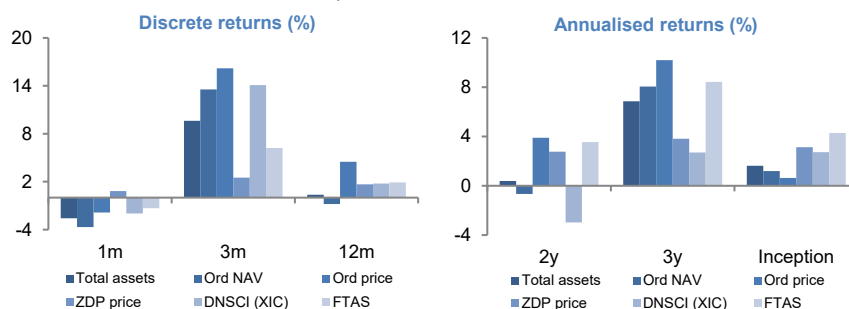
### Investment style: Value

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	-2.6	9.6	0.4	0.4	6.9	1.6
Ord NAV	-3.7	13.5	-0.8	-0.7	8.0	1.2
Ord price	-1.9	16.2	4.5	3.9	10.2	0.6
ZDP price	0.8	2.5	1.7	2.8	3.8	3.1
DNSCI (XIC)	-2.0	14.1	1.8	-3.0	2.7	2.7
FTAS	-1.3	6.2	1.9	3.5	8.4	4.3

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



### Monthly investment commentary: January

The UK stock market fell in January and trailed the gains made by other major international indices. The disinflation trend continues, but CPI releases in the month were not as low as hoped. As a result, expectations for the first round of rate cuts from the Federal Reserve and Bank of England have been pushed further into the future. Within the UK, large caps performed slightly better than small caps and the growth style out-stripped value. The Fund was down by 2.6%, compared with the 2.0% decline of the benchmark DNSCI (XIC) and behind the FTSE All-Share's 1.3% fall.

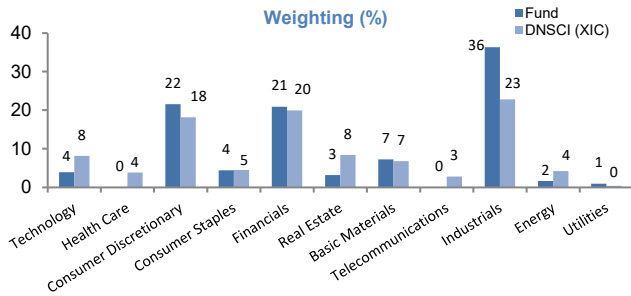
The largest negative contribution came from **Close Brothers**, the banking and asset management business. The share price fell after the Financial Ombudsman decided against motor finance companies, which prompted a review by the FCA. Compensation or redress could affect the bank's earnings and capital base. **Kenmare**, the titanium minerals miner, was weak after issuing a production report and guidance for 2024: investors had to digest the implications of higher operating costs and accelerated capex for free cash flow and dividends.

The leading positive contributor to performance was **Wincanton**, the logistics provider. It was subject to a recommended cash offer from a subsidiary of CMA CGM, the French shipping and logistics operator. **CMC Markets**, the financial derivatives dealer, performed strongly following the announcement of improved quarterly trading, led by an increased contribution from its B2B and institutional business. **Bakkavor**, the food manufacturer, saw a large shareholding change hands, which helped removed an overhang on the stock, and announced stronger trading and an improved outlook for 2024.

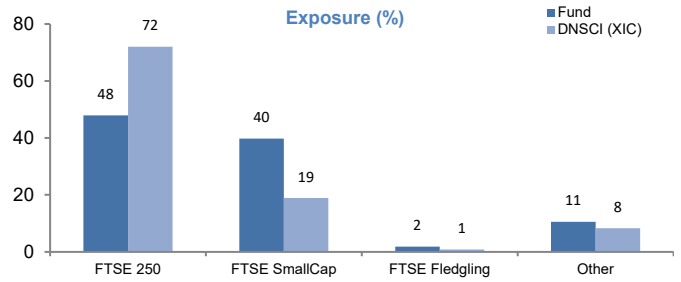
### Top 10 equity investments

Name	Activity	%
<b>Wincanton</b>	Logistics	4.6
<b>Vesuvius</b>	Metal flow engineering	3.6
<b>Centamin</b>	Gold miner	3.3
<b>Morgan Advanced Materials</b>	Manufacture of carbon & ceramic materials	3.1
<b>Rathbones Group</b>	Private client fund manager	3.1
<b>Wilmington</b>	Business publishing & training	3.0
<b>Redde Northgate</b>	Van rental	3.0
<b>Conduit Holdings</b>	Bermuda based (re)insurer	2.4
<b>FirstGroup</b>	Bus & rail operator	2.3
<b>Crest Nicholson Holdings</b>	Housebuilding	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 ZDP Analytics section of the AIC website at [www.theaic.co.uk](http://www.theaic.co.uk).

## 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.

## 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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## 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: £141m	Market value: £58m	

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