

**FUND OBJECTIVE**

To provide investors with a high Income from a managed portfolio of fixed-interest securities, denominated in Sterling and other currencies. The Fund pays a quarterly distribution of income and is approved as a reporting fund by UK HM Revenue & Customs.

The Fund is a Type A Authorised Scheme, formed as an open-ended investment company registered and managed in the Isle of Man under the Companies Act 1931 (as amended) and complies with the Isle of Man Authorised Collective Investment Schemes Regulations 2010.

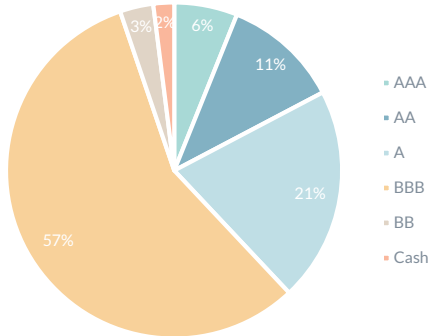
Full details are available at [www.suntera.com](http://www.suntera.com) or alternatively on request from Suntera Fund Services (IOM) Limited at Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ

**KEY DATA**

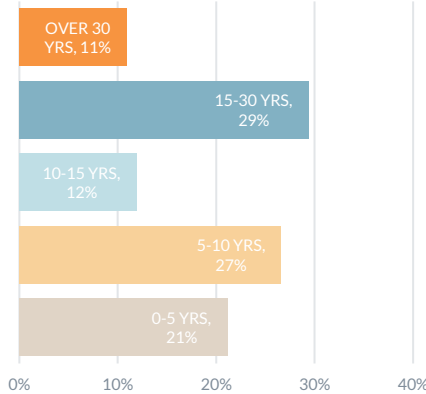
Currency	Sterling "£"
Dealing Frequency	Daily   12:00 noon cut-off
Fund Price	NAV price £0.5784
Fund Launch Date	29 May 1989
Fund size	£32.0m
Sector	Sterling Corporate Bond
ISIN	GB0001610046
MEX ID	CMHI
SEDOL	0161004
Manager	Suntera Fund Services (IOM) Limited
Investment Manager	Aberdeen Asset Management Limited
Average Maturity	19.8 yrs
Modified Duration	8.20%
Yield to Maturity	1.80%
Running Yield	3.50%

**TOP TEN HOLDINGS**

United Kingdom Gilt 2.75% 2024	5.57%
United Kingdom Gilt 4.25% 2046	1.67%
SNCF RESEAU 4.83% 2060	1.46%
Welltower Inc 4.8% 2028	1.45%
Barclays PLC 3% 08/05/2026	1.44%
Equity Release Funding No 3 PLC 5.05% 2033	1.41%
Innogy Finance BV 6.125% 2039	1.30%
European Investment Bank 4.25% 2021	1.28%
Aviva PLC 6.125% 2049	1.21%
Svenska Handelsbanken AB 1.625% 2022	1.15%
<b>Total Percentage of Fund's property</b>	<b>17.94%</b>

**CREDIT RATING BREAKDOWN**


The composition of asset mix and asset allocation may change at any time and exclude cash unless otherwise stated

**MATURITY BREAKDOWN**

**FUND MANAGER COMMENTARIES**
**Market Commentary**

As we mentioned last month, the technical support for credit is still strong. Central banks, investors hunting for yield and income, and companies themselves all populate the list of who is buying credit at the moment. Credit markets took this positively, with spreads tightening by around 5 basis points (bps) in October, against the trend for a lot of risk markets. For example, the FTSE All-Share Index fell by 3.99% over the month. A positive total return was also helpful for sterling credit. This was despite the negative impact of slightly higher gilt yields, with the 10-year benchmark yield rising by 3bps to 0.26% over the month. Overall, credit markets remain an attractive place for investors looking for real inflation adjusted returns. That is likely to support them through what could be a volatile start to November, with the US election looming. However, we remain positive on credit given that there are plenty of technical tailwinds to help markets.

**Performance**

The Fund returned 0.19% (gross of fees and tax) in October versus the broader market return of 0.12%, leading to an outperformance of 0.07%. Certain sectors that have been underperforming this year rebounded somewhat in October, despite rising Covid-19 cases across the UK. For example, real estate performed well, with exposure to offices having a particularly good month. This was pleasing for some of the overweights in the Fund, such as Hammerson, which outperformed over the month.

A long-term theme in the Fund has been to hold 'legacy' bonds that are part of a bank's capital. However, due to new legislation coming into force next year, these will cease to qualify as capital. As a result, these will become expensive for banks to have past the end of next year. The Fund has been holding these types of bonds since the global financial crisis and they continue to provide excellent returns. In particular, this month they stood out, with investors reminded of the limited time left to clean these positions up and buy them back.

Insurance bonds lagged the market returns in October, mostly due to the underlying exposure to equity markets that many of the companies have.

**Activity in month**

We continued to recycle low-yielding assets into better-value new issues. This month, we sold the Fund's position in the Commonwealth Bank of Australia and reinvested into Pension Insurance Corporation and Verizon Communications.

**PERFORMANCE (BY TOTAL FUND RETURN)**

1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS
0.33%	-0.06%	4.00%	4.56%	13.01%	28.60%



Suntera Fund Services (IOM) Limited registered in the Isle of Man, Company Registration No: 120288C VAT Registration No: GB 003 0782 23.

Licensed by the Isle of Man Financial Services Authority

Directors: S.W. Bowden, R.K. Corkill, D.F. Hudson, C.P. Mulhern, P.K. Mundy, M.C. Reynolds

A member of the Suntera Global group of companies.

The Price may move up or down, if it moves down losses can be incurred. Past performance is not necessarily a guide to future performance.