

# SMP Sterling Roll-up Fund PLC

## FUND OBJECTIVE

To provide investors with a high return before tax from a managed portfolio of fixed-interest securities, denominated in Sterling, all income and interest earned being accumulated in the price of the shares.

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

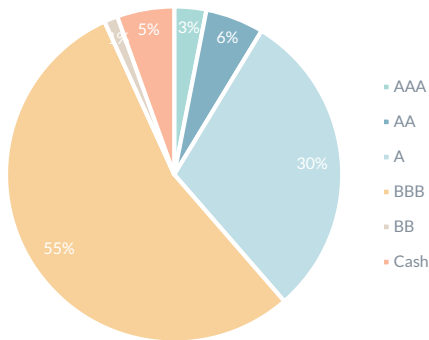
## KEY DATA

Currency	Sterling "E"	
Dealing Frequency	Daily   12:00 noon cut-off	
Fund Price	NAV price £4.4693	
Fund Launch Date	28 January 1993	
Fund size	£16.8m	
Sector	Sterling Corporate Bond	
ISIN	GB0001593994	
MEX ID	CMSRU	
SEDOL	0159399	
Manager	Suntera Fund Services (IOM) Limited	
Investment Manager	Aberdeen Asset Management Limited	
Average Maturity	18.8	
Modified Duration	8.10%	
Yield to Maturity	1.90%	
Running Yield	3.40%	

## TOP TEN HOLDINGS

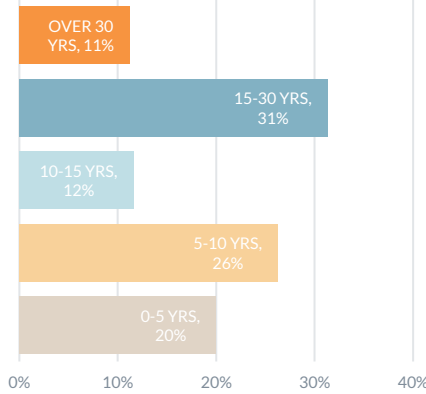
Transport for London 2.125% 2025	2.00%
SNCF RESEAU 4.83% 2060	1.57%
National Grid Electricity 1.125% 2028	1.55%
Equity Release Funding No 3 PLC 5.050% 2033	1.47%
MetLife Inc 5.375% 2024	1.47%
Aspire Defence Finance PLC 4.674% 2040	1.34%
Svenska Handelsbanken AB 1.625% 2022	1.30%
Royal Bank of Canada 1.125 2025	1.26%
Nationwide Building Society 5.625% 2026	1.26%
United Kingdom Gilt 4.50% 2042	1.24%
<b>Total Percentage of Fund's property</b>	<b>14.46%</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 Verizon Communications.

## PERFORMANCE (BY TOTAL FUND RETURN)

1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS
0.21%	-0.26%	3.47%	3.78%	11.96%	27.10%



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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.