

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.smppartners.com or alternatively on request from SMP Fund Services Limited at Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ

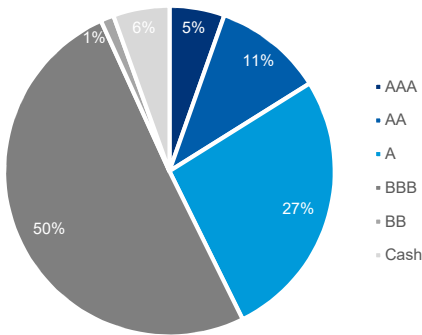
KEY DATA

Currency	Sterling "£"
Dealing Frequency	Daily 12:00 noon cut-off
Fund Price	NAV price £4.4133
Fund Launch Date	28 January 1993
Fund size	£17.2m
Sector	Sterling Corporate Bond
ISIN	GB0001593994
MEX ID	CMSRU
SEDOL	0159399
Manager	SMP Fund Services Limited
Investment Manager	Aberdeen Asset Management Limited
Average Maturity	18.8 yrs
Modified Duration	8.20%
Yield to Maturity	1.90%
Running Yield	3.30%

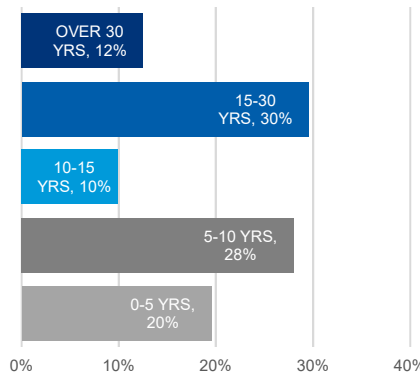
TOP TEN HOLDINGS

United Kingdom Gilt 4.50% 2042	3.0%
Transport for London 2.125% 2025	2.5%
UK TSY 0.875% 2029	2.0%
SNCF RESEAU 4.83% 2060	1.5%
Equity Release Funding No 3 PLC 5.050% 2033	1.4%
MetLife Inc 5.375% 2024	1.4%
Aspire Defence Finance PLC 4.674% 2040	1.3%
European Investment Bank 4.625% 2054	1.2%
Svenska Handelsbanken AB 1.625% 2022	1.2%
Nationwide Building Society 5.625% 2026	1.2%
Total Percentage of Fund's property	16.7%

CREDIT RATING BREAKDOWN



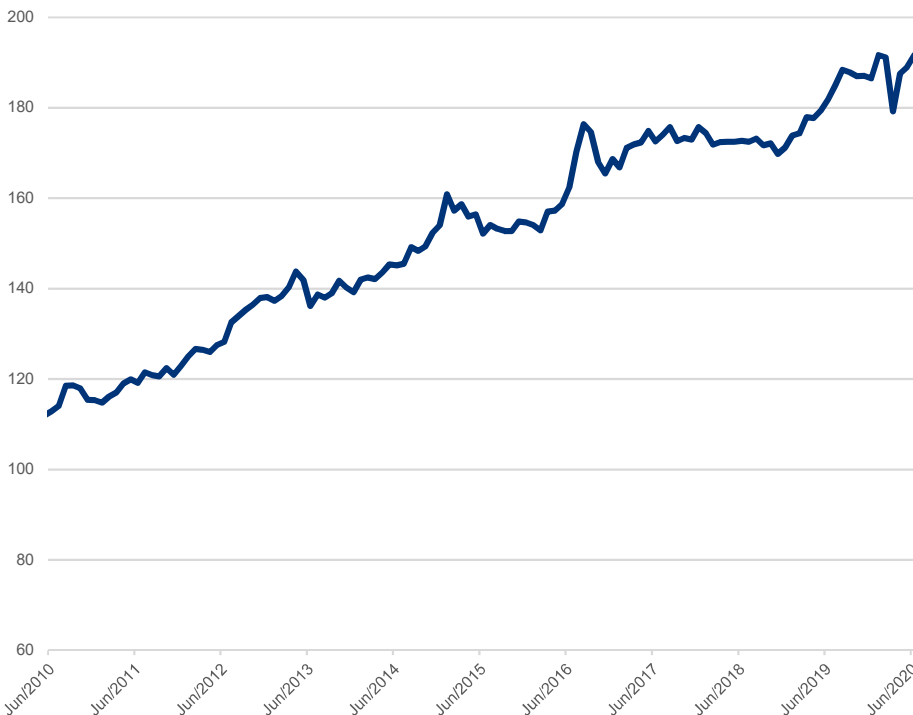
MATURITY BREAKDOWN



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

PERFORMANCE (BY TOTAL FUND RETURN)

1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS
1.42%	6.93%	2.75%	5.40%	11.05%	25.97%



FUND MANAGER COMMENTARIES

Market Commentary

Credit spreads continued to recover in June from their Covid-19 crisis levels. The sterling market's premium over government bonds tightened a further 21 basis points (bps), and the euro-equivalent index was an equally impressive 18bps higher. Supply remained heavy but was digested well in both markets. Euro-denominated investment-grade issuance is already close to €400 billion, dwarfing the number seen at the same stage in 2019. That said, the US-dollar market has already seen more issuance this year than it did in the whole of the last calendar year. This shows that there really is demand for the asset class, and that investors do not seem to want to miss out.

June's performance was led by higher-risk areas of all our markets. Sectors that had massively underperformed in the worst moments at the end of the first quarter recovered further. These included energy, basic materials and industrials, as well as banks and insurers. Shorter-dated (less than 10-year) credit bounced back strongly having underperformed in previous months, especially in sterling. The UK real estate market remains a challenge, following the announcement that shopping-centre operator Intu has appointed administrators.

Performance

The Fund outperformed the sterling-credit index over the period. Allocations to lower-rated credit contributed positively to returns as the recovery in risk assets moved through the risk spectrum. The Fund's exposure to UK airports Heathrow and Gatwick added value over the month; this came as the prospect of easing lockdowns and a better understanding of their respective financial positions was priced in. Other issues which recovered and added value having previously struggled as a direct result of Covid-19 included Hammerson and National Express. Long exposure to the financial sector, particularly UK banks, also contributed positively to returns. The Fund's exposure to UK government bonds, held for liquidity and duration-management purposes, detracted from returns.

Activity in month

The Fund was fairly active during the month, as both secondary-market liquidity and primary-market activity picked up materially. In the primary market, new issues from BP and Credit Suisse were added to the portfolio due to their attractive pricing. In secondary markets, bonds issued by First Abu Dhabi Bank and America Movil were sold on the grounds of strong performance and downgrade risk, respectively. Meanwhile bonds, issued by Eversholt – which owns UK rolling stock – were added.