



SUNTERA
GLOBAL

Suntera Sterling Roll-Up Fund PLC

(formerly SMP Sterling Roll-Up Fund PLC)

Unaudited Abbreviated Interim Report
for the six-month period ended 28 February 2021

Manager

Suntera Fund Services (IOM) Limited
(formerly SMP Fund Services Limited)
Clinch's House, Lord Street, Douglas
Isle of Man, IM99 1RZ
British Isles

General Information

Directors

W J Clarke* (Chairman)

G M Easton*

R K Corkill

S W Bowden

*denotes Non-executive Director

Company Secretary

R K Corkill

Registered office:

Clinch's House, Lord Street, Douglas

Isle of Man, IM99 1RZ

British Isles

Manager and Registrar

Suntera Fund Services (IOM) Limited

Clinch's House, Lord Street, Douglas

Isle of Man, IM99 1RZ

British Isles

Investment Manager

Aberdeen Asset Managers Limited

10 Queen's Terrace

Aberdeen, AB10 1YG

British Isles

Fiduciary Custodian

Apex Financial Services (Corporate) Limited

12 Castle Street, St Helier

Jersey JE2 3RT

British Isles

Auditor

PricewaterhouseCoopers LLC

Sixty Circular Road, Douglas

Isle of Man, IM1 1SA

British Isles

Manager's Report

Introduction

As detailed in the previous section entitled 'General Information', Suntera Sterling Roll-Up Fund PLC (the "Fund") is managed by Suntera Fund Services (IOM) Limited (the "Manager") and the investment manager is Aberdeen Asset Managers Limited (the "Investment Manager"). That section also details the Directors, the Company Secretary, the Fiduciary Custodian and the Auditor.

The Fund is an Authorised Scheme for the purposes of the Collective Investment Schemes Act 2008. The Fund is established as an open-ended investment company and is managed in the Isle of Man under the Companies Acts 1931 to 2004 and in accordance with the Authorised Collective Investment Schemes Regulations 2010 (the "Regulations"). The Fund has elected to be a type A scheme for the purpose of the Regulations. In accordance with the Regulations, the Fund complies with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014 (the "SORP"). The Fund was originally established and authorised on 28 January 1993.

The term 'roll-up fund' from which the Fund's name is derived, describes a fund which retains its income and gains within the fund in order to enhance the capital value of the fund and hence is reflected in the share price. Therefore, no dividends are paid to shareholders. Roll-up funds can have considerable administrative advantages to investors who do not require a regular income from their investments and prefer to accumulate income within their investment without the need to re-invest dividends.

Important information

The Unaudited Interim Financial Statements for the six-month period ended 28 February 2021 (together with the Unaudited Abbreviated Interim Report for the six-month period ended 28 February 2021 that has been sent to all registered shareholders) may be viewed on our website - www.suntera.com and is available for inspection at the registered office of the Fund. The website also provides daily pricing information for the Fund.

If shareholders have any questions regarding the Fund please contact our Shareholder Services Team on 01624 682224 - or by email to fund.services@suntera.com.

Investment objective, policy and strategy

The purpose of the Fund is to provide investors with a high return, before taxation, from a managed portfolio of fixed-interest securities, denominated in sterling, with all income being accumulated in the price of shares.

Investment Manager's overview for the year ended 28 February 2021

Market review

The coronavirus pandemic, economic factors and politics continued to dominate global markets throughout the review period. Worldwide Covid-19 vaccine rollouts raised hopes of a return to normality, and monetary and fiscal stimulus further supported markets. These offset fears of vaccine-resistant Covid-19 variants, but fuelled new concerns around rising inflation, which weighed heavily on global bond markets. US government bonds suffered the most, while high-yield (lower-rated) bonds outperformed.

Market review (continued)

Sterling corporate bonds started off well and saw positive returns throughout most of the review period, particularly during the last quarter of 2020. On the political front, the narrow avoidance of a 'no-deal' Brexit in December was positive for sentiment, as was the US election in November, which was seen as supportive of increased US fiscal stimulus and global growth. However, 2021 performance-to-date more than offset earlier gains. February saw government bonds falling globally, with UK gilts among the weakest performers. The sell-off came amid rising inflation concerns, resulting from the large US stimulus package, and in anticipation of the lifting of lockdown restrictions. Corporate bonds fared better than government debt, but still fell over the month and, consequently, the review period.

In terms of individual securities, the six-month period was beneficial for sectors and issuers that have been most adversely affected by the pandemic, especially following the global rollout of vaccination programmes. Accordingly, high-yield debt outperformed investment-grade issues.

Performance and activity of the Fund

Over the six-month period, the Fund outperformed the benchmark. This was mostly due to asset allocation, particularly the overweighting of real estate. Overweight positions in subordinated and Tier-1 debt, insurance and transportation also contributed, while underweight exposure to financials and government-related issues detracted from relative performance. Security selection also strongly contributed to outperformance, most notably in the banking, retail and transportation sectors. In particular, exposure to Virgin Money (banking), Centre Parcs (retailer) and National Express (transportation) aided performance. Conversely, underweight exposure to, and security selection within, the consumer non-cyclicals sector, and security selection in technology, media & telecoms detracted from performance. In terms of individual securities, the main detractors were SNCF (transportation), the University of Southampton (consumer non-cyclical) and Digital Realty (real estate).

Regarding activity, at the start of the review period, we sold Tritax Big Box real estate investment trust, believing that its strong performance during the Covid-19 pandemic had left it looking expensive. We replaced it with positions in HSBC Tier-2 bonds at the longer end, and also bought a new issue by Virgin Money. Looking to recycle low-yielding assets into better-value new issues, we sold the Fund's position in the Commonwealth Bank of Australia and reinvested into Verizon Communications.

We initiated a number of trades in the insurance sector throughout the review period. We purchased new issues from US-based insurer Athene and added to our position in Aviva. After the new year, we also sold out of the Australian insurer QBE, after a strong run from the bonds left it expensive, versus other insurance groups. We also started to sell down the Fund's exposure to the French insurer AXA. We plan to replace this with an insurer from Italy that we believe has better performance prospects – once we are able to source this.

In December, we participated in a new issue from the industrial group Toyota. We funded December purchases by selling Scottish Hydro and Yorkshire Energy bonds. Both bonds were expensive in the Fund and had performed well. We ended the year by adjusting duration lower with a gilt sale, in anticipation of rising yields in the UK.

After the new year, we purchased new issues from BNP Paribas. March saw the Fund facing heavy outflows, with the cost of selling bonds to fund these weighing on performance. It should be noted, however, that most of that cost will have been borne by the exiting client receiving the bid price for the Fund. Outside of sales to fund the outflows and post-adjustments, there were very few transactions on the remaining positions.

Outlook*

Credit spreads continue to trade toward the tight end of longer-term ranges, but markets are still attracting buyers. An environment of low government yields seems likely to persist for the time being, which should help sentiment. A break towards 2% on US Treasuries would, however, make valuations less attractive. While defaults in the high-yield market remain low and credit quality stable, fundamentals are supportive. A boost from fiscal stimulus and low volatility in financial markets is also helping sentiment.

*Investment markets and conditions can change rapidly and as such, the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

R K Corkill
Director
Suntera Fund Services (IOM) Limited

26 April 2021

Comparative Table

Change in net asset value per share

	2021* p	2020 p	2019 p
Opening net asset value per share	443.33	433.91	398.76
Return before operating charges**	0.21	14.30	39.21
Operating charges	(2.70)	(4.88)	(4.06)
Return after operating charges**	(2.49)	9.42	35.15
Distributions on preference shares	-	-	-
Closing net asset value per share	440.84	443.33	433.91

*For the six-month period ended 28 February 2021

**after direct transaction costs of

0.02	0.04	0.03
------	------	------

Performance

	2021*	2020	2019
Return after charges	(0.56)%	2.17%	8.81%

Other information

	2021*	2020	2019
Closing net asset value	£16,112,654	£17,092,547	£18,770,742
Closing number of shares	3,645,986	3,855,492	4,325,991
Operating charges	0.61%	1.13%	0.98%
Direct transaction costs	0.003%	0.008%	0.008%

Significant event post interim reporting date

Subsequent to the interim reporting date, the Fund received a request from RL 360 Life Insurance Company Limited, the Fund's largest shareholder, to redeem shares which amounted to 36.38% of the Fund's total shares in issue at the interim reporting date. The shares were redeemed on 5 March 2021.

Additional comparative table disclosures required by the Authorised Collective Investment Schemes Regulations 2010:

Performance record

	Highest share price p	Lowest share price p	Net allocation per share*** p
01.09.2016 to 31.08.2017	429.66	379.16	(2.81)
01.09.2017 to 31.08.2018	430.02	392.54	(6.47)
01.09.2018 to 31.08.2019	434.11	390.59	34.04
01.09.2019 to 31.08.2020	448.14	391.66	8.51
01.09.2020 to 28.02.2021	461.12	440.04	(2.04)

***Net allocation per share is based on average shares in issue during the year/period.

Net asset value record

	Net asset value of participating shares £	Shares in issue	Cancellation price per share p
31 August 2019	18,770,742	4,325,991	433.91
31 August 2020	17,092,547	3,855,492	443.33
28 February 2021	16,112,654	3,654,986	440.84

Ongoing charges figure ("OCF") for the year/period ended

	OCF*
31 August 2019	0.98%
31 August 2020	1.13%
28 February 2021**	1.22%

*OCF is the total expenses paid by the Fund in the year/period expressed as a percentage of the Fund's average net asset value.

**Charges in the six-month period 28 February 2021, annualised.

Details of investments

	% of Fund's property 28.02.2021	% of Fund's property 31.08.2020
Government bonds	1.12	4.91
Corporate bonds	93.52	93.51
Bank balances	5.36	1.58
	<hr/> 100.00	<hr/> 100.00

Top five holdings

Asset description	% of Fund's property 28.02.2021	Asset description	% of Fund's property 31.08.2020
1. Transport for London 2.125% 24/04/2025	1.99	1. United Kingdom Gilt 4.5% 07/12/2042	2.93
2. National Grid Electricity Transmissions 1.125% 07/07/2028	1.52	2. Transport for London 2.125% 24/04/2025	2.53
3. MetLife Inc 5.375% 09/12/2024	1.47	3. United Kingdom Gilt 0.875% 22/10/2029	1.98
4. Equity Release Funding No 3 PLC 5.05% 26/04/2033	1.47	4. National Grid Electricity Transmissions 1.125% 07/07/2026	1.47
5. SNCF RESEAU 4.83% 25/03/2060	1.40	5. SNCF RESEAU 4.83% 25/03/2060	1.45

This Unaudited Abbreviated Interim Report for the six-month period ended 28 February 2021 is approved and authorised for issue by the Manager.

R K Corkill
Director

S W Bowden
Director

Suntera Fund Services (IOM) Limited
26 April 2021

This page is intentionally blank



SUNTERA
GLOBAL

suntera.com