



# STERLING BOND FUND

## July 2018 Factsheet

### FUND OBJECTIVE

The aim of the Fund is to seek to provide a regular income from a managed portfolio of sterling fixed interest securities with a particular emphasis on those securities on which interest is paid gross to non-residents of the United Kingdom.

### INVESTMENT MANAGER

Aberdeen Asset Investments Limited.

### FUND PERFORMANCE

	30/06/17 to 30/06/18 (%)	30/06/16 to 30/06/17 (%)	30/06/15 to 30/06/16 (%)	30/06/14 to 30/06/15 (%)	30/06/13 to 30/06/14 (%)
Sterling (£)	-0.73	6.89	6.52	5.56	6.28

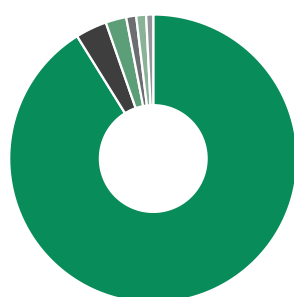
The figures show the performance growth over 5 years as discrete 12 month periods, on a mid price basis with gross income reinvested. All charges and fees, except any initial charge, have been included in the performance figures. Source: FE.

Sector is Lipper Sterling Fixed Interest

Past performance should not be seen as an indication of future performance.

The value of investments and the income from them can go down as well as up and cannot be guaranteed. Investments in a currency other than the shareholder's own currency, or in a fund that invests in securities denominated in currencies other than its own base currency, will be subject to the movements of foreign exchange rates, which may cause an additional favourable or unfavourable change in value. Consequently, investors may, on selling their shares, receive an amount greater or less than their original investment.

### SECTOR BREAKDOWN (%)



Corporate bonds	91.14
Cash	3.52
Government bonds	2.32
Public authorities	1.12
Overseas borrowers	1.11
Supranational bonds	0.79

### LARGEST INVESTMENTS (%)

Lloyds Bank Plc 7.625% 2025	2.67
Treasury 3.75% 2019	2.03
Electricite de France 6.78% 2022	1.71
Heathrow Funding Ltd 6.45% 2031	1.54
E.ON International Finance 6.375% 2032	1.52
Meadowhall Finance 4.988% 2037	1.50
NIE Finance PLC 6.375% 2026	1.44
HSBC 6.5% 2024	1.36
Trafford Centre Finance 6.5% 2033	1.29
Severn Trent Utilities Finance Plc 6.25% 2029	1.26

### MARKET OVERVIEW

Spreads were volatile for the second consecutive quarter as Italian politics and then increasing tensions around trade tariffs between the US and its major trading partners hit the headlines. Credit re-priced materially and investment grade now offers relatively good value once again.

Lower quality areas of the market were the poorest performers over the quarter. Financials fared badly, as did issuers domiciled in Italy.

The more risk-off tone means that the Fund modestly underperformed its index benchmark over the period. A short duration position is being maintained.

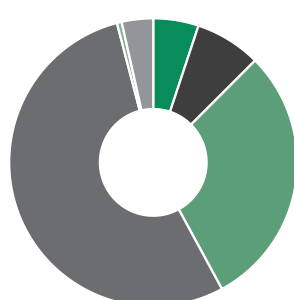
Bonds issued by banks and insurers underperformed the market as a whole and detracted from returns, although within these sectors, issues from Standard Life Aberdeen and Lloyds Banking Group both added value.

Yield curve positioning detracted from returns, notably a long position in long dated bonds.

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### BOND RATINGS (%)



AAA	5.09
AA	7.41
A	29.59
BBB	53.85
Not Rated*	0.54
Cash	3.52

Bond ratings range from AAA to D, where AAA represents the highest level of credit worthiness.

\*Rating not requested by issuer or downgraded by credit rating agency.

### FUTURE POLICY

The Fund remains long of lower quality bonds relative to its index benchmark reflecting that credit spreads now offer compelling value.

Bonds issued by financial institutions remain favoured and continue to offer relatively attractive yields relative to similar rated corporates. So too, does the energy sector.

Duration is now broadly neutral.

Please Note: The commentary contained in this document has been derived from sources, which we consider to be reasonable and appropriate. It may also include our views and expectations, which cannot be taken as fact. The forecast of future performance is not a reliable guide to actual future results.

### GENERAL INFORMATION

**Value of Fund as at 30th June 2018**  
£18.09m

**Dealing Price as at 30th June 2018**  
£1.5080

**Estimated Yield**  
2.58%

**Gross Redemption Yield as at 30th June 2018**  
2.74%

**Average Bond Maturity  
Fund Duration/Benchmark**  
8.17 years / 8.16 years

**Distribution Dates**  
22nd February, May, August & November

**Ex Dividend Dates**  
1st January, April, July & October

**Minimum Initial Investment**  
£5,000 or currency equivalent

**Minimum Subsequent Investment**  
£1,000 or currency equivalent

**Minimum Regular Savings Investment**  
£100 per month

**Initial Charge**  
4% to 27/04/18. 2% from 30/04/18

**Annual Management Charge**  
0.875%

**Total Holdings**  
131

**Sedol/ISIN**  
3072619/GB0030726193

### CONTACT DETAILS

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