



STERLING BOND FUND

April 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

	31/03/17 to 31/03/18 (%)	31/03/16 to 31/03/17 (%)	31/03/15 to 31/03/16 (%)	31/03/14 to 31/03/15 (%)	31/03/13 to 31/03/14 (%)
Sterling (£)	0.76	9.78	-0.91	11.87	0.71

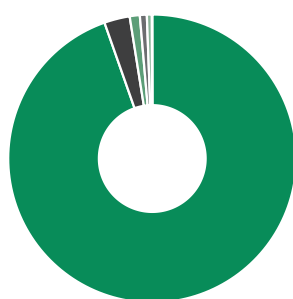
The figures show the performance growth over 5 years as discrete 12 month periods, on a mid price basis with gross income reinvested. All charges and fees, except any initial charge, have been included in the performance figures. Source: FE.

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	94.62
Government bonds	2.87
Public authorities	1.13
Supranational bonds	0.78
Overseas borrowers	0.56
Cash	0.04

LARGEST INVESTMENTS (%)

Lloyds Bank Plc 7.625% 2025	2.66
Treasury 3.75% 2019	2.59
Electricite de France 6.78% 2022	1.69
Heathrow Funding Ltd 6.45% 2031	1.53
E.ON International Finance 6.375% 2032	1.52
Meadowhall Finance 4.988% 2037	1.49
NIE Finance PLC 6.375% 2026	1.43
HSBC 6.5% 2024	1.36
Aspire Defence Finance PLC 4.674% 2040	1.30
Trafford Centre Finance 6.5% 2033	1.29

MARKET OVERVIEW

The first quarter of 2018 was a difficult one for corporate bonds. While sterling investment grade credit outperformed UK government bonds in January, the return generated by a tightening of credit spreads over gilts was offset by yield moves with UK government bond yields moving higher. Thereafter, volatility returned to risk markets, with yield spreads widening in both February and March.

The main drivers were an escalation in fears of a trade war between the world's two largest economies, China and the US, along with rising inflation and some softer economic data globally.

Spreads in sterling are now back to levels last seen in March 2017, while Euro and US markets have also experienced significant repricing.

The Fund modestly underperformed its index benchmark, helped by a short duration position but hindered by long exposure to lower quality credit.

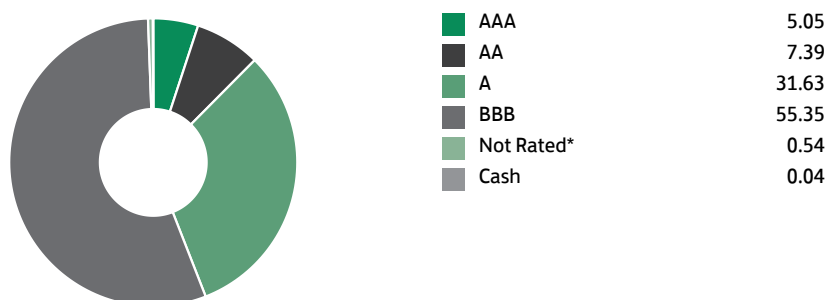
Bonds issued by banks and insurers underperformed the market as a whole and detracted from returns. HSBC and Citigroup were amongst the underperformers.

An allocation to AAA floating rate securitisations benefited performance for the Fund in an environment of rising yields.

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BOND RATINGS (%)



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 relative to its index benchmark, despite having taken profits and reduced risk late in the fourth quarter of 2017.

Bonds issued by financial institutions remain favoured and continue to offer relatively attractive yields relative to similar rated corporates.

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 31st March 2018
£18.43m

Dealing Price as at 31st March 2018
£1.5280

Estimated Yield
2.75%

Gross Redemption Yield as at 31st March 2018
2.68%

**Average Bond Maturity
Fund Duration/Benchmark**
8.58 years / 8.32 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
£500 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
133

Sedol/ISIN
3072619/GB0030726193

CONTACT DETAILS

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Collective investment funds are generally medium to long-term investments. They are traded at the dealing prices and may engage in borrowing and stocklending. Details of any commissions payable and copies of the Prospectus are available free of charge upon request from the Manager.