

**SMP Sterling Roll-Up Fund PLC**

**Unaudited Interim Financial Statements**

**for the six-month period ended 29 February 2020**

# SMP Sterling Roll-Up Fund PLC

*Unaudited Interim Financial Statements for the six-month period ended 29 February 2020*

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# **SMP Sterling Roll-Up Fund PLC**

*Unaudited Interim Financial Statements for the six-month period ended 29 February 2020*

## **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

### **Manager and Registrar**

SMP Fund Services 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

# SMP Sterling Roll-Up Fund PLC

*Unaudited Interim Financial Statements for the six-month period ended 29 February 2020*

## Manager's Report

### Introduction

As detailed in the previous section entitled 'General Information', SMP Sterling Roll-Up Fund PLC (the "Fund") is managed by SMP Fund Services 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") and includes the portfolio statement as part of the Manager's report. 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 29 February 2020 (together with the Unaudited Abbreviated Interim Report for the six-month period ended 29 February 2020 that has been sent to all registered shareholders) may be viewed on our website - [www.smppartners.com](http://www.smppartners.com) and are 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@smppartners.com](mailto:fund.services@smppartners.com).

### Investment objective, policy and strategy

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

### Investment Manager's overview for the six-month period ended 29 February 2020

#### Market review

The six months under review have been volatile in financial markets. Economic data, trade wars, Brexit and political uncertainty were all contributory factors, but the scale of the coronavirus pandemic – and its implications for the global economy – has been the primary influence on markets.

While bond yields rose in many government markets in the final months of 2019, corporate bond markets performed well as risk appetite remained strong. In investment grade markets, spreads were materially tighter with the US and sterling markets leading the way. High yield and emerging markets were also strong. European high yield indices were approximately 60 basis points (bps) tighter, leading to some good returns. This more positive environment for risk assets came about as global economic data appeared to be picking up modestly and a 'phase one' trade deal between the US and China was agreed. Global central banks also appear to be prepared to maintain – or even extend – their accommodative stances going forward, thus providing further confidence.

The New Year started optimistically. China and the US would sign a 'phase-one' initial trade agreement in the middle of the month; the UK general election in mid-December settled the endless debates about Brexit; and economic data from Europe was generally better than expected. Credit spreads focused on the positive economic news, causing them to tighten however, after 20 January the mood changed dramatically. The number of cases of the China coronavirus outbreak started to increase by around 30% per day, causing markets to consider the potential impact on global growth. The oil price fell by just under 12% from this date to month end, reflecting concerns about lower demand from China. Government bond yields reacted by moving sharply lower. Due to the large moves in government bonds, total returns for sterling credit were healthy.

# SMP Sterling Roll-Up Fund PLC

Unaudited Interim Financial Statements for the six-month period ended 29 February 2020

## Manager's Report (continued)

### Investment Manager's overview for the year ended 29 February 2020 (continued)

#### Market review (continued)

In February, the coronavirus spread from being a Far East problem to being a pandemic and present in at least 50 countries, equity markets experienced their fastest correction in history. In the last week in February, the markets started to take the view that the impact on the global economy would be substantial and should lead to a response from central banks, with liquidity injections and rate cuts, and fiscal stimulus from governments. The move in yields was eye-catching; the UK 10-year benchmark gilt fell 0.08% in yield terms, ending the month at 0.44%. The US 10-year government benchmark fell 0.35 percentage points to end at 1.15%. The increase in equity market volatility and falling bond yields has had an impact. Sterling credit spreads widened from 26 February to end the month 15 basis points (bp) wider at 145bp. This left the market in negative total return territory, even after the aforementioned large moves in yields. The higher beta sections of the market such as banks and insurance led the way. They were matched by industrials, which were affected particularly through the airport sector.

#### Performance and activity of the Fund

The Fund slightly underperformed the sterling non-government credit market in September. Performance from security selection lacked broad themes; EDF bonds were weak across the curve following reports that Hinckley Point costs would swell by up to £2 billion. Elsewhere, there was some profit-taking in bonds from DS Smith following strong performance in August. More positively, housing associations such as Peabody and London and Quadrant, provided a little more comfort, again retracing weaker moves from previous months.

Performance was strong in the final three months of 2019. While an overweight exposure to falling yields cost performance in October as yields rose, this was more than offset by the Fund's overweight to credit market movements. Annington Finance, Tesco Property and Well Tower were notable outperformers. Against that, there was underperformance from gilt positions. In November, we reduced the Fund's exposure to M&G and Barclays as part of a general reduction in financial bonds. Most outperformance relative to benchmark came from the Fund's overweight position in credit risk – notably, insurance bonds. Asset allocation among sectors was also beneficial, and an underweight stance in government-related bonds helped. We added a position in AbInBev, a global brewing group, and participated in new Issues from National Express and Fidelity National Information. Most of December's outperformance came from an overweight position in credit risk. In particular, UK bank and insurance names rallied strongly after the UK general election result.

In January, the Fund benefited from its holdings in UK real estate, utilities and UK banks. With the growth of the number of cases of coronavirus, we sold a number of positions that could be exposed. These included Intercontinental Hotels; around 8% of its revenue is derived from the Chinese market, and GM; the company could struggle to sort out supply chain difficulties caused by factory shutdowns in China. We reduced exposure to Heathrow for similar reasons. In February, we sold some of our HSBC exposure, owing to political unrest in Hong Kong and mounting concerns about the coronavirus. We participated in a new issue from First Abu Dhabi Bank at attractive levels for a highly-rated, sovereign-backed bank.

#### Outlook\*

After a very sluggish end to 2019, when the economy looked set to have flat-lined at best, there is growing evidence that the economy has returned to reasonable growth in 2020. Sentiment surveys have bounced back sharply following the election result, with the composite purchasing managers' index now at a 16-month high consistent with growth of around 0.3% quarter-on-quarter. However, we are sceptical that the recovery in these surveys represents a profound turning point for the economy. Throughout 2019, surveys consistently overstated the degree of weakness in the underlying activity data suggesting that these are extremely sensitive to swings in headline noises. It is hard to have much conviction on an outlook from here, especially with many companies revising their own forecasts for 2020 in the wake of the spread of the coronavirus. However, it is worth noting that the February moves take the index level back to late October 2019 levels – not a point in time when we thought the market looked cheap. With this in mind, we are inclined to remain with our lower risk positioning achieved over the last few months, waiting for an entry level that reflects the stress the global economy is likely to go through in the first half of 2020.

*\*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.*

# SMP Sterling Roll-Up Fund PLC

Unaudited Interim Financial Statements for the six-month period ended 29 February 2020

## Manager's Report (continued)

### Shareholders' liability

The shareholders are only liable for the debts of the Fund to the extent of their investment.

### Shares in issue

The total number of participating redeemable preference shares in issue at the beginning and at the end of the period under review were:

31 August 2019	4,325,991
29 February 2020	4,062,753

### Value per share

The mid-market value per share at the beginning and the end of the period under review was:

31 August 2019	433.91p
29 February 2020	440.20p

### Portfolio statement

Portfolio details are shown on pages 9 to 12.

**R K Corkill**

**Director**

**SMP Fund Services Limited**

**22 April 2020**

# SMP Sterling Roll-Up Fund PLC

Unaudited Interim Financial Statements for the six-month period ended 29 February 2020

## Comparative Table

	2020*	2019	2018
	p	p	p
<b>Change in net asset value per share</b>			
Opening net asset value per share	433.91	398.76	404.71
Return before operating charges**	8.71	39.21	(1.69)
Operating charges	(2.42)	(4.06)	(4.26)
Return after operating charges**	6.29	35.15	(5.95)
Distributions on preference shares	-	-	-
<b>Closing net asset value per share</b>	<b>440.20</b>	<b>433.91</b>	<b>398.76</b>

\*For the six-month period ended 29 February 2020

\*\*after direct transaction costs of

0.02	0.03	0.08
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## Performance

Return after charges	1.45%	8.81%	(1.47)%
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## Other information

Closing net asset value	£ 17,884,366	£ 18,770,742	£ 19,400,964
Closing number of shares	4,062,753	4,325,991	4,865,357
Operating charges	0.55%	0.98%	1.06%
Direct transaction costs	0.004%	0.008%	0.021%

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
01.09.2015 to 31.08.2016	431.57	349.41	51.35
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 29.02.2020	442.98	426.01	6.01

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

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

	OCF* %
31 August 2017	0.96%
31 August 2018	1.06%
31 August 2019	0.98%
29 February 2020**	0.55%

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

\*\*Charges in the six-month period ended 29 February 2020, annualised.

# SMP Sterling Roll-Up Fund PLC

Unaudited Interim Financial Statements for the six-month period ended 29 February 2020

## Comparative Table (Continued)

	% of Fund's property 29.02.2020	% of Fund's property 31.08.2019
<b>Details of investments</b>		
Government bonds	2.18	1.91
Corporate bonds	97.31	96.15
Bank balances	0.51	1.94
	100.00	100.00

## Top five holdings

Asset description	% of Fund's property 29.02.2020	Asset description	% of Fund's property 31.08.2019
Transport for London 2.125% 24/04/2025	3.00	Transport for London 2.125% 24/04/2025	2.86
United Kingdom Gilt 4.5% 12/07/2042	2.18	Electricite de France SA 6.25% 30/05/2028	1.86
Electricite de France SA 6.25% 30/05/2028	1.92	HSBC Holdings Plc 2.256% 13/11/2026	1.58
SNCF Reseau 4.83% 25/03/2060	1.42	European Investment Bank 5.375% 07/06/2021	1.45
Equity Release Funding No 3 PLC 5.05% 26/04/2033	1.37	SNCF Reseau 4.83% 25/03/2060	1.34



# SMP Sterling Roll-Up Fund PLC

Unaudited Interim Financial Statements for the six-month period ended 29 February 2020

## Portfolio Statement

	Quantity 29.02.2020	Valuation £	% of Fund's property
<b>Government Bonds</b>			
United Kingdom Gilt 4.5% 12/07/2042	221,000	385,253	2.18%
<b>Total Government Bonds</b>		<b>385,253</b>	<b>2.18%</b>
		(As at 31.08.2019: 1.91%)	

## Corporate Bonds

Abertis Infraestructuras 3.375% 27/11/2026	100,000	106,696	0.60%
ABN AMRO Bank NV 1.375% 07/06/2022	100,000	101,093	0.57%
America Movil SAB de CV 4.375% 07/08/2041	121,000	164,042	0.93%
America Movil SAB de CV 6.375% 06/09/2073	100,000	102,359	0.58%
Anheuser-Busch InBev SA/ 2.25% 24/05/2029	50,000	52,146	0.30%
Anheuser-Busch InBev SA/NV 2.85% 25/05/2037	62,000	67,264	0.38%
Annington Funding PLC 3.935% 12/07/2047	100,000	123,804	0.70%
Apple Inc. 3.05% 31/07/2029	100,000	116,743	0.66%
AROUNDTOWN SA 3.25% 18/07/2027	100,000	108,838	0.62%
Aspire Defence Finance PLC 4.674% 31/03/2040	180,000	219,332	1.24%
AT&T Inc 7% 30/04/2040	50,000	79,155	0.45%
Aviva PLC 4.375% 12/09/2049	115,000	124,325	0.70%
Aviva PLC 6.125% Perp	110,000	119,800	0.68%
AXA SA 5.453% Perp	100,000	113,573	0.64%
AXA SA 6.686% Perp	100,000	120,592	0.68%
Bank of America Corp 2.3% 25/07/2025	100,000	104,531	0.59%
Bank of America Corp 7% 31/07/2028	100,000	141,551	0.80%
Barclays Bank UK PLC 4.25% 12/01/2022	150,000	159,787	0.91%
Barclays PLC 2.375% 06/10/2023	100,000	101,824	0.58%
Barclays PLC 3% 08/05/2026	107,000	112,528	0.64%
Barclays PLC 3.125% 17/01/2024	100,000	105,153	0.60%
BAT International Finance PLC 4% 04/09/2026	100,000	111,899	0.63%
BAT International Finance PLC 7.25% 12/03/2024	53,000	64,826	0.37%
Berkshire Hathaway FIN 2.375% 19/06/2039	100,000	109,756	0.62%
BG Energy Capital PLC 5% 04/11/2036	110,000	161,413	0.91%
BHP Billiton Finance LTD 6.5% 22/10/2077	100,000	112,335	0.64%
BP Capital Markets PLC 2.274% 03/07/2026	102,000	108,510	0.61%
British Land Co PLC/The 2.375% 14/09/2029	100,000	104,968	0.59%
BRITISH TELECOMMUNICATION 6.375% 23/06/2037	50,000	74,961	0.42%
BUPA Finance PLC 2% 05/04/2024	100,000	103,929	0.59%
Catalyst Housing Ltd 3.125% 31/10/2047	100,000	120,924	0.69%
CENTRICA PLC 7% 19/09/2033	50,000	76,736	0.43%
Channel Link Enterprises Finance PLC 3.043% 30/06/2050	100,000	107,434	0.61%
Cie de Saint-Gobain 5.625% 15/11/2024	100,000	120,473	0.68%
Circle Anglia Social Housing PLC 7.25% 12/11/2038	50,000	93,061	0.53%
Citigroup Inc 1.75% 23/10/2026	100,000	100,839	0.57%
Citigroup Inc 7.375% 01/09/2039	90,000	164,095	0.93%
Commonwealth Bank of Australia 1.125% 22/12/2021	120,000	120,887	0.68%
Connect Plus Issuer 2.607% 31/03/2039	100,000	110,995	0.63%
Cooperatieve Rabobank UA 4.625% 23/05/2029	140,000	169,929	0.96%
CPUK FINANCE LTD 3.69% 28/08/2028	100,000	110,619	0.63%
Credit Agricole SA 1.25% 02/10/2024	100,000	99,969	0.57%
Credit Suisse Group AG 2.125% 12/09/2025	100,000	102,109	0.58%

# SMP Sterling Roll-Up Fund PLC

Unaudited Interim Financial Statements for the six-month period ended 29 February 2020

## Portfolio Statement (continued)

	Quantity 29.02.2020	Valuation £	% of Fund's property
<b>Corporate Bonds (continued)</b>			
Deutsche Bahn Finance GMBH 3.125% 24/07/2026	150,000	169,816	0.96%
Deutsche Bank 2.625% 16/12/2024	100,000	101,702	0.58%
Digital Stout Holding LLC 3.75% 17/10/2030	128,000	146,760	0.83%
DS Smith PLC 2.875% 26/07/2029	100,000	105,751	0.60%
E.ON International Finance BV 5.875% 30/10/2037	50,000	75,753	0.43%
E.ON International Finance BV 6.375% 07/06/2032	50,000	73,529	0.42%
Eastern Power Networks PLC 6.25% 12/11/2036	90,000	144,256	0.82%
Electricite de France SA 5.125% 22/09/2050	50,000	76,251	0.43%
Electricite de France SA 5.5% 17/10/2041	100,000	149,563	0.85%
Electricite de France SA 5.875% 18/07/2031	120,000	168,934	0.96%
Electricite de France SA 6.125% 02/06/2034	100,000	148,429	0.84%
Electricite de France SA 6.25% 30/05/2028	250,000	339,222	1.92%
Enel Finance International NV 5.75% 14/09/2040	50,000	73,924	0.42%
Enel SpA 5.75% 22/06/2037	50,000	72,338	0.41%
Equity Release Funding No 3 PLC 5.05% 26/04/2033	190,000	242,565	1.37%
European Investment Bank 4.625% 12/10/2054	100,000	201,153	1.14%
European Investment Bank 5.375% 07/06/2021	166,000	175,960	1.00%
Fidelity National Information Services Inc 3.36% 21/05/2031	100,000	113,529	0.64%
First Abu Dhabi Bank PJS 1.375% 19/02/2023	100,000	100,473	0.57%
Firstgroup PLC 8.75% 08/04/2021	100,000	107,549	0.61%
Gatwick Funding Ltd 2.625% 07/10/2046	100,000	99,422	0.56%
GlaxoSmithKline Capital PLC 5.25% 10/04/2042	60,000	94,462	0.54%
Great Rolling Stock Co Ltd/The 6.5% 05/04/2031	100,000	109,797	0.62%
Hammerson PLC 7.25% 21/04/2028	50,000	65,769	0.37%
HBOS Sterling Finance Jersey 7.881% Perp	50,000	79,228	0.45%
Heathrow Funding Ltd 6.45% 10/12/2031	70,000	103,374	0.59%
HSBC Bank Capital Funding Sterling 1 LP 5.844%	100,000	139,261	0.79%
HSBC Bank PLC 5.375% 22/08/2033	79,000	104,649	0.59%
HSBC Holdings PLC 2.256% 13/11/2026	100,000	102,158	0.58%
Hutchison Whampoa Finance UK PLC 5.625% 24/11/2026	100,000	126,698	0.72%
innogy Finance BV 6.125% 06/07/2039	100,000	159,505	0.90%
Kraft Heinz Foods Company 4.125% 01/07/2027	155,000	169,308	0.96%
Lloyds Bank PLC 7.625% 22/04/2025	100,000	128,026	0.73%
London & Quadrant Housing Trust Ltd 3.75% 27/10/2049	100,000	130,656	0.74%
M&G PLC 5.625% 20/10/2051	100,000	114,530	0.65%
McDonald's Corp 4.125% 11/06/2054	100,000	141,003	0.80%
Meadowhall Finance 4.986% 01/12/2032	150,000	130,692	0.74%
MetLife Inc 5.375% 09/12/2024	200,000	240,234	1.36%
MORHOMES PLC 3.4% 19/02/2038	100,000	113,749	0.64%
National Grid Electricity Transmissions 1.375% 16/09/2026	200,000	202,512	1.15%
Nationwide Building Society 5.625% 28/01/2026	160,000	204,969	1.16%
New York Life Global Funding 1.625% 15/12/23	100,000	102,536	0.58%
NIE Finance PLC 6.375% 02/06/2026	130,000	168,308	0.95%
Northern Gas Networks Finance PLC 4.875% 15/11/2035	50,000	70,759	0.40%
Northumbrian Water Finance PLC 2.375% 05/10/2027	103,000	109,712	0.62%
Offa No 1 PLC 1.855% 14/06/2050	100,000	51,222	0.29%
Orbit Capital PLC 3.5% 24/03/2045	100,000	123,856	0.70%
ORSTED A/S 5.75% 09/04/2040	50,000	80,085	0.45%

# SMP Sterling Roll-Up Fund PLC

Unaudited Interim Financial Statements for the six-month period ended 29 February 2020

## Portfolio Statement (continued)

	Quantity 29.02.2020	Valuation £	% of Fund's property
<b>Corporate Bonds (continued)</b>			
Peabody Capital No 2 Plc 4.625% 12/12/2053	100,000	159,227	0.90%
Phoenix Group Holdings 4.125% 20/07/2022	100,000	105,261	0.60%
Precise Mortgage Funding 2018-2B PLC 1.286% 12/03/2055	100,000	69,164	0.39%
Premiertel PLC 6.175% 08/05/2032	60,000	64,546	0.37%
QBE Insurance Group Ltd 6.115% 24/05/2042	112,000	122,340	0.69%
Quadgas Finance PLC 3.375% 17/09/2029	100,000	108,504	0.61%
RMPA Services PLC 5.337% 30/09/2038	100,000	102,011	0.58%
Royal Bank of Scotland Group PLC 2.875% 19/09/2026	100,000	104,615	0.59%
Royal Bank of Scotland Group PLC 3.125% 28/03/2027	100,000	106,310	0.60%
Royal Bank of Scotland PLC/The 7.5% 29/04/2024	98,000	120,140	0.68%
RSA Insurance Group PLC 5.125% 10/10/2045	100,000	113,512	0.64%
Scania CV AB 1.875% 28/06/2022	100,000	100,864	0.57%
Scentre Group Trust 1 / Scentre Group Trust 2.375% 08/04/2022	150,000	153,739	0.87%
Severn Trent Utilities Finance PLC 2.75% 05/12/2031	100,000	113,018	0.64%
SGSPAA AUSTRALIA ASSETS 5.125% 11/02/2021	100,000	103,634	0.59%
SNCF RESEAU 4.83% 25/03/2060	130,000	250,097	1.42%
Societe Generale 1.875% 10/03/24	100,000	101,566	0.58%
Society of Lloyd's 4.875% 07/02/2047	100,000	110,668	0.63%
Southern Gas Networks PLC 6.375% 15/05/2040	74,000	126,806	0.72%
SSE PLC 3.875%	100,000	100,952	0.57%
Stagecoach Group PLC 4% 29/09/2025	100,000	108,121	0.61%
Svenska Handelsbanken AB 1.625% 18/06/2022	205,000	208,128	1.18%
Swedbank AB 1.25% 29/12/2021	100,000	100,431	0.57%
Telereal Securitisation PLC 4.09% 10/12/2033	100,000	103,187	0.58%
Tesco Property Finance 3 PLC 5.744% 13/04/2040	50,000	64,324	0.36%
Thames Water Utilities Finance Ltd 5.125% 28/09/2037	80,000	112,685	0.64%
THFC Funding No 2 PLC 6.35% 08/07/2039	80,000	135,264	0.77%
Time Warner Cable LLC 5.75% 02/06/2031	60,000	75,121	0.43%
Total Capital International SA 1.25% 16/12/2024	95,000	96,355	0.55%
Total Capital International SA 1.405% 03/09/2031	100,000	99,743	0.57%
Transport for London 2.125% 24/04/2025	500,000	530,270	3.00%
Tritax Big Box REIT PLC 2.625% 14/12/2026	140,000	147,525	0.84%
Uni of Southampton 2.25% 11/04/2057	100,000	114,991	0.65%
Unite Group 3.5% 15/10/2028	100,000	111,672	0.63%
UPP Bond 1 Issuer plc 4.902% 28/02/2040	100,000	120,500	0.68%
Verizon Communications 3.375% 27/10/2036	100,000	116,952	0.66%
Verizon Communications Inc 1.875% 19/09/2030	100,000	100,736	0.57%
Vicinity Centres Trust 3.375% 07/04/2026	100,000	109,048	0.62%
Virgin Money UK PLC 4% 03/09/2027	100,000	107,385	0.61%
VMUKLN PLC 3.375% 24/04/2026	100,000	103,519	0.59%
Volkswagen Financial Services NV 2.25% 12/04/2025	70,000	71,819	0.41%
Welltower Inc 4.8% 20/11/2028	100,000	121,636	0.69%
Western Power Distribution PLC 3.625% 06/11/2023	100,000	107,099	0.61%
Western Power Distribution South Wales PLC 9.25% 09/11/2020	137,000	144,555	0.82%
Western Power Distribution South West PLC 5.75% 23/03/2040	100,000	158,137	0.90%
Westfield Stratford No 2 1.642% 04/08/2026	100,000	103,482	0.59%

## SMP Sterling Roll-Up Fund PLC

Unaudited Interim Financial Statements for the six-month period ended 29 February 2020

### Portfolio Statement (continued)

	Quantity 29.02.2020	Valuation £	% of Fund's property
<b>Corporate Bonds (continued)</b>			
Westpac Banking Corp 1% 30/06/2022	100,000	100,373	0.57%
Westpac Banking Corp 2.625% 14/12/2022	100,000	104,550	0.59%
Yorkshire Building Society 3.5% 21/04/2026	100,000	111,465	0.63%
<b>Total Corporate Bonds</b>		<b>17,175,787</b>	<b>97.31%</b>
			(As at 31.08.2019: 96.15%)
<b>Total Bonds</b>		<b>17,561,040</b>	<b>99.49%</b>
<b>Bank Balances</b>		<b>90,536</b>	<b>0.51%</b>
			(As at 31.08.2019: 1.94%)
		<b>17,651,576</b>	<b>100.00%</b>

The total purchases for the six-month ended 29 February 2020 were £3,842,932 (year ended 31 August 2019: £8,947,979) and the total sale proceeds were £4,576,759 (year ended 31 August 2019: £10,101,594).

# SMP Sterling Roll-Up Fund PLC

Unaudited Interim Financial Statements for the six-month period ended 29 February 2020

## Statement of Total Return

	01.09.2019 to 29.02.2020		01.09.2018 to 28.02.2019	
	£	£	£	£
<b>Income</b>				
Net capital gains/(losses)		47,404		(148,604)
Revenue	306,186		349,079	
Expenses	<u>(101,578)</u>		<u>(82,834)</u>	
Net revenue before taxation	204,608		266,245	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>204,608</u>		<u>266,245</u>
<b>Total return before distributions</b>		252,012		117,641
Finance costs: Distributions		<u>-</u>		<u>-</u>
<b>Change in net assets attributable to holders of participating redeemable preference shares from investment activities</b>		<u><b>252,012</b></u>		<u><b>117,641</b></u>

## Statement of Change in Net Assets attributable to Holders of Participating Redeemable Preference Shares

	01.09.2019 to 29.02.2020		01.09.2018 to 28.02.2019	
	£	£	£	£
Opening net assets attributable to holders of participating redeemable preference shares		18,770,742		19,400,964
Amounts receivable on issue of shares	67,756		232,295	
Amounts payable on cancellation of shares	<u>(1,206,144)</u>		<u>(1,070,122)</u>	
Change in net assets attributable to holders of participating redeemable preference shares from investment activities		<u>252,012</u>		<u>117,641</u>
<b>Closing net assets attributable to holders of participating redeemable preference shares</b>		<u><b>17,884,366</b></u>		<u><b>18,680,778</b></u>

Comparative information is provided for the Statement of change in net assets attributable to holders of participating redeemable shares. Since this information is for the prior interim period, the net assets as at the end of that period do not correspond to the net assets at the start of the current period.

The notes on pages 15 form part of these Unaudited Interim Financial Statements.

# SMP Sterling Roll-Up Fund PLC

Unaudited Interim Financial Statements for the six-month period ended 29 February 2020

## Balance Sheet

	As at 29.02.2020		As at 31.08.2019	
	£	£	£	£
<b>Assets</b>				
<b>Current assets</b>				
<b>Investment assets</b>		17,561,040		18,257,822
Debtors	325,939		338,463	
Cash and bank balances	<u>90,536</u>		<u>362,037</u>	
<b>Total other assets</b>		416,475		700,500
<b>Total assets</b>		<u>17,977,515</u>		<u>18,958,322</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Management shares	10		10	
Nominal shares	<u>47,402</u>		<u>47,138</u>	
<b>Total equity</b>		47,412		47,148
<b>Liabilities</b>				
Creditors	<u>45,737</u>		<u>140,432</u>	
<b>Total other liabilities</b>		45,737		140,432
<b>Total equity and other liabilities</b>		<u>93,149</u>		<u>187,580</u>
<b>Net assets attributable to holders of participating redeemable preference shares</b>		<u>17,884,366</u>		<u>18,770,742</u>

The Unaudited Interim Financial Statements for the six-month period ended 29 February 2020 were approved and authorised for issue on behalf of the Board of Directors by the Manager:

The notes on pages 15 form part of these Unaudited Interim Financial Statements.

**R K Corkill**  
Director

**D F Hudson**  
Director

**SMP Fund Services Limited**  
22 April 2020

# SMP Sterling Roll-Up Fund PLC

*Unaudited Interim Financial Statements for the six-month period ended 29 February 2020*

## Notes to the Financial Statements

### 1. Accounting policies

- a The Unaudited Interim Financial Statements for the six-month period ended 29 February 2020 have been prepared on the same basis as the audited financial statements for the year ended 31 August 2019. They have been prepared on a going concern basis, under the historic cost convention, as modified by the recognition of certain financial assets at fair value and in accordance with UK accounting standards, the Authorised Collective Investment Schemes Regulations 2010, and comply with the requirement of the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014 (the "SORP").
- b The Fund has, in accordance with the SORP and FRS 102 section 7.1 A (c), exercised its right of exemption from preparing a cash flow statement.

### 2. Director's interest

No Director had an interest, beneficial or non-beneficial, in the issued share capital of the Fund as at 29 February 2020 or during the period.

### 3. Related party disclosure

The Manager holds the Management and Nominal shares in the Fund. At the balance sheet date, £10 was owed by the Manager to the Fund in respect of the Management shares and £47,402 was owed from the Manager to the Fund in respect of Nominal shares issued in the Fund (31 August 2019: £10 and £47,138 respectively).

Fees payable to the Manager and Registrar for the six-month period ended 29 February 2020 totalled £63,351 (six-month period ended 28 February 2019: £68,616).