



STERLING BOND FUND

April 2017 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

	31/03/16 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 (%)	31/03/12 to 31/03/13 (%)
Sterling (£)	9.78	-0.91	11.87	0.71	14.04

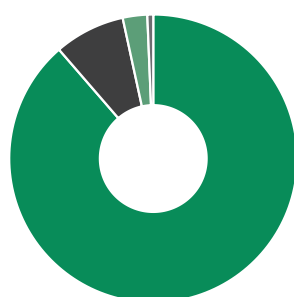
The figures show the performance growth over 5 years as discrete 12 month periods, on a mid price basis with gross income reinvested. All charges and fees, except any initial charge, have been included in the performance figures. Source: FE.

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	88.65
Government bonds	7.94
Cash	2.75
Public authorities	0.66

LARGEST INVESTMENTS (%)

Treasury 6% 2028	3.33
Lloyds Bank Plc 7.625% 2025	2.32
E.ON International Finance 6.375% 2032	1.85
Treasury 4.25% 2049	1.46
Heathrow Funding Ltd 6.45% 2033	1.39
Meadowhall Finance 4.988% 2037	1.37
Centrica plc 6.375% 2022	1.32
NIE Finance PLC 6.375% 2026	1.29
Electricite de France 6.125% 2034	1.27
HSBC 6.5% 2024	1.23

MARKET OVERVIEW

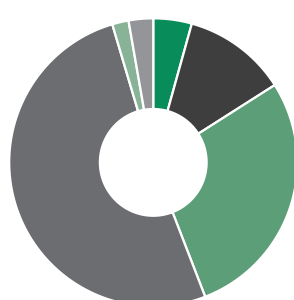
Corporate bonds delivered positive returns in the first quarter of 2017. While central banks continued to buy bonds, the main support for the asset class came from institutional investors, and demand was sufficiently robust to soak up new issuance.

Within the investment grade credit market, financials, and bonds issued by insurers in particular, were the strongest performers. Towards the end of the review period, the euro denominated market in particular rallied strongly. This was largely attributable to improving economic data and the defeat of Geert Wilders in the Dutch election.

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BOND RATINGS (%)



AAA	4.32
AA	11.66
A	28.15
BBB	51.28
Not Rated*	1.84
Cash	2.75

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 Sterling Bond Fund continues to hold a long position in credit, as yield spreads over government bonds continue to offer some value.

Duration is below benchmark levels reflecting an increasing risk that the inflation currently caused by the fall in sterling translates into more of a structural long term problem that will need a monetary response.

Having reduced the amount of credit exposure over the last quarter, the Fund is now only modestly overweight credit risk versus its benchmark.

The Fund remains overweight financials, a position that will continue for now with rising yields helping bank and insurance profitability. Also we currently favour industries, such as financials, that are heavily regulated reducing the scope of management to take aggressive actions such as leveraged merger and acquisition ("M&A") activity.

We have built up the amount of risk in the utility section of the portfolio, preferring regulated balance sheets in an increasingly high risk environment for M&A in other sectors such as telecoms.

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 2017
£21.47m

Dealing Price as at 31st March 2017
£1.5610

Estimated Yield
2.98%

Gross Redemption Yield as at 31st March 2017
2.47%

**Average Bond Maturity
Fund Duration/Benchmark**
8.42 years / 8.4 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%

Annual Management Charge
0.875%

Total Holdings
130

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.