



# EURO HIGH INCOME FUND

## July 2018 Factsheet

### FUND OBJECTIVE

The aim of the Fund is to maintain a high income, through investment in a spread of fixed interest securities denominated predominantly in euro.

### 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 (%)
Euro (€)	-0.70	0.65	4.63	0.30	7.36

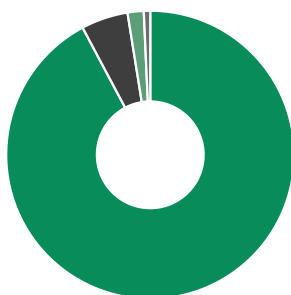
The figures show the performance growth over 5 years as discrete 12 month periods, on a mid price basis with gross income reinvested. All charges and fees, except any initial charge, have been included in the performance figures. Source: FE.

Sector is Lipper UK Offshore - Fixed Interest Euro.

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	92.22
Public authorities	5.25
Government bonds	1.81
Cash	0.72

### LARGEST INVESTMENTS (%)

KFW Banking Group 4.625% 2023	5.25
Cooperative Rabobank 4.75% 2022	2.68
Orange SA 8.125% 2033	2.29
BNP Paribas 4.5% 2023	2.25
Unibail-Rodamco SE 2% 2036	2.24
Deutsche Telekom International Finance 7.5% 2033	1.92
Total Capital 5.125% 2024	1.90
Credit Agricole SA 5.125% 2023	1.86
Allianz Finance 5.75% (F/R) 2041	1.71
Nordea Bank AB 3.25% 2022	1.70

### MARKET OVERVIEW

■ Credit spreads were wider over the quarter as European politics once again caused some concerns. So too, did increased fears of a material trade war between the US and its major trading partners.

Given that monetary policy is being gradually tightened in a number of jurisdictions, fear has undoubtedly returned and risk assets globally have been pricing in this new environment.

The Italian political situation was one of the main drivers of the volatility, with two populist parties attempting to form an effective coalition throughout the period. In this situation Italian domiciled corporate bonds underperformed materially and other areas of the European Union, such as Portugal and Spain, were weak in sympathy.

Sector wise both banks and insurers were among the weakest while safe haven sectors were stronger performers.

The Fund generated a negative return over the review period as spreads continued the widening seen towards the end of March. The Fund underperformed its benchmark due to a short duration position as bund yields fell.

Bonds issued by the Mexican national oil company Pemex were bought as well as Teva bonds, a high yield pharmaceutical company trading at cheap valuations in our view. General Electric bonds were sold, given the expectation of ongoing challenges at the company.

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### BOND RATINGS (%)



Rating	Percentage (%)
AAA	7.05
AA	2.48
A	31.51
BBB	50.26
BB	7.97
Not Rated*	0.01
Cash	0.72

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

Given a fairly benign economic environment, market levels appear attractive once again.

Further volatility or well-priced new issuance may provide an opportunity to add risk to funds.

Despite a small increase in oil production announced by OPEC during June the underlying commodity continued to rally and help bolster the energy sector. This part of the market still offers good value as spreads have not kept pace with the underlying fundamentals. Earnings are likely to remain strong and credit quality is good.

Credit spreads have now re-priced materially from the tight levels reached at the start of February. The Euro market is now some 40 basis points wider. This alone does not make the asset class attractive, but it does at least compensate for the political and economic environment.

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**  
€13.38m

**Dealing Price as at 30th June 2018**  
€1.5570

**Estimated Yield**  
3.03%

**Gross Redemption Yield as at 30th June 2018**  
1.58%

**Average Bond Maturity  
Fund Duration/Benchmark**  
5.62 years / 7.28 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**  
€200 per month

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

**Annual Management Charge**  
0.875%

**Total Holdings**  
94

**Sedol/ISIN**  
0871756/GB0008717562

### CONTACT DETAILS

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