



EURO HIGH INCOME FUND

April 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

	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 (%)
Euro (€)	1.09	1.64	-2.13	7.97	3.97

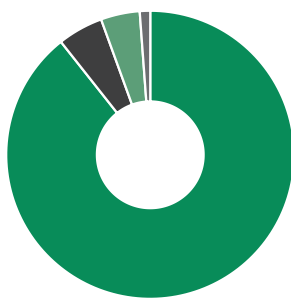
The figures show the performance growth over 5 years as discrete 12 month periods, on a mid price basis with gross income reinvested. All charges and fees, except any initial charge, have been included in the performance figures. Source: FE.

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	89.35
Public authorities	5.11
Cash	4.37
Government bonds	1.17

LARGEST INVESTMENTS (%)

KFW Banking Group 4.625% 2023	5.11
COCEN.RABOK.BA 4.75% 2022 REG.S	2.61
GE Capital European Funding Ltd 6.025% 2038	2.31
Orange SA 8.125% 2033	2.29
Unibail-Rodamco SE 2% 2036	2.22
BNP Paribas 4.5% 2023	2.20
Deutsche Telekom International Finance 7.5% 2033	1.90
Total Capital 5.125% 2024	1.86
Credit Agricole SA 5.125% 2023	1.82
Allianz Finance 5.75% (F/R) 2041	1.70

MARKET OVERVIEW

Credit markets were volatile over the first quarter of 2018, as strength in January was reversed in February and March. Spreads finished the quarter marginally wider.

In January spreads tightened significantly due to central bank buying, solid corporate earnings and Europe's economic renaissance.

February marked a reversal in sentiment, with investors pricing in the end of monetary stimulus. That said, the euro market performed better than its sterling and US dollar counterparts, with spreads widening only marginally.

March brought significant spread widening as economic data weakened and new corporate supply surged, creating a weak technical environment.

Having outperformed in previous months, subordinated insurance bonds underperformed in the sell-off owing to their greater market sensitivity.

Government bond yields were volatile as investors reacted to a more aggressive tone in European Central Bank guidance and subsequent weaker economic data.

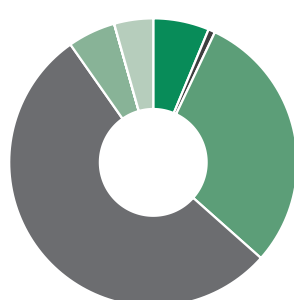
The Fund generated a negative return as yields rose and spreads widened. However, the Fund's return was ahead of benchmark, due largely to being short of interest rate risk in the early part of the quarter.

Hybrid bonds were bought from Telefonica, a company on an improving trend. Jaguar Land Rover bonds were sold, given that we now expect a return to investment grade to be further away. SES hybrid bonds were also sold, as we expect the satellite market to deteriorate.

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BOND RATINGS (%)



AAA	6.28
AA	0.76
A	29.52
BBB	53.69
BB	5.37
Not Rated*	0.01
Cash	4.37

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

Despite some recent softer economic data, growth remains robust and should provide support for risk assets if central banks manage their exit from policy accommodation in an orderly fashion.

The widening of spreads in February and March has created more value in certain areas. We continue to favour a long credit risk position but remain cautious as valuations are still high and the scope for higher volatility is material.

As central banks remove stimulus, we expect dispersion within markets to increase, meaning stock selection will be an increasingly important driver of returns.

Higher yields are expected as growth and inflation rises and central banks remove stimulus. However, we expect this to be gradual, given underlying structural dynamics, and potential volatility as political and economic events affect markets. On balance, we favour a shorter duration stance to protect capital.

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
€13.77m

Dealing Price as at 31st March 2018
€1.5860

Estimated Yield
3.04%

Gross Redemption Yield as at 31st March 2018
1.18%

**Average Bond Maturity
Fund Duration/Benchmark**
5.55 years / 7.24 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
88

Sedol/ISIN
0871756/GB0008717562

CONTACT DETAILS

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