



EURO HIGH INCOME FUND

July 2017 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

	30/06/16 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 (%)	30/06/12 to 30/06/13 (%)
Euro (€)	0.65	4.63	0.30	7.36	11.38

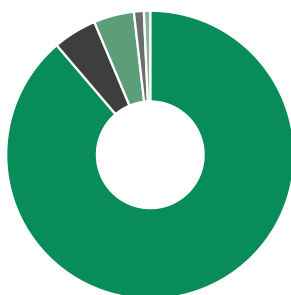
The figures show the performance growth over 5 years as discrete 12 month periods, on a mid price basis with gross income reinvested. All charges and fees, except any initial charge, have been included in the performance figures. Source: FE.

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	88.75
Public authorities	4.91
Cash	4.52
Government bonds	1.11
Overseas borrowers	0.71

LARGEST INVESTMENTS (%)

KFW Banking Group 4.625% 2023	4.91
Cooperative Rabobank 4.75% 2022	2.49
GE Capital European Funding 6.025% 2038	2.30
Orange SA 8.125% 2033	2.15
BNP Paribas 4.5% 2023	2.09
Unibail-Rodamco SE 2% 2036	2.07
Total Capital 5.125% 2024	1.77
Heathrow Funding Ltd 4.6% 2018	1.76
Deutsche Telekom International Finance 7.5% 2033	1.75
Credit Agricole SA 5.125% 2023	1.73

MARKET OVERVIEW

The second quarter of 2017 was generally positive for credit markets, with a tightening of credit spreads over government bonds. A fairly benign global macroeconomic environment has been supported by a strong earnings season.

Markets also drew comfort from the result of the French presidential election. Towards the end of June, policymakers hinted that easy monetary policy regimes may be coming to a close, driving underlying government bond yields higher. Bonds issued by banks and insurers were the best performing areas of the market.

High yield corporate bonds and emerging markets generated some positive returns also, although the latter asset class wobbled towards the end of June, influenced by rising US Treasury yields.

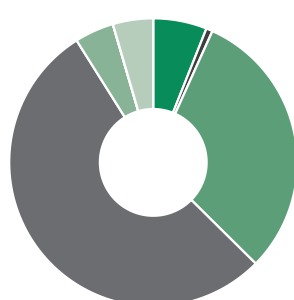
The Fund generated a slightly negative return as government bond yields rose sharply at the end of June. The German 10 year government yield rose 25 basis points in June alone. Credit spreads continued to tighten and, as a result of the long credit combined with a short duration position, the Fund generated a return significantly better than its index benchmark.

The main activity in the Fund was the purchase of a new issue from Volkswagen which offers very good value. Although this issuer has some challenges still we believe that its balance sheet strength is sufficient to avoid any further negative credit rating action. The Fund's exposure to bonds issued by banks and insurers were particularly beneficial over the period as these sectors were strong performers once again.

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BOND RATINGS (%)



Rating	Percentage (%)
AAA	6.02
AA	0.72
A	30.66
BBB	53.67
BB	4.40
Not Rated*	0.01
Cash	4.52

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 prospects for Eurozone Gross Domestic Product growth this year and beyond remain upbeat. Healthier global demand should continue to benefit exports over the rest of this year, though a stronger euro is likely to temper any further significant gains.

Meanwhile, business confidence and investment are likely to be supported by a perceived reduction in 'populism risks' following President Macron's election successes in France.

Relatively low and stable core inflation continues to ease pressures on the European Central Bank ("ECB") to adopt a faster path for policy normalisation, despite the improving economic outlook. We still expect the ECB to slow asset purchases around the turn of the year and to keep interest rates on hold at current levels until the end of 2019.

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 2017
€14.81m

Dealing Price as at 30th June 2017
€1.6170

Estimated Yield
2.92%

Gross Redemption Yield as at 30th June 2017
1.19%

**Average Bond Maturity
Fund Duration/Benchmark**
5.67 years / 7.21 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%

Annual Management Charge
0.875%

Total Holdings
90

Sedol/ISIN
0871756/GB0008717562

CONTACT DETAILS

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