



# UK FUND

## January 2018 Factsheet

### FUND OBJECTIVE

The aim of the Fund is to seek long term capital appreciation through investment in United Kingdom securities.

### INVESTMENT MANAGER

Aberdeen Asset Investments Limited.

### FUND PERFORMANCE

	31/12/16 to 31/12/17 (%)	31/12/15 to 31/12/16 (%)	31/12/14 to 31/12/15 (%)	31/12/13 to 31/12/14 (%)	31/12/12 to 31/12/13 (%)
Sterling (£)	9.76	14.39	-4.15	-7.61	20.77
Euro (€)	6.37	-1.99	0.10	-2.09	18.38
US dollar (\$)	20.34	-4.99	-9.94	-13.60	23.52

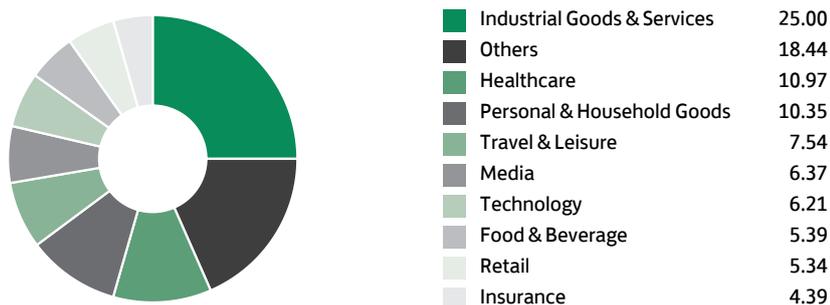
The figures show the performance growth over 5 years as discrete 12 month periods, on a mid price basis with gross income reinvested. All charges and fees, except any initial charge, have been included in the performance figures. Source: FE.

Sector is Lipper UK Equity.

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 (%)



### LARGEST INVESTMENTS (%)

Unilever	4.92
Prudential	4.39
British American Tobacco	4.37
Compass Group	3.83
Diageo	3.63
The Sage Group plc	3.15
Aveva Group plc	3.07
Croda International Plc	3.01
Experian Ltd	2.99
Rolls-Royce Holdings	2.79

### MARKET OVERVIEW

UK equities rose in the fourth quarter, buoyed by sterling weakness and resilient economic data. Third quarter Gross Domestic Product expanded faster than expected, underpinned by consumption, which was squeezed by a lack of real wage growth and higher inflation. Consumer prices accelerated to 3.1% in November, their highest level in five years. Although these price pressures were fuelled by the weak pound and not economic overheating, the central bank hiked interest rates for the first time in a decade. In Brexit talks, the UK and the European Union completed the first stage of the agreement, paving the way to trade negotiations.

For the quarter to the end of December, the portfolio rose by 3.69% in sterling terms. Negative asset allocation outweighed positive stock selection.

At the stock level, Ultra Electronics suffered from disappointing organic growth, as well as worries over contract wins and execution. Also costing the Fund was Dignity, as its shares lagged because of investor concerns over heightened market competition. Another detractor was Inmarsat, as its shares were dampened by negative sentiment amid fears that usage growth may not outpace price declines and the expected margin expansion in its maritime division may not materialise.

This was mitigated by Croda, which did well as its third quarter update highlighted healthy growth in its personal care division and continued high margins from its range of speciality chemicals. Also benefiting the Fund was Just Eat, which released an impressive trading update, with rapid revenue growth continuing both at home and abroad, as it built on its scale and market positions. Another contributor was Smart Metering Systems, which rose on the back of a £150 million share placement, with the proceeds earmarked for back-installation of 2.5 million smart meters.

# UK FUND

## January 2018 Factsheet

### FUTURE POLICY

In the UK, economic resilience despite the pall of uncertainty from Brexit talks is likely to continue surprising investors. Inflation remains a bugbear and the central bank's first rate hike in a decade may appear somewhat imprudent, with sterling weakness the real source of price pressures and not an overheating economy. However, with energy prices climbing recently, the Bank of England's decision may start to look prescient in the months ahead.

While we acknowledge there is still support for equity prices, namely a largely accommodative monetary policy environment and inferior yields on offer from other asset classes, valuations are nevertheless quite full and we must remain watchful. Having said that, we are still finding compelling investment opportunities to invest in for the longer term: quality businesses operating in high growth markets that possess balance sheet capacity and cash flow strength, and led by able management.

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 December 2017

£15.50m

#### Dealing Price as at 31st December 2017

£7.8660

€8.8650

\$10.6200

#### Estimated Yield

0.63%

#### Distribution Dates

22nd November

#### Ex Dividend Dates

1st October

#### Minimum Initial Investment

£1,000 or currency equivalent

#### Minimum Subsequent Investment

£500 or currency equivalent

#### Minimum Regular Savings Investment

£100/US\$200/€200 per month

#### Initial Charge

5%

#### Annual Management Charge

1.5%

#### Total Holdings

43

#### Sedol/ISIN

0871767/GB0008717679

### CONTACT DETAILS

Telephone: +44 (1534) 845555

(9am – 5pm Monday to Friday excluding bank holidays)

Website: [international.lloydsbank.com/products-and-services/investments/funds](http://international.lloydsbank.com/products-and-services/investments/funds)

Telephone calls may be recorded and monitored. Call costs may vary depending on your service provider.

This document has been issued by Lloyds Investment Fund Managers Limited (the "Manager"). Registered office: PO Box 160, 25 New Street, St Helier, Jersey, Channel Islands, JE4 8RG. Lloyds Investment Funds Limited (the "Fund") is authorised by the Jersey Financial Services Commission under the Collective Investment Funds (Jersey) Law, 1988.

Legislation or regulations in your home jurisdiction may prohibit you from entering into such a transaction with us. We reserve the right to make final determination on whether you are eligible for any products or services.

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.