



EUROPEAN FUND

July 2017 Factsheet

FUND OBJECTIVE

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

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 (%)
Sterling (£)	23.73	5.58	-3.47	5.03	28.59
Euro (€)	16.27	-9.24	9.55	12.01	21.10
US dollar (\$)	19.11	-9.41	-10.86	17.21	25.56

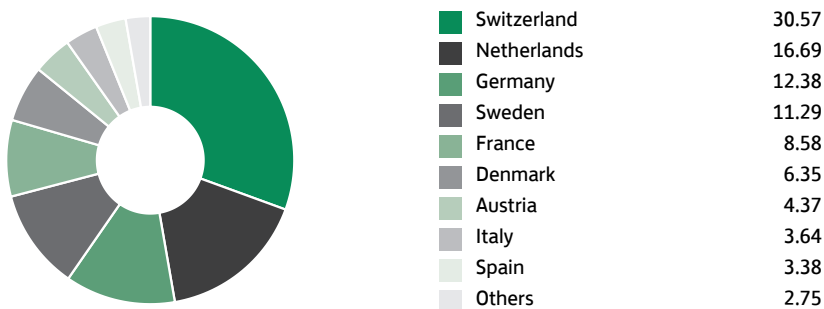
The figures show the performance growth over 5 years as discrete 12 month periods, on a mid price basis with gross income reinvested. All charges and fees, except any initial charge, have been included in the performance figures. Source: FE.

Sector is Lipper Offshore European Excluding UK.

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.

GEOGRAPHICAL SPLIT (%)



LARGEST INVESTMENTS (%)

Unilever	4.91
Novo Nordisk A/S	4.52
Nestle	4.31
UBS Group	3.68
Amadeus IT Group	3.38
Heineken	3.34
Bayer	3.14
Henkel Ltd	3.05
Roche Holdings	2.85
GrandVision	2.70

All data as at 30th June 2017 unless otherwise stated.

MARKET OVERVIEW

European equities rose in the second quarter, buoyed by encouraging economic data in the Continent and the US, which bodes well for the world economy. But capping gains were worries over the Federal Reserve's interest rate policy direction, fears in the Eurozone about reduced monetary stimulus, and a retreat in the oil price amid oversupply concerns stemming from record US shale output and the Saudi led ostracism of Qatar.

In June economic data, economic confidence exceeded expectations and approached a decade high, with across the board improvements while inflation slipped to a half year low on easing energy prices. For April, retail sales edged higher as a rebound in contributions from food sales were overshadowed by weakness elsewhere, while industrial output met expectations and grew for a second month. In the UK, confidence among both businesses and consumers was shaken by the unexpected election results. Data in May showed the manufacturing sector continuing to grow but retail sales declined by more than expected as consumers cut back on spending, squeezed by sluggish wage growth and inflation. Consumer prices accelerated unexpectedly to their highest in four years, with costlier imports because of sterling weakness.

For the quarter to the end of June, the portfolio rose by 5.84% in sterling terms. Both asset allocation and stock selection were positive.

At the stock level, contributors to relative returns were Novo-Nordisk as its better-than-expected first quarter results and improving trends after a difficult 2016 helped prompt a favourable re-rating of the stock in recent months. Amadeus outperformed on the back of a robust first quarter update that exceeded expectations, boosted by better distribution revenues, while its IT solutions business continued to expand successfully. Vienna Insurance benefited from improving market conditions, while continuing to optimise the business model under its Agenda 2020 plan.

Detracting from performance were Schoeller-Bleckmann and Royal Dutch Shell, their shares conceded some of their prior gains due to a sluggish oil price. Fugro's shares were buffeted over the quarter as it strove to adapt its capacity and organisation to the still-challenging conditions in the offshore oil & gas market.

EUROPEAN FUND

July 2017 Factsheet

FUTURE POLICY

Europe's economic recovery has broadly continued to gain momentum, with the improvement in industrial indicators now accompanied by healthy export growth. Prospects for medium term Gross Domestic Product growth remain positive, while business confidence and investment are likely to be supported by a perceived reduction in 'populism risks' following President Macron's election victory in France. Comments from the European Central Bank President Mario Draghi raised concerns of reduced monetary policy support, though we expect interest rates to remain on hold for some time because Eurozone inflation is still benign. Against this backdrop, we remain wary of the geo-political uncertainties on the horizon, notably the German election and ongoing Brexit negotiations.

In the UK, the unexpected election result has added an extra layer of uncertainty to the more cautious economic outlook, with growth set to weaken further. While it is too early to draw any firm conclusions about the implications for the UK's Brexit stance, higher inflation following sterling's depreciation could undermine the UK economy's post referendum resilience.

We continue to believe that the portfolio is comprised of businesses that, while not immune to the external environment, are able to weather the difficulties that lie ahead. We have not significantly changed our positioning and maintain our rigorous focus on seeking good quality companies with diversified earnings streams, superior business models and robust balance sheets that also trade at reasonable valuations.

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
£14.84m

Dealing Price as at 30th June 2017
£9.8950
€11.2700
\$12.8400

Estimated Yield
0.73%

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
42

Sedol/ISIN
0871790/GB0008717901

CONTACT DETAILS

Telephone: +44 (1534) 845555

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

Website: 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.