
LLOYDS INVESTMENT FUNDS LIMITED

Interim Report and
Unaudited Financial Statements

For the six month period ended 31 March 2019



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Company Information

Registered Office

11-12 Esplanade,
St. Helier,
Jersey, JE2 3QA,
Channel Islands.

Principal Place of Business

PO Box 311, 11 - 12 Esplanade,
St Helier,
Jersey, JE4 8ZU,
Channel Islands.

Directors

c/o Registered Office
R. D. Willcox (Chairman)
I. M. J. Hardy
B. C. James
B. Lysiak

T. J. Herbert
(resigned as a Director of the Company with effect from
31 March 2019)
PO Box 87, 22 Grenville Street,
St Helier,
Jersey, JE4 8PX,
Channel Islands.

Manager and Registrar

Lloyds Investment Fund Managers Limited
11 - 12 Esplanade,
St Helier,
Jersey, JE2 3QA ,
Channel Islands.

Legal Advisers

Mourant Ozannes
PO Box 87, 22 Grenville Street,
St Helier,
Jersey, JE4 8PX,
Channel Islands.

Investment Manager

Aberdeen Asset Investments Limited
Bow Bells House,
1 Bread Street,
London,
EC4M 9HH.

Custodian

Link Corporate Services (Jersey) Limited
PO Box 532, 12 Castle Street,
St Helier,
Jersey, JE2 3RT,
Channel Islands.

Secretary

Lloyds Corporate Services (Jersey) Limited
PO Box 160, 11 - 12 Esplanade,
St Helier,
Jersey, JE4 8RG,
Channel Islands.

Independent Auditor

PricewaterhouseCoopers CI LLP
37 Esplanade,
St Helier,
Jersey, JE1 4XA,
Channel Islands.

Investment Objectives and Policy

Lloyds Investment Funds Limited ('the Company') is an open-ended investment company registered in Jersey which as at the period end has three classes, each being an individual 'Fund'. The investment objectives of the Funds closed on 27 April 2018 have not been presented.

The Company is known as an 'Umbrella' Fund because it provides its shareholders with a variety of investment options under the umbrella of a single Company.

The overall objective of the Company is to provide investors with a managed investment designed to meet the specific objectives laid down for each Fund. The investment objectives and policy of each Fund is set out below.

Euro High Income Fund

Objective

To maintain a high income through investment in a spread of fixed interest securities denominated predominately in Euro.

Investment Policy

To support the payment of dividends above the level of short term Euro interest rates. This policy will result in a gradual reduction in the capital value of the shares, except when bond prices generally are rising. The Fund will normally hold a relatively wide range of securities in order to keep a low level of exposure to individual bond issues other than government securities. The Fund may also hold a substantial part of its assets in bank deposits and money market instruments from time to time. The Fund is permitted to invest in securities denominated in currencies other than Euro. The current policy of the Directors is that any such investments in non-euro denominated securities should be fully hedged against Euro to eliminate the effects of any exchange rate movements.

High Income Fund

Objective

To seek a high income from a spread of fixed interest securities.

Investment Policy

To support the payment of dividends above the level of short term sterling interest rates. This policy will result in a gradual reduction in the capital value of the shares, except when bond prices generally are rising. The Fund will normally hold a relatively wide range of securities in order to keep a low level of exposure to individual bond issues other than government securities. The Fund may also hold a substantial part of its assets in bank deposits and money market instruments from time to time. The Fund is permitted to invest in securities denominated in currencies other than sterling. The current policy of the Directors is that any such investments in non-sterling denominated securities should be fully hedged against sterling to eliminate the effects of any exchange rate movements.

Sterling Bond Fund

Objective

To provide a regular income from a managed portfolio of sterling fixed interest securities with a particular emphasis on those securities on which interest is paid gross to non-residents of the United Kingdom.

Investment Policy

The assets of the Fund are generally invested in a managed portfolio of sterling fixed interest securities which have been issued by governments, local authorities, public utilities and corporations. If it appears advisable to hold assets having a short term maturity, then the Fund may also place money on bank deposit (subject to certain limitations) or to purchase money market instruments.

Similarly, derivative instruments such as traded options and financial futures may be used to reduce risk.

Directors' Profiles

Ross Davey Willcox (Chairman) – Head of Products, Islands, Lloyds Banking Group.

Joined Lloyds Banking Group in 1977 and held a number of managerial positions in the UK and Internationally. Was appointed Managing Director of Lloyds Investment Fund Managers Limited in 1999 and is currently Chairman/Director of the Jersey based Fund Management Company. Current responsibilities include the value proposition of all investment products for International Wealth. A qualified Banker, a Fellow of the Securities & Investment Institute, a Chartered Director and a Fellow of the Institute of Directors. Aged 59.

Ian Mark Jeremie Hardy – Senior Manager, Products, Islands, Lloyds Banking Group.

Joined Lloyds Banking Group in 1981 and held a number of managerial positions before being appointed a Director of Lloyds Investment Fund Managers Limited in 2000 and a Director of the Company in 2000. Current responsibilities include provision of technical and regulatory advice on a range of investment products and services. Holder of an upper second class honours degree from the University of Aston in Birmingham in Business Administration and Transport Planning. Aged 60.

Timothy Joseph Herbert – Consultant, Mourant Ozannes, Jersey. (resigned as a Director of the Company with effect from 31 March 2019).

Jersey born and educated. M.A. in jurisprudence Trinity College Oxford 1982. Member of Middle Temple. Joined Mourant du Feu & Jeune (now Mourant Ozannes) in May 1983. Sworn in as an advocate of the Royal Court, September 1985. Tim Herbert was a partner of Mourant Ozannes from 1987 to 2012. In July 2012 he stepped down from the partnership and is now retained by Mourant Ozannes as a consultant to the firm. He has extensive experience in corporate and commercial law and mutual funds advice. Holds other external directorships and also acts as Honorary Consul for Finland. Aged 59.

Brian Charles James – Senior Manager, Investment Operations, Islands, Lloyds Banking Group.

Joined Lloyds Banking Group in 1988 and has held a number of managerial positions primarily in Financial Control and Risk Management roles before being appointed as a Director of the Jersey based Fund Management Company and as a Director of the Company in 1997. Current responsibilities include leading a team of specialists delivering operational support for a range of offshore investment products and services. A Chartered Director, Fellow of the Institute of Directors, holder of the International Diploma in Governance, Risk & Compliance and a member of the International Compliance Association. Aged 57.

Bronislaw Lysiak – Senior Manager, Regulated Investments, Islands, Lloyds Banking Group.

Joined Lloyds Banking Group in 1993 and has held a number of managerial positions within a regulated personal customer environment. Current responsibilities are for sales and distribution of investment products to regulated intermediaries and institutions. Holder of an Advanced Financial Planning Certificate in Taxation, Trust and Investment Planning and Higher National Diploma in Business and Finance. Aged 54.

Report of the Directors

The Directors have pleasure in submitting their Interim Report together with the Unaudited Financial Statements for the period ended 31 March 2019. The Company is domiciled and incorporated as a Limited Company in Jersey, Channel Islands under the Companies (Jersey) Law 1991 and is listed on The International Stock Exchange and has a secondary listing on the Malta Stock Exchange. Full details of the Company are stated on pages 2 to 7.

Results

The results for the period are set out in the Financial Statements on pages 12 to 75.

Distributions

Distributions for the period are detailed in Note 5 to the financial statements.

Directors

The Directors of the Company who were in office during the period and up to the date of signing the financial statements were:

Mr I.M.J. Hardy (appointed 8 May 2000)
 Mr B.C. James (appointed 12 March 1997)
 Mr B. Lysiak (appointed 5 June 2014)
 Mr R.D. Willcox (appointed 31 July 1998)

As at 31 March 2019, no Director had a beneficial interest in the Company.

No Director has a service contract with the Company and no Director is, or was, materially interested in any service or other contract entered into by the Company other than those disclosed below.

Mr T.J. Herbert resigned as a Director of the Company on 31 March 2019 due to retirement. Mr T.J. Herbert was a consultant to Mourant Ozannes, who are the Jersey legal advisers to the Company and the Manager. Mourant Ozannes receives fees in connection with advising the Company and the Manager. These are disclosed in Note 10.

Mr B.C. James, Mr I.M.J. Hardy and Mr R.D. Willcox (Chairman) are Directors of Lloyds Investment Fund Managers Limited (the 'Manager') which has a management contract with the Company. Fees earned by the Manager are disclosed in these financial statements in Note 9.

Closure of Fund Classes

As disclosed in the Annual Report and Audited Financial Statements as at 30 September 2018, the merger of Lloyds Investment Funds Limited - UK Fund, North American Fund, European Fund and International Fund with Lloyds Multi Strategy Fund Limited - Growth Strategy took place on 27 April 2018 (referred to in this report as 'Closed 27 April 2018').

Share Exchange

Shareholders of the Lloyds Gilt Fund Limited and Lloydstrust Gilt Fund Limited were advised in a letter dated 24 September 2018 of the opportunity to exchange their shares for shares in Lloyds Investment Funds Limited – Sterling Bond Fund. The merger of Lloyds Gilt Fund Limited and Lloydstrust Gilt Fund Limited with Lloyds Investment Funds Limited – Sterling Bond Fund took place on 9 November 2018. As a result the NAV of the Lloyds Investment Funds Limited – Sterling Bond Fund increased by £93,982,636.

Going Concern

The Financial Statements of the Company and Euro High Income, High Income and Sterling Bond Funds have been prepared in accordance with International Financial Reporting Standards ('IFRS') on the going concern basis.

Investment Activities

The Report of the Investment Manager is set out on pages 8 to 11.

Independent Auditor

PricewaterhouseCoopers CI LLP were re-appointed as Independent Auditor at the Annual General Meeting held on 26 February 2019 and have indicated a willingness to remain in office.

Prospectus

Copies of the Prospectus dated May 2018 together with any subsequent addenda are available, free of charge, on application to the Manager. Alternatively it can be accessed on our website at <http://international.lloydsbank.com/products-and-services/investments/funds/>

Management and Administration Providers

The names and addresses of management and administration providers are stated on page 2.

Comparatives Tables

The Change in Net Asset Value per Share, Distribution Table and Performance Record tables are stated on pages 76 to 80.

Report of the Directors (continued)

Directors' Responsibilities

The Directors are responsible for preparing the Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRS). The Directors have also chosen to adopt areas of the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued in May 2014 by the IMA (Investment Management Association) where this does not conflict with other reporting requirements.

The Directors are required by the Companies (Jersey) Law 1991 to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the Company for that period and are in accordance with applicable laws. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991 and the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended).

They are also responsible for the safeguarding of the assets of the Company which includes the appointment of a duly qualified Custodian. The Directors must also ensure that they or their duly appointed agents take reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations. The Directors confirm that they have complied with the above requirements in preparing the financial statements.

So far as the Directors are aware, there is no relevant audit information of which the Company and Funds Auditor's is unaware, and each Director has taken all the steps that he ought to have taken as Director, in order to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Market Conditions

Assets held within certain Funds can be affected by market conditions and this may affect the share price of those Funds. The Directors would like to remind shareholders that investment in the Funds should be considered as a long term commitment, as the price of shares may rise and fall in the short term in response to changing market conditions.

Information Exchange

Jersey has entered into a number of Information Exchange Agreements with the authorities of other jurisdictions.

Shareholders should be aware that information on their investment may be shared with the relevant authorities, and may be passed to the tax authorities in their country of residence, citizenship or residence for tax purposes. For the avoidance of doubt this information may include (but not be limited to) details of shareholder names, addresses, unique identifiers (such as tax or national insurance numbers), amount of investment, redemption or sale proceeds and dividend payments.

Financial Risk Management

The Directors have taken into consideration the financial risk management of the Company, this has been disclosed in Note 19 of the financial statements.

Reporting Funds Regime

HM Revenue & Customs have accepted the entry of the Company into the Reporting Funds Regime for the purposes of regulation 51 of the Offshore Funds (Tax) Regulations 2009.

UK Ring-fencing and Lloyds Investment Fund Managers Limited (the Manager)

Following the financial crisis, legislation was passed in the UK to strengthen the financial system, this is known as "ring-fencing". To comply with these requirements, Lloyds Banking Group has separated its activities into the ring-fenced bank and a non-ring-fenced bank. Lloyds Bank plc, is a ring-fenced bank and is not permitted to operate a branch or subsidiary outside the European Economic Area (EEA). Lloyds Banking Group transferred ownership of its Crown Dependency subsidiaries, including the Manager, to Lloyds Bank Corporate Markets plc, the non-ring-fenced bank on 1 July 2018. The Manager remains a member of Lloyds Banking Group.

Report of the Directors (continued)

General Information

The Company is an open-ended investment company with variable capital and shareholders are not liable for the debts of the Company.

The Company holds a certificate as a recognized Securities Fund under the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended), and holds a permit under Article 7 of the Collective Investment Funds (Jersey) Law, 1988.

The Manager has professional indemnity and directors' and officers' liabilities insurance coverage.

The Manager also maintains an appropriate level of 'own funds' to cover the equivalent professional liability risks set out in Alternative Investment Fund Managers Directive (AIFMD).

The Company is listed on The International Stock Exchange and has a secondary listing on the Malta Stock Exchange.

The market value per Share of the assets of each Fund was as follows:

Sterling Denominated Funds

	31 March 2019 (pence)	1 October 2018 (pence)
High Income Fund	85.24	83.55
Sterling Bond Fund	152.60	148.00

Euro Denominated Funds

	(Euro cents)	(Euro cents)
Euro High Income Fund	155.40	153.50

The latest prices can be viewed on our website.

<http://international.lloydsbank.com/products-and-services/investments/international-funds/fund-prices/>

Average Portfolio Dealing Spread

The average portfolio dealing spread percentage, including the effect of foreign exchange as at the statement of financial position date is as follows:

	31 March 2019 %	1 October 2018 %
Sterling Denominated Funds		
High Income Fund	0.78	0.79
Sterling Bond Fund	0.60	0.73
Euro Denominated Funds		
Euro High Income Fund	0.49	0.43

Website

The Directors have selected Lloyds Bank International Limited's website as the host website for the Company's Financial Statements and believe this selection to be a reasonable one; the work carried out by the Auditor does not involve consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

Information published on the internet is accessible in many countries. Legislation in Jersey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

By order of the Board of Directors

B. C. James

13 May 2019

Report of the Investment Manager

Euro High Income Fund

Performance

The Fund produced a return of 2.13% over the period ended 31 March 2019, compared to a return of 4.21% in the iBOXX Euro Corporates 5 years + index.

Background and Strategy

Corporate bond markets were fragile between October and December. Indeed, 2019 as a whole proved to be the worst since 2011 in most asset classes. Risk aversion was driven primarily by fears of a global economic slowdown, but was also not helped by political uncertainty in Britain and further afield. High yield corporate bond markets were badly affected as the prospect of a pick up in default rates was priced in to both the US and European markets. In developed markets such as the US and UK, government bond yields fell and prices rose, reflecting their 'safe haven' nature in periods of volatility.

By contrast, the first quarter of 2019 was very positive for many asset classes, including bond markets. Corporate bonds shrugged off the risks around geopolitics and economic slowdown, and delivered some strong returns. Both government bond yields and credit risk premiums fell. As macroeconomic data remains sluggish in most of the major economies, there are expectations of an extended period of loose monetary policy.

The US Federal Reserve, which had been gradually raising rates since the end of 2015, indicated that it was unlikely to undertake any further action in the light of current conditions. Such action has helped both government and corporate bonds. Corporate bonds delivered healthy returns across the board with outperformance from lower quality areas of the market. As yields and volatility fell, investors were again keen to take on additional risk associated with lower quality credit. As a result returns from high yield corporates and emerging debt were very strong. So, too, were sectors such as energy and financials in the investment grade markets.

The Fund generated a negative return relative to the benchmark. This was primarily driven by the Fund's short duration position, as yields fell. Nevertheless, the Fund generated a positive absolute return in the first three months of the review period. This reflected the impact of declining German bund yields, with the positive credit return effectively accounted for by coupon income. Index heavyweight GE was one of the weakest names, as spreads in the US industrial widened materially following profit warnings and credit rating downgrades. The Fund's holding in quasi-national KfW outperformed amid generally risk off conditions.

Company specific stories that hampered the market in the fourth quarter of 2018 turned more positive. For example, GE surprised the market with more aggressive disposal plans with a view to reducing debt. The income of the Fund continued to exceed that of the benchmark.

The Fund maintains a short duration position, with a view to protecting capital in an environment of rising interest rates. Credit risk is now fairly priced, having been attractively priced at the beginning of 2019. However, we believe spreads can continue to tighten if economic data stabilises, central banks remain supportive and a US-China trade deal is agreed. Accordingly, the Fund has retained a risk facing position, through higher yielding securities at the short end of the credit curve.

Report of the Investment Manager (continued)

High Income Fund

Performance

The Fund produced a return of 3.77% over the period ended 31 March 2019, compared to a return of 2.91% in the Bond GBP Corporates Median index.

Background and Strategy

Corporate bond markets were fragile between October and December. Indeed, 2019 as a whole proved to be the worst since 2011 in most asset classes. Risk aversion was driven primarily by fears of a global economic slowdown, but was also not helped by political uncertainty in Britain and further afield. High yield corporate bond markets were badly affected as the prospect of a pick up in default rates was priced in to both the US and European markets. In developed markets such as the US and UK, government bond yields fell and prices rose, reflecting their 'safe haven' nature in periods of volatility.

By contrast, the first quarter of 2019 was very positive for many asset classes, including bond markets. UK corporate bonds shrugged off the risks around Brexit and delivered some strong returns. Both government bond yields and credit risk premiums fell. As macroeconomic data remains sluggish in most of the major economies, there are expectations of an extended period of loose monetary policy.

The US Federal Reserve, which had been gradually raising rates since the end of 2015, indicated that it was unlikely to undertake any further action in the light of current conditions. Such action has helped both government and corporate bonds. Corporate bonds delivered healthy returns across the board with outperformance from lower quality areas of the market. As yields and volatility fell, investors were again keen to take on additional risk associated with lower quality credit. As a result returns from high yield corporates and emerging debt were very strong. So, too, were sectors such as energy and financials in the investment grade markets. UK government bond yields fell, and the 10 year yield was as low as 1% by the end of the quarter.

In the three months to the end of December, the more risk off tone to markets meant the Fund modestly underperformed its index benchmark. A short duration position hampered performance late in 2018 as yields fell due to risk aversion. GE, the US industrial, was one of the weakest names. Its spreads widened materially following profit warnings and credit rating downgrades. This issuer was one of our largest underweight positions so the Fund benefited as a result. UK funeral home operator Dignity Finance damaged returns. Although the company's trading was in line with previous guidance, its bonds drifted wider as the industry continued to struggle. Some of the best performing areas of the market were the less cyclical businesses such as utilities. Positions in UK Power Networks and SGN boosted performance.

Moving into 2019, while the Fund underperformed the index benchmark, it continued to deliver its stated income objective. Being overweight in higher risk areas of the market benefited performance. However, the rally in government bonds detracted due to the Fund's relatively short duration position. In the telecom sector, stock selection was particularly helpful. The absence from the portfolio of Dutch operator KPN, which underperformed, was also helpful. By contrast, Italian utility Enel, which is not held by the Fund, was one of the stronger performers over the quarter. Our holding in Dignity Finance, the UK funeral home operator, continued to detract from performance.

The Fund remains overweight in higher beta (lower quality) corporate bonds relative to its index benchmark. Although fundamentals and earnings have been disappointing, a more favourable monetary policy backdrop is likely to remain supportive. Further volatility is possible with Brexit challenges and an uncertain growth outlook. However, credit markets still offer some value for the time being.

Report of the Investment Manager (continued)

Sterling Bond Fund

Performance

The Fund produced a return of 3.74% over the period ended 31 March 2019, compared to a return of 4.43% in the iBoxx Non Gilt ex Sovereign All Maturities Index.

Background and Strategy

Corporate bond markets were fragile between October and December. Indeed, 2019 as a whole proved to be the worst since 2011 in most asset classes. Risk aversion was driven primarily by fears of a global economic slowdown, but was also not helped by political uncertainty in Britain and further afield. High yield corporate bond markets were badly affected as the prospect of a pick up in default rates was priced in to both the US and European markets. In developed markets such as the US and UK, government bond yields fell and prices rose, reflecting their 'safe haven' nature in periods of volatility.

By contrast, the first quarter of 2019 was very positive for many asset classes, including bond markets. UK corporate bonds shrugged off the risks around Brexit and delivered some strong returns. Both government bond yields and credit risk premiums fell. As macroeconomic data remains sluggish in most of the major economies, there are expectations of an extended period of loose monetary policy. The US Federal Reserve, which had been gradually raising rates since the end of 2015, indicated that it was unlikely to undertake any further action in the light of current conditions. This decision has helped both government and corporate bonds. Corporate bonds delivered healthy returns across the board with outperformance from lower quality areas of the market. As yields and volatility fell, investors were again keen to take on additional risk associated with lower quality credit. As a result returns from high yield corporates and emerging debt were very strong. So, too, were sectors such energy and financials in the investment grade markets. UK government bond yields fell, and the 10 year yield was as low as 1% by the end of the quarter.

The risk off tone to markets in the first three months of the review period resulted in a modest underperformance compared with the index benchmark. Heightened volatility meant the managers adopted a defensive position, and new money coming into the fund was invested only gradually into credit markets.

GE, the US industrial, was one of the weakest names. Spreads widened materially following profit warnings and credit rating downgrades. This issuer is one of our largest underweight positions so the Fund benefited as a result. UK funeral home operator Dignity Finance was weak once again. This issuer is not held in the Fund. Some of the best performing areas of the market were the less cyclical businesses and sovereign bonds, both of which outperformed.

Moving into 2019, although the Fund delivered a strongly positive return between January and March, it underperformed the index benchmark. The Fund's allocation to government bonds remained high following the investment of new money at the end of 2018. While this allocation provided significant flexibility, it detracted from performance. Italian utility Enel, which is not held by the Fund, was one of the stronger performers over the quarter. This detracted from performance relative to the benchmark.

The Fund remains overweight in higher beta (lower quality) corporate bonds relative to its index benchmark. Although fundamentals and earnings have been disappointing, a more favourable monetary policy backdrop is likely to remain supportive. Further volatility is possible with Brexit challenges and an uncertain growth outlook. However, credit markets still offer some value for the time being.

This report is solely for information purposes and is not intended to be and should not be construed as an offer or recommendation to buy and sell investments, nor shall it form the basis or part of any contract to be relied upon in any way.

Aberdeen Asset Investments Limited

13 May 2019

Statements of Financial Position

As at 31 March 2019

	Note	Company	Euro High Income Fund	European Fund
Assets		£	€	£
				(Closed 27 April 2018)
Current Assets				
Cash and cash equivalents		2,122,569	25,845	—
Investment sales receivable		—	—	—
Financial assets at fair value through profit or loss		328,186,623	11,459,832	—
Other accrued income and other debtors	4	7,976,710	172,412	—
Total Assets		338,285,902	11,658,089	—
Equity				
Ordinary share capital		1,000	—	—
Total Equity		1,000	—	—
Current Liabilities				
Cancellation payable		514,647	—	—
Investment purchases payable		—	—	—
Distribution payable	5	1,475,552	82,144	—
Accrued expenses and other creditors	6	468,017	30,132	—
Nominal shares	14	1,447,519	—	—
Total Liabilities*		3,905,735	112,276	—
Net assets attributable to holders of participating redeemable preference shares	17	334,379,167	11,545,813	—
Total Liabilities and Equity		338,285,902	11,658,089	—

* Excluding net assets attributable to holders of participating redeemable preference shares

The financial statements on pages 12 to 23 were approved by the Board of Directors on 13 May 2019 and are signed on their behalf by:

B. C. James
R. D. Willcox } Directors

The notes on pages 41 to 75 form an integral part of these financial statements.

Statements of Financial Position

As at 31 March 2019

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
Assets	£	£	£	£	£
		(Closed 27 April 2018)	(Closed 27 April 2018)		(Closed 27 April 2018)
Current Assets					
Cash and cash equivalents	614,453	—	—	1,485,845	—
Investment sales receivable	—	—	—	—	—
Financial assets at fair value through profit or loss	211,927,169	—	—	106,384,545	—
Other accrued income and other debtors	4,864,406	—	—	1,515,218	—
Total Assets	217,406,028	—	—	109,385,608	—
Equity					
Ordinary share capital	—	—	—	—	—
Total Equity	—	—	—	—	—
Current Liabilities					
Cancellation payable	496,182	—	—	18,465	—
Investment purchases payable	—	—	—	—	—
Distribution payable	760,939	—	—	643,830	—
Accrued expenses and other creditors	258,843	—	—	183,209	—
Nominal shares	—	—	—	—	—
Total Liabilities*	1,515,964	—	—	845,504	—
Net assets attributable to holders of participating redeemable preference shares	215,890,064	—	—	108,540,104	—
Total Liabilities and Equity	217,406,028	—	—	109,385,608	—

* Excluding net assets attributable to holders of participating redeemable preference shares

Statements of Financial Position (continued)

As at 30 September 2018

	Note	Company	Euro High Income Fund	European Fund
Assets		£	€	£
				(Closed 27 April 2018)
Current Assets				
Cash and cash equivalents		4,308,313	569,308	—
Investment sales receivable		543,356	—	—
Financial assets at fair value through profit or loss		248,532,133	12,465,417	—
Other accrued income and other debtors	4	6,644,754	237,225	—
Total Assets		260,028,556	13,271,950	—
Equity				
Ordinary share capital		1,000	—	—
Total Equity		1,000	—	—
Current Liabilities				
Cancellation payable		223,517	—	—
Investment purchases payable		1,333,857	—	—
Distribution payable	5	1,034,454	102,565	—
Accrued expenses and other creditors	6	336,783	29,814	—
Nominal shares	14	1,870,535	—	—
Total Liabilities*		4,799,146	132,379	—
Net assets attributable to holders of participating redeemable preference shares	17	255,228,410	13,139,571	—
Total Liabilities and Equity		260,028,556	13,271,950	—

* Excluding net assets attributable to holders of participating redeemable preference shares

Statements of Financial Position (continued)

As at 30 September 2018

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
Assets	£	£	£	£	£
		(Closed 27 April 2018)	(Closed 27 April 2018)		(Closed 27 April 2018)
Current Assets					
Cash and cash equivalents	3,177,154	—	—	624,071	—
Investment sales receivable	543,356	—	—	—	—
Financial assets at fair value through profit or loss	220,731,676	—	—	16,697,387	—
Other accrued income and other debtors	4,277,567	—	—	284,353	—
Total Assets	228,729,753	—	—	17,605,811	—
Equity					
Ordinary share capital	—	—	—	—	—
Total Equity	—	—	—	—	—
Current Liabilities					
Cancellation payable	223,517	—	—	—	—
Investment purchases payable	1,333,857	—	—	—	—
Distribution payable	837,064	—	—	106,034	—
Accrued expenses and other creditors	281,176	—	—	29,051	—
Nominal shares	—	—	—	—	—
Total Liabilities*	2,675,614	—	—	135,085	—
Net assets attributable to holders of participating redeemable preference shares	226,054,139	—	—	17,470,726	—
Total Liabilities and Equity	228,729,753	—	—	17,605,811	—

* Excluding net assets attributable to holders of participating redeemable preference shares

Statement of Comprehensive Income

For the six month period ended 31 March 2019

	Notes	Company	Euro High Income Fund	European Fund
		£	€	£
Operating Profit				
Net gain on financial assets at fair value through profit or loss	7	8,029,078	171,615	—
Investment income		6,069,942	139,175	—
Other income	8	3,839	276	—
Total operating expenses	9	(1,726,645)	(79,732)	—
Operating Profit		12,376,214	231,334	—
Finance Costs				
Distributions to holders of participating redeemable preference shares	5	(6,138,665)	(174,560)	—
Total finance costs		(6,138,665)	(174,560)	—
Profit before tax		6,237,549	56,774	—
Withholding tax on dividends and other investment income	18	—	—	—
Increase in net assets attributable to holders of participating redeemable preference shares from operations		6,237,549	56,774	—

For the six month period ended 31 March 2018

	Notes	Company	Euro High Income Fund	European Fund
		£	€	£
Operating Profit				
Net (loss) / gain on financial assets at fair value through profit or loss	7	(4,840,688)	(117,558)	152,163
Investment income		6,862,801	170,157	67,161
Other income	8	1,208	—	—
Total operating expenses	9	(2,158,375)	(93,931)	(151,120)
Operating (loss) / profit		(135,054)	(41,332)	68,204
Finance Costs				
Distributions to holders of participating redeemable preference shares	5	(6,342,297)	(215,707)	—
Total finance costs		(6,342,297)	(215,707)	—
(Loss) / profit before tax		(6,477,351)	(257,039)	68,204
Withholding tax on dividends and other investment income	18	(77,876)	—	(18,460)
(Decrease) / increase in net assets attributable to holders of participating redeemable preference shares from operations		(6,555,227)	(257,039)	49,744

The notes on pages 41 to 75 form an integral part of these financial statements.

Statement of Comprehensive Income

For the six month period ended 31 March 2019

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
		(Closed 27 April 2018)	(Closed 27 April 2018)		(Closed 27 April 2018)
Operating Profit					
Net gain on financial assets at fair value through profit or loss	4,697,350	—	—	3,181,269	—
Investment income	4,597,729	—	—	1,350,195	—
Other income	1,926	—	—	1,671	—
Total operating expenses	(1,134,566)	—	—	(522,176)	—
Operating Profit	8,162,439	—	—	4,010,959	—
Finance Costs					
Distributions to holders of participating redeemable preference shares	(4,677,224)	—	—	(1,307,707)	—
Total finance costs	(4,677,224)	—	—	(1,307,707)	—
Profit before tax	3,485,215	—	—	2,703,252	—
Withholding tax on dividends and other investment income	—	—	—	—	—
Increase in net assets attributable to holders of participating redeemable preference shares from operations	3,485,215	—	—	2,703,252	—

For the six month period ended 31 March 2018

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
Operating Profit					
Net (loss) / gain on financial assets at fair value through profit or loss	(3,843,839)	(191,011)	48,899	(178,261)	(725,118)
Investment income	5,675,586	207,098	91,420	340,808	330,889
Other income	1,110	8	10	—	80
Total operating expenses	(1,341,156)	(210,049)	(107,102)	(111,066)	(155,167)
Operating (loss) / profit	491,701	(193,954)	33,227	51,481	(549,316)
Finance Costs					
Distributions to holders of participating redeemable preference shares	(5,719,227)	—	—	(273,480)	(159,276)
Total finance costs	(5,719,227)	—	—	(273,480)	(159,276)
(Loss) / profit before tax	(5,227,526)	(193,954)	33,227	(221,999)	(708,592)
Withholding tax on dividends and other investment income	—	(34,850)	(23,824)	—	(742)
(Decrease) / increase in net assets attributable to holders of participating redeemable preference shares from operations	(5,227,526)	(228,804)	9,403	(221,999)	(709,334)

The notes on pages 41 to 75 form an integral part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares

For the six month period ended 31 March 2019

	Company	Euro High Income Fund	European Fund
	£	€	£
			(Closed 27 April 2018)
Net assets attributable to holders of participating redeemable preference shares as at 1 October 2018	255,228,410	13,139,571	—
Creation of participating redeemable preference shares	95,722,576	203,306	—
Redemption of participating redeemable preference shares	(22,417,208)	(1,853,838)	—
Net increase / (decrease) from share transactions	73,305,368	(1,650,532)	—
Increase in net assets attributable to holders of participating redeemable preference shares from operations	6,237,549	56,774	—
Movement in currency translation	(392,160)	—	—
Net assets attributable to holders of participating redeemable preference shares as at 31 March 2019	334,379,167	11,545,813	—

For the six month period ended 31 March 2018

	Company	Euro High Income Fund	European Fund
	£	€	£
Net assets attributable to holders of participating redeemable preference shares as at 1 October 2017	359,764,383	14,590,078	14,785,547
Creation of participating redeemable preference shares	2,896,285	181,493	126,105
Redemption of participating redeemable preference shares	(16,537,117)	(834,498)	(787,783)
Net decrease from share transactions	(13,640,832)	(653,005)	(661,678)
(Decrease) / increase in net assets attributable to holders of participating redeemable preference shares from operations	(6,555,227)	(257,039)	49,744
Movement in currency translation	(635,399)	—	—
Net assets attributable to holders of participating redeemable preference shares as at 31 March 2018	338,932,925	13,680,034	14,173,613

The notes on pages 41 to 75 form an integral part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares

For the six month period ended 31 March 2019

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
		(Closed 27 April 2018)	(Closed 27 April 2018)		(Closed 27 April 2018)
Net assets attributable to holders of participating redeemable preference shares as at 1 October 2018	226,054,139	—	—	17,470,726	—
Creation of participating redeemable preference shares	1,508,019	—	—	94,036,083	—
Redemption of participating redeemable preference shares	(15,157,309)	—	—	(5,669,957)	—
Net increase / (decrease) from share transactions	(13,649,290)	—	—	88,366,126	—
Increase in net assets attributable to holders of participating redeemable preference shares from operations	3,485,215	—	—	2,703,252	—
Movement in currency translation	—	—	—	—	—
Net assets attributable to holders of participating redeemable preference shares as at 31 March 2019	215,890,064	—	—	108,540,104	—

For the six month period ended 31 March 2018

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
Net assets attributable to holders of participating redeemable preference shares as at 1 October 2017	264,148,459	22,340,942	10,797,740	19,576,434	15,259,434
Creation of participating redeemable preference shares	1,637,746	97,756	15,620	489,089	529,969
Redemption of participating redeemable preference shares	(10,952,852)	(1,817,557)	(739,887)	(1,508,151)	(730,887)
Net decrease from share transactions	(9,315,106)	(1,719,801)	(724,267)	(1,019,062)	(200,918)
(Decrease) / increase in net assets attributable to holders of participating redeemable preference shares from operations	(5,227,526)	(228,804)	9,403	(221,999)	(709,334)
Movement in currency translation	—	—	—	—	—
Net assets attributable to holders of participating redeemable preference shares as at 31 March 2018	249,605,827	20,392,337	10,082,876	18,335,373	14,349,182

The notes on pages 41 to 75 form an integral part of these financial statements.

Cash Flow Statement

For the six month period ended 31 March 2019

	Company	Euro High Income Fund	European Fund
	£	€	£
			(Closed 27 April 2018)
Cash flows from operating activities			
Purchases of financial assets and settlement of financial liabilities	(194,483,259)	(565,891)	—
Receipts from sale of investments	120,775,182	1,686,047	—
Investment income received	5,254,686	261,031	—
Unclaimed distribution over 10 years old	858	276	—
Bank interest received	2,981	—	—
Interest paid	(566)	(42)	—
Operating expenses paid	(1,593,976)	(79,371)	—
Net cash (outflow) / inflow from operating activities	(70,044,094)	1,302,050	—
Cash flows from financing activities			
Distributions paid to holders of participating redeemable preference shares issued	(5,694,205)	(194,981)	—
Proceeds received from issue of participating redeemable preference shares	95,722,345	203,306	—
Payments on redemption of participating redeemable preference shares	(22,161,442)	(1,853,838)	—
Net cash inflow / (outflow) from financing activities	67,866,698	(1,845,513)	—
Net (decrease) / increase in cash and cash equivalents	(2,177,396)	(543,463)	—
Cash and cash equivalents at the beginning of the period	4,308,313	569,308	—
Exchange gains / (losses) on cash and cash equivalents	—	—	—
Movement in currency translation	(8,348)	—	—
Cash and cash equivalents as at 31 March 2019	2,122,569	25,845	—

The notes on pages 41 to 75 form an integral part of these financial statements.

Cash Flow Statement

For the six month period ended 31 March 2019

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
		(Closed 27 April 2018)	(Closed 27 April 2018)		(Closed 27 April 2018)
Cash flows from operating activities					
Purchases of financial assets and settlement of financial liabilities	(20,155,189)	—	—	(173,831,939)	—
Receipts from sale of investments	32,220,225	—	—	87,076,757	—
Investment income received	4,657,211	—	—	368,623	—
Unclaimed distribution over 10 years old	504	—	—	112	—
Bank interest received	1,422	—	—	1,559	—
Interest paid	(155)	—	—	(374)	—
Operating expenses paid	(1,156,745)	—	—	(367,644)	—
Net cash (outflow) / inflow from operating activities	15,567,273	—	—	(86,752,906)	—
Cash flows from financing activities					
Distributions paid to holders of participating redeemable preference shares issued	(4,753,349)	—	—	(769,911)	—
Proceeds received from issue of participating redeemable preference shares	1,508,019	—	—	94,036,083	—
Payments on redemption of participating redeemable preference shares	(14,884,644)	—	—	(5,651,492)	—
Net cash inflow / (outflow) from financing activities	(18,129,974)	—	—	87,614,680	—
Net (decrease) / increase in cash and cash equivalents	(2,562,701)	—	—	861,774	—
Cash and cash equivalents at the beginning of the period	3,177,154	—	—	624,071	—
Exchange gains / (losses) on cash and cash equivalents	—	—	—	—	—
Movement in currency translation	—	—	—	—	—
Cash and cash equivalents as at 31 March 2019	614,453	—	—	1,485,845	—

The notes on pages 41 to 75 form an integral part of these financial statements.

Cash Flow Statement (continued)

For the six month period ended 31 March 2018

	Company	Euro High Income Fund	European Fund
	£	€	£
Cash flows from operating activities			
Purchases of financial assets and settlement of financial liabilities	(49,485,927)	(1,027,174)	(2,982,672)
Receipts from sale of investments	58,253,218	1,945,865	3,761,018
Investment income received	6,643,390	294,698	48,701
Bank interest received	1,208	—	—
Interest paid	(571)	(569)	(2)
Operating expenses paid	(2,166,589)	(87,010)	(151,281)
Net cash inflow from operating activities	13,244,729	1,125,810	675,764
Cash flows from financing activities			
Distributions paid to holders of participating redeemable preference shares issued	(6,585,094)	(221,615)	(128,767)
Proceeds received from issue of participating redeemable preference shares	2,999,399	181,493	131,622
Payments on redemption of participating redeemable preference shares	(17,371,469)	(834,498)	(782,815)
Net cash outflow from financing activities	(20,957,164)	(874,620)	(779,960)
Net (decrease) / increase in cash and cash equivalents	(7,712,435)	251,190	(104,196)
Cash and cash equivalents at the beginning of the period	14,122,181	345,417	110,631
Exchange losses on cash and cash equivalents	(27,755)	—	(1,263)
Movement in currency translation	(2,492)	—	—
Cash and cash equivalents as at 31 March 2018	6,379,499	596,607	5,172

The notes on pages 41 to 75 form an integral part of these financial statements.

Cash Flow Statement (continued)

For the six month period ended 31 March 2018

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
Cash flows from operating activities					
Purchases of financial assets and settlement of financial liabilities	(35,192,600)	(1,823,221)	(2,331,053)	(3,005,187)	(3,246,673)
Receipts from sale of investments	39,228,467	3,840,369	2,804,880	3,343,677	3,561,294
Investment income received	5,402,901	154,287	66,308	407,495	304,189
Bank interest received	1,110	8	10	—	80
Interest paid	—	(31)	(35)	(1)	(1)
Operating expenses paid	(1,355,833)	(206,803)	(105,359)	(111,412)	(159,281)
Net cash inflow from operating activities	8,084,045	1,964,609	434,751	634,572	459,608
Cash flows from financing activities					
Distributions paid to holders of participating redeemable preference shares issued	(5,783,296)	—	—	(280,794)	(197,085)
Proceeds received from issue of participating redeemable preference shares	1,577,265	101,558	15,620	489,089	524,424
Payments on redemption of participating redeemable preference shares	(11,025,710)	(1,817,557)	(750,567)	(1,498,907)	(761,061)
Net cash outflow from financing activities	(15,231,741)	(1,715,999)	(734,947)	(1,290,612)	(433,722)
Net (decrease) / increase in cash and cash equivalents	(7,147,696)	248,610	(300,196)	(656,040)	25,886
Cash and cash equivalents at the beginning of the period	12,317,595	271,777	335,833	679,741	102,245
Exchange losses on cash and cash equivalents	—	(21,310)	(4,729)	—	(453)
Movement in currency translation	—	—	—	—	—
Cash and cash equivalents as at 31 March 2018	5,169,899	499,077	30,908	23,701	127,678

The notes on pages 41 to 75 form an integral part of these financial statements.

Investment Portfolio - Investment Dealing

For the six month period ended 31 March 2019

During the period transactions representing more than 10% of the aggregate value of the transactions in the property of the Funds were carried out with the following counter-parties:

Euro High Income Fund

Banque Nationale De Paris
Morgan Stanley
Deutsche Bank AG London

High Income Fund

Barclays Capital
CS First Boston
JP Morgan Chase

Sterling Bond Fund

Barclays Capital
Royal Bank of Scotland
Goldman Sachs International

Investment Portfolio

As at 31 March 2019

Euro High Income Fund

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19 €	% of Total Net Assets	Market Value 30.09.18 €
Asia and Middle East 0.91% (0.76%)					
DP World Ltd 2.375% 2026	100,000	100,000	105,047	0.91	99,653
Australia and New Zealand 4.98% (2.38%)					
APT Pipelines 2% 2027	100,000	100,000	104,686	0.91	100,419
Ausnet Services 1.5% 2027	100,000	100,000	104,962	0.91	101,192
BHP Billiton Finance 3.125% 2033	—	100,000	111,928	0.97	—
BHP Billiton Finance 5.625% 2079	—	100,000	111,142	0.96	—
Telstra 3.75% 2022	100,000	100,000	141,491	1.23	112,095
Central America 1.77% (1.66%)					
America Movil 4.75% 2022	100,000	100,000	100,307	0.87	115,672
Petroleo Mexicano 4.75% 2029	100,000	100,000	103,407	0.90	102,037
Europe 68.07% (65.66%)					
ABN Amro Bank 2.88% 2028	100,000	100,000	112,146	0.97	106,401
ABN Amro Bank 4.125% 2022	130,000	130,000	145,959	1.26	147,281
Allianz Financial 5.75% 2041	200,000	200,000	218,957	1.90	226,371
Anheuser Busch 2.75% 2036	200,000	200,000	206,814	1.79	208,049
ATF Netherlands BV 2.125% 2023	100,000	100,000	105,804	0.92	103,635
AXA 3.875% FRN (Perp)	100,000	100,000	123,152	1.07	105,002
Banque Federative Credit Mutuel 3% 2024	100,000	100,000	123,166	1.07	106,645
Bayer Capital 2.125% 2029	100,000	100,000	103,842	0.90	101,027
BBVA 3.5% 2024	100,000	100,000	101,706	0.88	101,445
BNP Paribas 4.032% FRN (Perp)	100,000	100,000	107,133	0.93	105,375
BNP Paribas 2.63% 2027	100,000	100,000	106,343	0.92	104,706
BNP Paribas 2.875% 2022	90,000	100,000	99,902	0.87	98,636
BNP Paribas 4.5% 2023	250,000	200,000	220,620	1.91	293,309
Bundesrepublik Deutschland 0.5% 2026	75,000	—	—	—	76,719
Bundesrepublik Deutschland 5.5% 2031	100,000	150,000	154,260	1.34	158,446
CNP Assurances 4.25% 2045	100,000	100,000	139,095	1.20	109,938
Cooperatieve Rabobank 4.75% 2022	300,000	300,000	345,846	3.00	348,893
Credit Agricole 4.5% 2025	100,000	100,000	113,998	0.99	107,170
Credit Agricole 5.125% 2023	200,000	200,000	222,954	1.93	241,793
Danone 1.75% FRN	100,000	100,000	98,711	0.85	98,098
Deutsche Annington 4% FRN (Perp)	100,000	100,000	118,400	1.03	106,391
Deutsche Telekom Intl Finance 7.5% 2033	150,000	200,000	251,130	2.18	249,270
EDF 4.5% 2040	100,000	100,000	115,505	1.00	129,758
EDF 4.625% 2030	150,000	150,000	256,727	2.22	191,342
EDF 6.25% 2021	150,000	150,000	200,936	1.74	171,842
Engie 5.95% 2111	40,000	90,000	99,029	0.86	68,817
Engie 6.375% 2021	100,000	100,000	165,173	1.43	114,775
Gas Natural Capital Markets 6.375% 2019	150,000	—	—	—	157,657
GE Capital European Funding 6% 2019	50,000	—	—	—	50,898
GE Capital European Funding 6.025% 2038	100,000	100,000	109,793	0.95	150,896
Grand City Properties 1.375% 2026	100,000	100,000	100,106	0.87	95,459
Groupe BPCE 2.75% 2026	100,000	100,000	105,468	0.91	104,503
Heidelberg Cement 2.25% 2024	50,000	—	—	—	52,942
Heidelberg Cement 8.5% 2019	100,000	100,000	106,106	0.92	109,228
Iberdrola 1.88% FRN	100,000	—	—	—	96,817
Iberdrola 3.25% FRN (Perp)	—	100,000	105,620	0.91	—
Innogy Finance 5.75% 2033	100,000	130,000	136,207	1.18	143,001
KfW Bankengruppe 4.675% 2023	570,000	570,000	676,470	5.86	682,384
Merlin Properties 1.875% 2026	100,000	—	—	—	97,294
Metrovacesa SA 2.375% 2022	100,000	100,000	106,184	0.92	105,188
NN Group 1.375 (Perp)	100,000	100,000	106,819	0.93	105,865
Nordea Bank 3.25% 2022	200,000	200,000	217,917	1.89	221,817

Investment Portfolio (continued)

As at 31 March 2019

Euro High Income Fund (continued)

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19 €	% of Total Net Assets	Market Value 30.09.18 €
Europe (continued)					
Orange 8.125% 2033	170,000	250,000	294,107	2.55	295,300
Orsted 6.25% 2013	25,000	40,000	70,927	0.61	29,074
Renault 1% 2025	107,000	—	—	—	101,812
RTE Reseau de Transport d'Electricite 3.875 2022	100,000	100,000	97,352	0.84	113,423
Societe Generale SA 2.625% 2025	100,000	100,000	111,101	0.96	103,873
TDF Infrastructure 2.875% 2022	100,000	—	—	—	107,373
Telefonica 3% FRN	100,000	100,000	98,092	0.85	95,564
Telefonica 5% FRN	100,000	—	—	—	105,313
TenneT Holdings 3% FRN	100,000	—	—	—	101,147
Teva Pharmaceutical Finance 1.125% 2024	100,000	—	—	—	89,136
Total 2.625% FRN (Perp)	159,000	150,000	167,655	1.45	162,652
Unibail Rodamco 2% 2016	300,000	300,000	318,168	2.76	294,038
Unibail Rodamco 2.875% (Perp)	100,000	100,000	101,089	0.88	98,215
Unitymedia 3.5% 2027	100,000	100,000	106,796	0.92	105,948
Unitymedia Hessen 8.125% 2017	100,000	100,000	102,619	0.89	113,438
Valeo 3.25% 2024	100,000	100,000	138,197	1.20	111,633
Vesteda Finance 2.5% 2022	100,000	100,000	109,029	0.94	105,812
Volkswagen International Finance 4.625% FRN (Perp)	130,000	100,000	114,437	0.99	134,993
Volkswagen International Finance 1.875% 2027	100,000	100,000	99,700	0.86	98,894
Volkswagen International Finance 2.7% FRN (Perp)	100,000	100,000	100,184	0.87	99,979
United Kingdom 11.10% (13.83%)					
Aviva 3.375% FRN 2045	100,000	100,000	104,597	0.91	101,040
Aviva 6.125% FRN 2043	100,000	100,000	105,809	0.92	116,749
Barclays Bank 6.625% 2022	100,000	100,000	103,824	0.90	116,617
BG Energy Capital 2.25% 2029	—	100,000	99,088	0.86	—
British Telecom 1.75% 2026	137,000	—	—	—	138,315
Channel Link Enterprises Inc 2.706% 2050	100,000	100,000	104,127	0.90	102,287
HBOS 4.5% FRN 2030	100,000	100,000	148,703	1.29	111,132
Nationwide Building Society 1.25% 2025	100,000	100,000	104,331	0.90	101,629
Nationwide 6.75% 2020	100,000	—	—	—	111,473
Royal Bank of Scotland 2.5% 2023	100,000	—	—	—	96,008
Royal Bank of Scotland 5.375% 2019	150,000	150,000	390	—	157,939
SSE Plc 2.375% FRN (Perp)	200,000	100,000	103,800	0.90	202,897
Total Capital 5.125% 2024	200,000	200,000	240,491	2.08	250,254
United Utilities Water 4.25% 2020	200,000	159,000	165,926	1.44	211,395

Investment Portfolio (continued)

As at 31 March 2019

Euro High Income Fund (continued)

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19 €	% of Total Net Assets	Market Value 30.09.18 €
United States 12.45% (10.61%)					
AT&T 3.15% 2036	100,000	100,000	106,842	0.93	100,033
AT&T 3.375% 2034	200,000	185,000	215,572	1.87	210,992
Goldman Sachs 2% 2023	200,000	100,000	106,539	0.92	209,043
JP Morgan Chase 2.75% 2022	120,000	100,000	115,646	1.00	130,670
Lehman Brothers Holdings FRN 2019	150,000	25,000	29,205	0.25	390
MetLife Global Funding 2.375% 2019	100,000	—	—	—	102,566
Microsoft 3.125% 2028	100,000	100,000	114,164	0.99	119,343
Verizon Communications 1.875% 2029	100,000	100,000	110,821	0.96	99,465
Verizon Communications 3.25% 2026	185,000	170,000	300,712	2.60	209,920
Vodafone Group 2.875% 2037	100,000	100,000	105,042	0.91	100,227
Wal-Mart Stores 2.55% 2026	100,000	100,000	103,069	0.89	111,265
Wal-Mart Stores 4.875% 2029	—	120,000	130,717	1.13	—
Total Value of Investments			11,459,832	99.28	12,465,417
Other Assets			198,257	1.72	806,533
Total Assets			11,658,089	101.00	13,271,950
Liabilities			(112,276)	(1.00)	(132,379)
Total Net Assets			11,545,813	100.00	13,139,571
			For the period ended 31.03.19		For the year ended 30.09.18
Cost of investments purchased			€565,891		€2,633,817
Proceeds from investments sold			€1,686,047		€3,832,966

Investment Portfolio (continued)

As at 31 March 2019

High Income Fund

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19	% of Total Net Assets	Market Value 30.09.18
			£		£
UK Government Bonds 0.00% (2.46%)					
Treasury 1.75% 2022	440,000	—	—	—	451,814
Treasury 3.5% 2068	120,000	—	—	—	187,536
Treasury 4.25% 2040	1,300,000	—	—	—	1,851,785
Treasury 4.5% 2034	1,155,000	—	—	—	1,587,432
Treasury 4.75% 2038	1,000,000	—	—	—	1,483,100
UK Corporate Bonds 67.84% (67.73%)					
Anglian Water (Osprey) Financing 4.5% 2026	1,000,000	1,000,000	1,091,295	0.51	1,081,065
Anglian Water (Osprey) Financing 5% 2023	600,000	600,000	588,897	0.27	615,861
Annington Finance 3.685% 2034	690,000	690,000	713,105	0.33	695,413
Annington Finance 3.935% 2047	750,000	750,000	791,280	0.37	765,975
Aspire Defence Finance A 4.674% 2040	1,643,000	1,143,000	1,308,052	0.61	1,797,621
Aspire Defence Finance B 4.674% 2040	—	500,000	572,138	0.27	—
Assura Financing 3% 2028	335,000	335,000	346,509	0.16	335,007
Autolink Concessionaires 8.39% 2022	1,500,000	1,500,000	589,901	0.27	670,191
Aviva 4.375% FRN 2049	317,000	317,000	319,813	0.15	298,457
Aviva 5.125% FRN 2050	1,200,000	1,200,000	1,276,205	0.59	1,186,044
Aviva 6.125% FRN (Perp)	1,760,000	1,760,000	1,886,225	0.87	1,913,111
Aviva 6.875% FRN 2058	200,000	200,000	254,456	0.12	235,058
Barclays Bank 2.375% 2023	794,000	794,000	789,963	0.37	778,926
Barclays Bank 3.25% 2033	1,320,000	1,320,000	1,263,913	0.59	1,193,841
Barclays Bank 9.5% 2021	1,697,000	1,697,000	1,975,210	0.91	2,000,497
Barclays Bank 10% 2021	1,860,000	1,860,000	2,157,470	1.00	2,200,745
BHP Billiton Finance 4.3% 2042	900,000	—	—	—	1,107,098
BL Superstores 5.27% 2030	750,000	750,000	181,495	0.08	200,057
BP Capital Markets 2.274% 2026	1,290,000	1,290,000	1,323,966	0.61	1,291,458
British American Tobacco 6% 2022	700,000	700,000	785,718	0.36	799,725
British American Tobacco 6.375% 2019	1,240,000	1,240,000	1,281,689	0.59	1,311,174
Broadgate Financing 4.821% 2036	1,340,000	1,340,000	1,762,046	0.82	1,697,898
Bromford Housing 3.125% 2048	550,000	550,000	578,232	0.27	540,078
BUPA Finance 2% 2024	280,000	280,000	279,887	0.13	276,629
BUPA Finance 5% 2026	900,000	900,000	991,427	0.46	968,204
Canary Wharf II 6.455% 2030	1,510,000	1,510,000	407,823	0.19	422,793
Catalyst Housing 3.125% 2047	532,000	532,000	551,554	0.26	515,758
Circle Anglia Social Housing 7.25% 2038	400,000	400,000	670,520	0.31	641,984
Channel Link Enterprises Inc 3.043% FRN 2050	450,000	450,000	454,923	0.21	441,459
Channel Link Enterprises Inc 3.848% 2050	150,000	150,000	162,385	0.08	156,608
City of Greenwich & Lewisham Rail Link 9.375% 2020	600,000	600,000	92,024	0.04	120,622
Clydesdale Bank 4.625% 2026	2,050,000	2,050,000	2,485,652	1.15	2,431,040
Co-operative Group 5.625% 2020	655,000	655,000	732,126	0.34	775,251
Connect Plus M25 2.607% 2039	713,000	713,000	744,905	0.35	704,711
Coventry Building Society 2050	1,677,000	1,677,000	953,023	0.44	1,049,301
CRH Finance 4.125% 2029	430,000	430,000	489,591	0.23	477,267
CYBG Plc 4% 2026	923,000	483,000	485,574	0.22	918,200
CYBG Plc 5% 2026	1,095,000	1,095,000	1,091,113	0.51	1,122,660
Daily Mail and General 6.375% 2027	1,300,000	1,300,000	1,503,853	0.70	1,492,595
Dignity Finance 4.6956% 2049	1,000,000	1,000,000	878,015	0.41	938,065
DS Smith Plc 2.875% 2029	330,000	330,000	327,812	0.15	316,145
Dwr Cymru Finance 6.907% 2021	1,900,000	1,900,000	2,113,551	0.98	2,154,135
Eastern Power Networks 8.5% 2025	3,530,000	3,530,000	4,766,781	2.21	4,772,242
Electricity North Western 8.785% 2026	1,452,000	1,452,000	2,079,249	0.96	2,070,596
EMH Treasury Plc 4.5% 2044	800,000	800,000	1,001,216	0.46	953,952
E.ON International Finance 6.375% 2032	600,000	—	—	—	808,050
EUR LN Conduit 5.0636% 2033	1,903,000	1,903,000	1,991,393	0.92	1,943,546
Eversholt Funding 3.529% 2042	490,000	490,000	485,095	0.22	464,736
First Hydro 9% 2021	1,550,000	1,550,000	1,812,586	0.84	1,859,163

Investment Portfolio (continued)

As at 31 March 2019

High Income Fund (continued)

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19	% of Total Net Assets	Market Value 30.09.18
			£		£
UK Corporate Bonds (continued)					
Friends Life Group 8.25% 2022	650,000	—	—	—	774,651
Gatwick Funding 2.625% 2048	710,000	710,000	652,863	0.30	606,802
Gemgarto 2015 ZERO 2047	466,000	—	—	—	1,959
GlaxoSmithKline 6.375% 2039	557,000	557,000	868,487	0.40	851,356
Great Rolling Stock 6.25% 2031	1,000,000	1,000,000	1,101,245	0.51	1,105,627
Hammerson Plc 6% 2026	—	228,000	265,307	0.12	—
HBOS 12% (Perp)	2,000,000	2,000,000	2,347,600	1.09	2,550,000
Heathrow Funding 4.625% 2048	1,500,000	1,500,000	1,968,720	0.91	1,825,721
Heathrow Funding 6.45% 2033	1,000,000	1,000,000	1,433,361	0.66	1,371,114
Heathrow Funding 6.75% 2028	900,000	900,000	1,191,984	0.55	1,170,556
Housing Association Funding 8.25% 2027	1,500,000	1,500,000	771,753	0.36	802,735
HSBC Bank 5.862% (Perp)	402,000	—	—	—	420,221
HSBC Holdings 2.175% 2023	—	867,000	872,462	0.40	—
HSBC Holdings 5.875% (Perp)	754,000	754,000	762,422	0.35	759,655
HSBC Holdings 6% 2040	1,850,000	1,850,000	2,435,980	1.13	2,309,011
HSBC Holdings 6.5% 2024	700,000	—	—	—	837,985
Imperial Tobacco 8.125% 2024	850,000	850,000	1,070,199	0.50	1,080,560
Imperial Tobacco 9% 2022	1,200,000	1,200,000	1,429,117	0.66	1,467,469
Income 2 2.5% 2058	—	1,090,000	961,207	0.45	—
Informa Plc 3.125% 2026	1,068,000	1,068,000	1,095,618	0.51	1,068,913
InterContinental Hotels 3.75% 2025	1,700,000	1,700,000	1,806,439	0.84	1,794,321
Integrated Accommodation Service 6.48% 2029	1,951,000	1,951,000	1,422,964	0.66	1,457,805
Intu Metrocentre 4.125% 2028	760,000	760,000	771,293	0.36	805,822
Land Securities GRN 2031	125,000	125,000	128,886	0.06	123,859
Land Securities 1.974% 2026	400,000	400,000	404,708	0.19	398,160
Land Securities 2.625% 2039	—	550,000	557,079	0.26	—
Lloyds Bank 9.625% 2023	1,500,000	1,500,000	1,920,326	0.89	1,916,258
Lloyds Bank 13% FRN (Perp)	692,000	—	—	—	878,909
Lloyds of London 4.75% 2024	646,000	646,000	696,184	0.32	682,850
L&Q Housing Trust 2.625% 2028	1,425,000	1,425,000	1,446,667	0.67	1,410,672
L&Q Housing Trust 4.625% 2033	500,000	500,000	613,385	0.28	598,793
L&Q Housing Trust 5.5% 2040	500,000	500,000	686,538	0.32	671,682
Lloyds Bank 2.25% 2024	966,000	—	—	—	928,355
Longstone Finance 4.896% 2036	65,000	65,000	75,450	0.03	72,864
Manchester Airport 4.125% 2024	1,000,000	—	—	—	1,102,407
Manchester Airport 4.75% 2034	530,000	—	—	—	637,114
Morhomes Plc 3.4% 2038	—	975,000	994,749	0.46	—
Motability 3.625% 2036	360,000	—	—	—	402,419
National Grid Gas 2.75% 2046	1,500,000	1,500,000	1,442,985	0.67	1,322,610
National Grid Gas 2.625% 2038	1,500,000	1,500,000	1,452,450	0.67	1,346,400
NewRiver REIT 3.5% 2028	826,000	826,000	812,941	0.38	800,064
NIE Finance 6.375% 2026	1,000,000	1,000,000	1,279,213	0.59	1,266,668
NGG Finance 5.625% FRN 2073	1,590,000	1,590,000	1,712,430	0.79	1,743,939
Northern Powergrid Yorkshire 9.25% 2020	3,032,000	2,032,000	2,156,988	1.00	3,331,498
Northumberland Services 6.875% 2023	2,250,000	2,250,000	2,694,278	1.25	2,702,572
Notting Hill 2.875% 2029	—	258,000	263,748	0.12	—
Paragon Mortgages 0 2050	1,141,000	1,141,000	1,126,028	0.52	1,132,657
Paragon Treasury 3.625% 2047	600,000	600,000	658,173	0.30	625,747
PCL Funding FRN 2023	1,052,000	—	—	—	1,049,843
Peabody Capital 3.25% 2048	526,000	526,000	546,603	0.25	508,776
Pension Insurance Corp 5.625 2030	587,000	587,000	580,044	0.27	566,135
Premiertel Plc 6.175% 2032	1,100,000	1,100,000	1,168,877	0.54	1,153,310
Prudential 5% FRN 2055	1,900,000	1,900,000	2,079,485	0.96	1,996,277
Prudential 5.625% 2051	711,000	711,000	758,566	0.35	722,554
Prudential Corporation 11.375% 2039	1,420,000	1,420,000	1,442,024	0.67	1,510,113
QBE Insurance 6.115% 2042	787,000	787,000	852,266	0.39	841,500

Investment Portfolio (continued)

As at 31 March 2019

High Income Fund (continued)

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19	% of Total Net Assets	Market Value 30.09.18
			£		£
UK Corporate Bonds (continued)					
Quadgas Finance 3.375% 2029	1,422,000	1,422,000	1,454,820	0.67	1,413,617
RL Finance 6.125% 2028	600,000	—	—	—	640,285
RMAC ZERO 2045	1,000,000	1,000,000	882,630	0.41	994,467
Royal Bank of Scotland 2.875% 2026	1,380,000	630,000	632,589	0.29	1,345,679
Royal Bank of Scotland 3.125% 2027	—	1,133,000	1,144,880	0.53	—
Santander UK 3.625% 2026	908,000	908,000	960,982	0.45	931,717
Santander UK 10.0625% (Perp)	500,000	500,000	810,940	0.38	828,905
Scottish Power 6.5% FRN 2041	1,000,000	500,000	747,805	0.35	1,452,660
Segro Plc 2.875% 2037	1,010,000	1,010,000	996,693	0.46	948,213
Severn Trent 6.25% 2029	1,550,000	1,550,000	2,096,710	0.97	2,028,659
Severn Utilities 2.75% 2031	500,000	500,000	516,958	0.24	486,898
Shaftesbury Carnaby 2.487% 2031	1,000,000	1,000,000	967,905	0.45	934,240
Southern Gas Networks 4.875% 2029	2,550,000	2,550,000	3,140,215	1.45	3,034,979
Southern Gas Networks 6.375% 2040	300,000	300,000	465,809	0.22	442,455
Southern Water Services 6.125% 2019	1,447,000	1,447,000	1,447,188	0.67	1,480,259
Southern Water Greensands Financing 8.5% 2019	938,000	938,000	939,890	0.44	972,678
SP Distribution Plc 5.875% 2026	305,000	305,000	379,630	0.18	375,386
SSE Plc 3.875% FRN (Perp)	2,350,000	2,350,000	2,372,031	1.10	2,380,733
Stagecoach Group 4% 2025	1,555,000	1,155,000	1,200,094	0.56	1,607,150
Standard Chartered 5.125% 2034	1,262,000	762,000	878,396	0.41	1,340,330
Standard Life Finance 6.75% FRN (Perp)	1,070,000	—	—	—	1,432,463
TC Dudgeon 3.158% 2038	—	529,000	560,071	0.26	—
Telereal Securitisation 5.3887% 2033	13,000	13,000	9,207	0.00	9,331
Tesco Property Finance 5.6611% 2041	—	390,000	452,461	0.21	—
Tesco Property Finance 5.744% 2040	—	920,000	1,075,054	0.50	—
Thames Water Utilities 2.375% 2023	570,000	570,000	559,643	0.26	554,234
Thames Water Utilities 2.625% 2032	300,000	300,000	293,432	0.14	281,112
Thames Water Utilities 2.875% 2027	430,000	430,000	421,727	0.20	411,123
Thames Water Utilities 5.125% 2037	1,486,000	1,486,000	1,897,854	0.88	1,839,192
Thames Water Utilities 5.75% 2030	740,000	740,000	810,367	0.38	817,403
Thames Water Utilities 5.875% 2022	800,000	800,000	819,684	0.38	842,432
Thames Water Utilities 6.75% 2028	800,000	800,000	1,080,189	0.50	1,063,311
Thames Water Utilities 7.75% 2019	1,000,000	—	—	—	1,032,220
Thames Water Utilities 7.738% 2058	240,000	240,000	459,401	0.21	438,253
THFC Funding No.2 6.35% 2041	1,080,000	1,080,000	1,627,844	0.75	1,560,505
THFC Funding No.3 5.2% 2045	—	105,000	144,545	0.07	—
Total Capital 1.75% 2025	1,054,000	1,054,000	1,075,359	0.50	1,038,396
Tritax 2.625% 2026	432,000	432,000	432,827	0.20	425,079
Tritax 3.125% 2031	1,170,000	638,000	646,288	0.30	1,141,908
Unite Group 3.374% 2028	425,000	425,000	453,455	0.21	451,004
Unite Group 3.5% 2028	—	837,000	866,739	0.40	—
University of Cambridge 2.35% 2078	273,000	273,000	279,992	0.13	254,667
UPP Bond Series 1 4.9023% 2040	1,100,000	1,100,000	1,268,844	0.59	1,239,583
Verizon Communications 3.125% 2035	180,000	180,000	187,072	0.09	172,174
Verizon Communications 3.375% 2036	390,000	560,000	595,815	0.28	382,929
Vicinity Centres 3.375% 2026	520,000	520,000	548,922	0.25	538,793
Virgin Media 4.875% 2027	400,000	400,000	398,148	0.18	394,984
Virgin Media 5% 2027	680,000	680,000	686,902	0.32	679,803
Virgin Media 6.25% 2029	300,000	300,000	318,558	0.15	315,147
Western Power 3.625% 2023	1,000,000	1,000,000	1,053,519	0.49	1,044,903
Western Power 5.75% 2032	1,300,000	1,300,000	1,744,717	0.81	1,673,653
Westfield Holdings 2.625% 2029	530,000	530,000	535,528	0.25	514,855
Yorkshire Water Services 6.5876% 2023	842,000	842,000	1,001,433	0.46	1,005,457
Zurich Finance 6.625% FRN (Perp)	800,000	800,000	887,895	0.41	897,644

Investment Portfolio (continued)

As at 31 March 2019

High Income Fund (continued)

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19 £	% of Total Net Assets	Market Value 30.09.18 £
Overseas Borrowers 30.36% (27.45%)					
Abertis 3.375% 2026	—	800,000	804,796	0.37	—
ABN Amro Bank 1% 2020	400,000	400,000	398,490	0.18	396,982
America Movil 4.375% 2041	500,000	1,170,000	1,465,016	0.68	573,165
Anheuser Busch 2.85% 2037	1,471,000	1,471,000	1,419,611	0.66	1,385,439
APT Pipelines 3.125% 2031	—	443,000	451,858	0.21	—
APT Pipelines 3.5% 2030	1,670,000	1,670,000	1,763,079	0.82	1,718,488
Aroundtown SA 3.25% 2027	945,000	945,000	945,416	0.44	921,748
AT&T 4.25% 2043	1,277,000	777,000	839,803	0.39	1,323,640
AT&T 4.375% 2029	1,000,000	786,000	881,358	0.41	1,083,300
AT&T 4.875% 2044	1,300,000	600,000	706,603	0.33	1,469,956
AXA 6.686% FRN (Perp)	1,030,000	1,030,000	1,182,311	0.55	1,177,977
AXA 5.453% FRN (Perp)	2,123,000	2,123,000	2,284,936	1.06	2,257,414
Bank of America 2.3% 2025	1,000,000	1,000,000	1,012,450	0.47	981,765
Bank of America 7% 2028	2,700,000	2,700,000	3,761,211	1.74	3,635,099
Bank of Nova Scotia 1.25% 2022	400,000	—	—	—	391,840
Citigroup 6.8% 2038	1,691,000	1,691,000	2,691,140	1.25	2,525,481
Commonwealth Bank of Australia 1.125% 2021	1,370,000	1,370,000	1,366,000	0.63	1,354,834
Cooperatieve Rabobank 4.625% 2029	1,500,000	1,500,000	1,702,047	0.79	1,642,256
Cooperatieve Rabobank 5.375% 2060	500,000	500,000	855,033	0.40	740,857
CPUK Finance Ltd 3.69% 2028	—	840,000	882,059	0.41	—
Deutsche Bank 1.75% 2021	—	300,000	293,921	0.14	—
Deutsche Bank 1.875% 2020	1,000,000	1,000,000	998,370	0.46	995,665
Digital Stout Holding 3.75% 2030	—	1,113,000	1,151,003	0.53	—
Digital Stout Holding 3.75% 2030	—	448,000	463,297	0.21	—
E.ON International Finance 5.825% 2037	2,100,000	1,600,000	2,236,578	1.04	2,804,319
EDF 5.125% 2050	650,000	650,000	880,101	0.41	801,706
EDF 5.5% 2037	100,000	100,000	133,690	0.06	123,470
EDF 5.5% 2041	1,000,000	1,000,000	1,371,219	0.64	1,257,951
EDF 5.875% 2031	1,178,000	1,178,000	1,583,654	0.73	1,508,098
EDF 6% 2014	700,000	700,000	1,050,268	0.49	904,078
EDF 6.125% 2034	700,000	600,000	842,927	0.39	927,816
EDF 6.25% 2028	400,000	400,000	530,304	0.25	513,630
Enel 5.75% 2037	1,300,000	1,300,000	1,665,598	0.77	1,606,470
Feldspar Zero 2045	1,155,000	—	—	—	721,579
First Group 8.75% 2021	2,509,000	2,000,000	2,242,794	1.04	2,875,003
Freshwater Finance 5.182% 2035	858,000	858,000	1,145,301	0.53	1,116,662
GE Capital UK Funding 6.25% 2038	—	172,000	225,043	0.10	—
GE Capital UK Funding 8% 2039	—	190,000	286,412	0.13	—
General Motors Financial 2.25% 2024	1,500,000	850,000	817,968	0.38	1,442,153
Goldman Sachs 7.125% 2025	850,000	850,000	1,080,396	0.50	1,076,577
Goldman Sachs 7.25% 2028	577,000	577,000	785,130	0.36	770,697
Health Care REIT	700,000	700,000	814,100	0.38	785,238
MetLife Global Funding 2.625% 2022	1,250,000	1,250,000	1,302,266	0.60	1,298,096
Orange 5.625% 2034	1,000,000	1,000,000	1,338,791	0.62	1,296,949
Orange 5.875% FRN (Perp)	2,002,000	2,002,000	2,165,664	1.00	2,157,968
Orange 8.125% 2028	1,300,000	1,300,000	1,933,650	0.90	1,896,397
RWE Finance 6.125% 2039	1,450,000	1,450,000	2,101,720	0.97	1,998,739
RWE Finance 6.5% 2021	700,000	700,000	769,829	0.36	783,781
SLM Student Loan 5.45% 2038	1,000,000	1,000,000	841,077	0.39	943,577
Swedbank AB 1.25% 2021	880,000	880,000	869,440	0.40	874,922
Time Warner Cable 5.25% 2042	600,000	600,000	691,528	0.32	659,211
United Mexico STS 5.625% 2014	310,000	310,000	316,200	0.15	319,591
Vinci SA 2.25% 2027	—	400,000	404,864	0.19	—
Vinci SA 2.75% 2034	—	300,000	307,200	0.14	—
Vodafone Group 3% 2056	900,000	900,000	761,544	0.35	760,662
Vodafone Group 3.375% 2049	362,000	362,000	333,719	0.15	332,604

Investment Portfolio (continued)

As at 31 March 2019

High Income Fund (continued)

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19 £	% of Total Net Assets	Market Value 30.09.18 £
Overseas Borrowers (continued)					
Vodafone Group 4.875% 2078	626,000	—	—	—	623,596
Volkswagen International Finance 1.875% 2021	600,000	600,000	600,585	0.28	598,014
Volkswagen International Finance 2.25% 2025	858,000	858,000	840,879	0.39	833,435
Volkswagen International Finance 2.75% 2023	—	200,000	203,305	0.09	—
Volkswagen International Finance 4.125% 2031	—	700,000	749,553	0.35	—
Wal-Mart Stores 5.25% 2035	811,000	811,000	1,169,884	0.54	1,118,570
Wells Fargo & Co 4.875% 2035	500,000	500,000	626,461	0.29	574,942
Westpac Bank 1% 2022	1,200,000	1,200,000	1,188,324	0.55	1,177,434
Total Value of Investments			211,927,169	98.20	220,731,676
Other Assets			5,478,859	2.54	7,998,077
Total Assets			217,406,028	100.74	228,729,753
Liabilities			(1,515,964)	(0.74)	(2,675,614)
Total Net Assets			215,890,064	100.00	226,054,139
			For the period ended 31.03.19		For the year ended 30.09.18
Cost of investments purchased			£18,821,332		£64,946,352
Proceeds from investments sold			£31,676,869		£82,822,920

Investment Portfolio (continued)

As at 31 March 2019

Sterling Bond Fund

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19	% of Total Net Assets	Market Value 30.09.18
			£		£
UK Government 20.23% (5.00%)					
Treasury 1.75% 2022	—	298,000	309,071	0.28	—
Treasury 1.75% 2037	—	226,000	236,147	0.22	—
Treasury 1.75% 2057	—	257,000	279,783	0.26	—
Treasury 2.25% 2023	340,000	8,603,000	9,190,585	8.47	357,714
Treasury 3.75% 2019	350,000	3,350,000	3,394,053	3.13	359,590
Treasury 3.75% 2021	—	6,700,000	7,204,845	6.64	—
Treasury 4.25% 2032	—	212,000	290,281	0.27	—
Treasury 4.25% 2036	—	626,000	894,116	0.82	—
Treasury 4.25% 2049	—	92,000	153,286	0.14	—
Treasury 4.25% 2055	40,000	—	—	—	65,916
Treasury 4.5% 2034	65,000	—	—	—	89,336
UK Corporate 46.22% (61.23%)					
Alba FRN 2039	100,000	100,000	61,730	0.06	66,916
Anglian Water 6.293% 2030	40,000	—	—	—	53,791
Annington Finance 2.646% 2025	100,000	100,000	99,545	0.09	98,586
Annington Finance 3.935% 2047	100,000	414,000	436,787	0.40	102,130
Annington Funding 3.184% 2029	—	826,000	836,618	0.77	—
Aspire Defence Finance B 4.674% 2040	150,000	693,000	792,983	0.73	164,116
Assura Financing 3% 2028	—	297,000	307,203	0.28	—
Aster Treasury Plc 4.5% 2043	—	207,000	267,564	0.25	—
Autolink Concessionaires 8.39% 2022	300,000	300,000	117,980	0.11	134,038
Aviva 4.375% FRN 2049	—	448,000	451,976	0.42	—
Aviva 5.125% FRN 2050	—	319,000	339,258	0.31	—
Aviva 6.125% 2036	—	200,000	227,618	0.21	—
Aviva 6.125% FRN (Perp)	—	340,000	364,384	0.34	—
Aviva 6.625% FRN 2041	100,000	100,000	108,950	0.10	109,161
Aviva 6.875% FRN 2058	100,000	—	—	—	117,529
Barclays Bank 2.375% 2023	100,000	888,000	883,485	0.81	98,102
Barclays Bank 3.125% 2024	—	842,000	858,731	0.79	—
Barclays Bank 3.25% 2033	100,000	290,000	277,678	0.26	90,443
BAT International Finance 2.25% 2052	100,000	100,000	70,430	0.06	72,841
BAT International Finance 4% 2026	170,000	170,000	182,713	0.17	183,174
BAT International Finance 4% 2055	—	192,000	195,018	0.18	—
BAT International Finance 6% 2034	—	291,000	372,884	0.34	—
BP Capital Markets 2.274% 2026	100,000	665,000	682,509	0.63	100,113
British Land Co 2.375% 2029	—	369,000	362,817	0.33	—
BUPA Finance 5% 2023	—	200,000	217,000	0.20	—
BUPA Finance 5% 2026	100,000	100,000	110,159	0.10	107,578
Canary Wharf Finance 5.952% 2035	150,000	150,000	215,511	0.20	211,010
Catalyst Housing 3.125% 2047	100,000	100,000	103,676	0.10	96,947
Channel Link Enterprises Inc 3.043% FRN 2050	100,000	100,000	101,094	0.09	98,102
Circle Anglia Social Housing 7.25% 2038	50,000	179,000	300,058	0.28	80,248
Clarion Funding 3.125% 2048	—	260,000	269,225	0.25	—
Clydesdale Bank 4.625% 2026	100,000	100,000	121,251	0.11	118,587
Connect Plus M25 2.607% 2039	100,000	451,000	471,181	0.43	98,837
CRH Finance 4.125% 2029	100,000	587,000	668,349	0.62	110,992
CYBG Plc 4% 2026	100,000	200,000	201,066	0.19	99,480
DS Smith Plc 2.875% 2029	—	413,000	410,262	0.38	—
Eastern Power Networks 5.75% 2024	169,000	169,000	199,114	0.18	198,045
Eastern Power Networks 6.25% 2036	—	240,000	354,826	0.33	—
EMH Treasury Plc 4.5% 2044	100,000	100,000	125,152	0.12	119,244
Eversholt Funding 3.529% 2042	—	101,000	99,989	0.09	—
Eversholt Funding 6.697% 2035	—	224,000	288,633	0.27	—
First Group 8.75% 2021	90,000	556,000	623,497	0.57	103,129
Funding II FRN 2020	100,000	—	—	—	100,266

Investment Portfolio (continued)

As at 31 March 2019

Sterling Bond Fund (continued)

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19 £	% of Total Net Assets	Market Value 30.09.18 £
UK Corporate (continued)					
Futures Treasury 3.375% 2044	—	100,000	106,261	0.10	—
Gatwick Funding 2.625% 2048	—	207,000	190,342	0.18	—
Gatwick Funding 3.125% 2039	—	205,000	209,210	0.19	—
Gatwick Funding 6.125% 2026	100,000	100,000	124,660	0.11	122,953
Gatwick Funding 6.5% 2043	—	186,000	289,493	0.27	—
Gemgarto 2015 ZERO 2047	100,000	—	—	—	420
GlaxoSmithKline 4.25% 2045	—	465,000	593,327	0.55	—
GlaxoSmithKline 5.25% 2042	100,000	100,000	142,209	0.13	139,027
Great Rolling Stock 6.25% 2020	204,000	204,000	216,157	0.20	220,263
Great Rolling Stock 6.25% 2031	100,000	575,000	633,216	0.58	110,563
Hammerson Plc 6% 2026	—	119,000	138,472	0.13	—
Heathrow Funding 2.75% 2049	—	355,000	341,641	0.31	—
Heathrow Funding 4.625% 2048	—	282,000	370,119	0.34	—
Heathrow Funding 5.875% 2043	115,000	115,000	169,894	0.16	160,122
Heathrow Funding 6.45% 2033	200,000	467,000	669,380	0.62	274,223
Heathrow Funding 7.075% 2028	—	132,000	184,366	0.17	—
Heathrow Funding 7.125% 2024	—	240,000	291,690	0.27	—
HSBC Bank 4.75% 2046	—	350,000	426,893	0.39	—
HSBC Bank 5.375% 2033	150,000	150,000	188,509	0.17	179,648
HSBC Holdings 2.175% 2023	—	462,000	464,911	0.43	—
HSBC Holdings 2.26% 2026	100,000	701,000	692,917	0.64	95,252
HSBC Holdings 5.875% (Perp)	—	636,000	643,104	0.59	—
HSBC Holdings 6% 2040	115,000	528,000	695,242	0.64	143,533
HSBC Holdings 6.5% 2024	200,000	—	—	—	239,424
HSBC Holdings 7% 2038	—	300,000	431,516	0.40	—
Hutchison Whampoa Finance UK 5.625% 2026	50,000	500,000	626,193	0.58	61,275
Income 2 2.5% 2058	—	574,000	506,177	0.47	—
Incommunities Treasury 3.25% 2049	—	100,000	104,548	0.10	—
InterContinental Hotels 2.125% 2026	100,000	444,000	426,562	0.39	94,067
InterContinental Hotels 3.75% 2025	—	708,000	752,329	0.69	—
InterContinental Hotels 3.875% 2022	110,000	360,000	385,237	0.35	117,898
Intu Metrocentre 4.125% 2028	—	466,000	472,924	0.44	—
L&Q Housing Trust 2.625% 2028	—	387,000	392,884	0.36	—
L&Q Housing Trust 2.75% 2057	100,000	100,000	91,053	0.08	87,309
L&Q Housing Trust 4.625% 2033	—	596,000	731,155	0.67	—
L&Q Housing Trust 5.5% 2040	—	92,000	126,323	0.12	—
Land Securities 2.75% 2059	100,000	359,000	366,160	0.34	94,065
Lloyds Bank 5.75% 2025	100,000	100,000	104,791	0.10	105,598
Lloyds Bank 6% 2029	100,000	100,000	137,648	0.13	134,880
Lloyds Bank 6.5% 2040	—	207,000	336,078	0.31	—
Lloyds Bank 7.625% 2025	370,000	631,000	806,036	0.74	467,091
Lloyds of London 4.75% 2024	100,000	231,000	248,945	0.23	105,704
London & Quadrant 3.75% 2049	—	100,000	112,051	0.10	—
Manchester Airport 4.75% 2034	100,000	—	—	—	120,210
Marks & Spencer 4.75% 2025	112,000	112,000	121,239	0.11	121,232
Meadowhall 4.988% 2037	300,000	300,000	264,724	0.24	260,002
Morhomes Plc 3.4% 2038	—	496,000	506,046	0.47	—
National Grid Electricity Transmission 2.75% 2035	—	100,000	104,378	0.10	—
National Grid Gas 2.625% 2038	100,000	100,000	96,830	0.09	89,760
National Grid Gas 2.75% 2046	100,000	584,000	561,802	0.52	88,174
NewRiver REIT 3.5% 2028	—	355,000	349,387	0.32	—
NGG Finance 5.625% FRN 2073	120,000	120,000	129,240	0.12	131,618
NIE Finance 6.375% 2026	200,000	567,000	725,314	0.67	253,334
Northern Gas Network 4.875% 2027	—	529,000	642,556	0.59	—
Northumbrian Water 2.375% 2027	—	363,000	365,811	0.34	—
Northumbrian Water 5.125% 2042	100,000	—	—	—	129,357
Northumbrian Water 5.625% 2033	—	209,000	282,738	0.26	—

Investment Portfolio (continued)

As at 31 March 2019

Sterling Bond Fund (continued)

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19 £	% of Total Net Assets	Market Value 30.09.18 £
UK Corporate (continued)					
Notting Hill 2.875% 2029	—	380,000	388,466	0.36	—
Notting Hill 3.25% 2048	100,000	313,000	313,038	0.29	95,820
Orbit Capital 3.5% 2045	100,000	100,000	107,542	0.10	101,584
Paragon Treasury 3.625% 2047	—	278,000	304,953	0.28	—
PCL Funding FRN 2023	100,000	—	—	—	99,795
Peabody Capital 4.625% 2053	—	194,000	259,720	0.24	—
Pension Insurance Corp 5.625 2030	—	315,000	311,267	0.29	—
Prudential 5% FRN 2055	—	467,000	511,116	0.47	—
Prudential 5.625% 2051	—	462,000	492,908	0.45	—
Prudential 5.7% 2063	110,000	273,000	324,960	0.30	124,971
Quadgas Finance 3.375% 2029	100,000	700,000	716,156	0.66	99,411
RL Finance 6.125% 2028	100,000	—	—	—	106,714
RMPA Services 5.337% 2038	—	147,000	145,067	0.13	—
Royal Bank of Scotland 2.875% 2026	100,000	600,000	602,466	0.56	97,513
Royal Bank of Scotland 3.125% 2027	—	521,000	526,463	0.49	—
Royal Sun Alliance 5.125% 2045	100,000	100,000	108,861	0.10	105,366
Santander UK 3.625% 2026	—	363,000	384,181	0.35	—
Santander UK 3.875% 2029	—	422,000	489,825	0.45	—
Santander UK 9.625% FRN 2023	125,000	—	—	—	126,426
Segro Plc 2.875% 2037	100,000	547,000	539,793	0.50	93,883
Severn Trent 6.125% 2024	—	256,000	305,712	0.28	—
Severn Trent 6.25% 2029	170,000	170,000	229,962	0.21	222,498
Severn Utilities 4.875% 2042	—	324,000	430,026	0.40	—
Southern Gas Networks 6.375% 2040	100,000	430,000	667,660	0.62	147,485
Sovereign Housing 5.705% 2039	—	124,000	180,301	0.17	—
SSE Plc 3.875% FRN (Perp)	200,000	200,000	201,875	0.19	202,616
Stagecoach Group 4% 2025	100,000	538,000	559,005	0.52	103,354
Standard Chartered 5.125% 2034	100,000	100,000	115,275	0.11	106,207
Standard Life Finance 6.75% FRN (Perp)	50,000	—	—	—	66,938
Swan Housing Capital Plc 3.625% 2048	100,000	283,000	301,764	0.28	102,005
TC Dudgeon 3.158% 2038	—	332,000	351,500	0.32	—
Thames Water Utilities 2.625% 2032	—	179,000	175,081	0.16	—
Thames Water Utilities 2.875% 2027	—	865,000	848,357	0.78	—
Thames Water Utilities 4% 2025	—	126,000	138,412	0.13	—
Thames Water Utilities 4.375% 2034	—	115,000	134,343	0.12	—
Thames Water Utilities 5.75% 2030	—	576,000	630,772	0.58	—
Thames Water Utilities 6.5% 2032	—	100,000	138,520	0.13	—
Thames Water Utilities 6.75% 2028	—	560,000	756,132	0.70	—
Thames Water Utilities 7.738% 2058	100,000	100,000	191,417	0.18	182,606
The Wellcome Trust 2.517% 2118	—	240,000	238,632	0.22	—
THFC Funding No.1 5.125% 2037	—	387,000	504,746	0.47	—
THFC Funding No.2 6.35% 2041	80,000	247,000	372,294	0.34	115,593
THFC Funding No.3 5.2% 2045	—	100,000	137,662	0.13	—
Tritax 3.125% 2031	100,000	—	—	—	97,599
Unite Group 3.5% 2028	—	414,000	428,709	0.39	—
United Utilities 5% 2035	120,000	120,000	159,447	0.15	152,719
University of Cambridge 2.35% 2078	—	198,000	203,071	0.19	—
University of Oxford 2.544% 2117	—	190,000	193,120	0.18	—
University of Southampton 2.25% 2057	—	204,000	188,125	0.17	—
UPP Bond Series 1 4.9023% 2040	150,000	150,000	173,024	0.16	169,034
Vodafone Group 3% 2056	—	458,000	387,541	0.36	—
Vodafone Group 3.375% 2049	100,000	227,000	209,266	0.19	91,880
Wessex Water Financial Services 5.375% 2028	—	404,000	509,544	0.47	—
Western Power 3.625% 2023	100,000	100,000	105,352	0.10	104,490
Western Power 5.75% 2032	—	202,000	271,102	0.25	—
Western Power 5.75% 2040	—	150,000	216,223	0.20	—
Western Power 5.75% 2040	50,000	50,000	72,074	0.07	68,358

Investment Portfolio (continued)

As at 31 March 2019

Sterling Bond Fund (continued)

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19 £	% of Total Net Assets	Market Value 30.09.18 £
UK Corporate (continued)					
Western Power 6.25% 2040	—	138,000	211,296	0.19	—
Yorkshire Building Society 3.5% 2026	100,000	346,000	368,551	0.34	102,451
Overseas Borrowers 31.63% (29.33%)					
Abertis 3.375% 2026	—	400,000	402,398	0.37	—
ABN Amro Bank 1.375% 2022	—	400,000	398,500	0.37	—
America Movil 4.375% 2041	—	190,000	237,909	0.22	—
America Movil 4.948% 2033	150,000	405,000	521,400	0.48	180,404
America Movil 5.75% 2030	—	425,000	564,091	0.52	—
America Movil 6.375% FRN 2073	—	339,000	359,424	0.33	—
Anheuser Busch 2.85% 2037	77,000	590,000	569,388	0.52	72,521
Anheuser Busch 9.75% 2024	—	500,000	691,835	0.64	—
Apple Incorporated 3.05% 2029	100,000	100,000	111,636	0.10	107,655
Apple Incorporated 3.6% 2042	—	126,000	154,598	0.14	—
APT Pipelines 3.125% 2031	—	292,000	297,839	0.27	—
APT Pipelines 3.5% 2030	100,000	684,000	722,123	0.67	102,904
Aroundtown SA 3.25% 2027	100,000	—	—	—	97,540
AT&T 4.25% 2043	135,000	253,000	273,449	0.25	139,931
AT&T 4.875% 2044	100,000	364,000	428,672	0.39	113,074
AT&T 5.2% 2033	—	269,000	325,715	0.30	—
AT&T 7% 2040	—	250,000	369,700	0.34	—
AXA 5.453% FRN (Perp)	100,000	696,000	749,089	0.69	106,331
AXA 6.686% FRN (Perp)	100,000	300,000	344,363	0.32	114,367
Bank of America 2.3% 2025	173,000	415,000	420,167	0.39	169,845
Bank of America 7% 2028	—	550,000	766,173	0.71	—
BHP Billiton Finance 6.5% 2077	—	508,000	568,791	0.52	—
Citigroup 4.5% 2031	170,000	170,000	196,230	0.18	185,599
Citigroup 6.8% 2038	—	299,000	475,843	0.44	—
Citigroup 7.375% 2039	—	196,000	332,962	0.31	—
Comcast Corporation 5.5% 2029	—	158,000	208,627	0.19	—
Commonwealth Bank of Australia 1.125% 2021	105,000	105,000	104,693	0.10	103,838
Cooperatieve Rabobank 4.625% 2029	130,000	857,000	972,436	0.90	142,329
CPUK Finance Ltd 3.69% 2028	—	420,000	441,029	0.41	—
Credit Agricole 7.375% 2023	—	400,000	495,477	0.46	—
Credit Suisse Group 2.125% FRN 2025	100,000	100,000	97,564	0.09	95,532
Deutsche Bank 1.75% 2021	100,000	400,000	391,894	0.36	97,700
Deutsche Bank 1.875% 2020	—	400,000	399,348	0.37	—
Digital Stout Holding 3.75% 2030	—	305,000	315,414	0.29	—
Digital Stout Holding 3.75% 2030	—	212,000	219,239	0.20	—
Digital Stout Holding 4.25% 2025	—	600,000	649,902	0.60	—
DONG Energy 4.875% 2032	—	400,000	508,097	0.47	—
DONG Energy 5.75% 2040	—	400,000	594,577	0.55	—
E.ON International Finance 5.825% 2037	—	450,000	629,037	0.58	—
E.ON International Finance 6.375% 2032	200,000	492,000	686,379	0.63	269,350
E.ON International Finance 6.75% 2039	—	150,000	230,969	0.21	—
EDF 5.125% 2050	—	300,000	406,200	0.37	—
EDF 5.5% 2037	—	200,000	267,379	0.25	—
EDF 5.5% 2041	100,000	400,000	548,488	0.51	125,795
EDF 5.875% 2031	—	765,000	1,028,434	0.95	—
EDF 6% 2014	100,000	400,000	600,153	0.55	129,154
EDF 6.125% 2034	100,000	—	—	—	132,545
EDF 6.25% 2028	—	300,000	397,728	0.37	—
EDF 6.875% 2022	250,000	250,000	299,796	0.28	301,706
Engie 5% 2060	50,000	250,000	389,556	0.36	72,808
European Investment Bank 6% 2028	100,000	—	—	—	138,138
Fidelity National Info Services 1.7% 2022	110,000	1,184,000	1,173,711	1.08	108,583
Gatwick Funding 4.625% FRN 2036	—	312,000	380,726	0.35	—

Investment Portfolio (continued)

As at 31 March 2019

Sterling Bond Fund (continued)

	Holding 30.09.18	Holding 31.03.19	Market Value 31.03.19 £	% of Total Net Assets	Market Value 30.09.18 £
Overseas Borrowers (continued)					
GE Capital UK Funding 6.25% 2038	—	65,000	85,045	0.08	—
GE Capital UK Funding 8% 2039	—	160,000	241,189	0.22	—
General Motors Financial 2.25% 2024	120,000	857,000	824,704	0.76	115,372
Glencore Finance GRN 2022	—	665,000	739,525	0.68	—
Groupe BPCE 5.25% 2029	100,000	100,000	118,910	0.11	113,671
Health Care REIT	100,000	100,000	116,300	0.11	112,177
Innogy Finance 5.625% 2023	—	123,000	144,457	0.13	—
National Capital Trust 5.62% FRN (Perp)	150,000	—	—	—	151,824
New York Life 1.75% 2022	100,000	100,000	101,369	0.09	100,553
Orange 3.25% 2032	—	300,000	318,959	0.29	—
Orange 5.375% 2050	50,000	100,000	144,716	0.13	67,254
Orange 5.875% FRN (Perp)	—	164,000	177,407	0.16	—
Orange 8.125% 2028	—	417,000	620,255	0.57	—
Precise Mortgage Funding 1.6675% 2047	100,000	—	—	—	4,948
Precise Mortgage Funding FRN 2055	100,000	100,000	85,049	0.08	95,703
QBE Insurance 6.115% 2042	112,000	112,000	121,288	0.11	119,756
Rabobank Capital FRN (Perp)	110,000	—	—	—	114,078
RWE Finance 6.125% 2039	100,000	550,000	797,204	0.73	137,844
Scentre Management 2.375% 2022	100,000	100,000	101,894	0.09	101,928
Scentre Management 3.875% 2026	—	230,000	250,911	0.23	—
SGSP Assets 5.125% 2021	—	520,000	553,822	0.51	—
SLM Student Loan 5.45% 2038	190,000	190,000	159,805	0.15	179,280
Southern Water 5% 2021	180,000	180,000	192,821	0.18	194,842
Telefonica Emision 5.289% 2022	150,000	150,000	168,763	0.16	169,122
Telefonica Emision 5.445% 2029	—	550,000	683,929	0.63	—
Total Capital 1.25% 2024	85,000	515,000	514,390	0.47	81,991
Trafford Centre Finance 6.5% 2033	200,000	200,000	224,352	0.21	224,036
United Parcel Services 5.125% 2050	—	150,000	232,016	0.21	—
Veolia Environment 6.125% 2037	—	150,000	222,454	0.20	—
Verizon Communications 3.125% 2035	—	400,000	415,716	0.38	—
Verizon Communications 3.375% 2036	100,000	482,000	512,826	0.47	98,187
Vicinity Centres 3.375% 2026	100,000	468,000	494,030	0.46	103,614
Vinci SA 2.25% 2027	—	200,000	202,432	0.19	—
Vinci SA 2.75% 2034	—	200,000	204,800	0.19	—
Volkswagen International Finance 2.25% 2025	64,000	319,000	312,634	0.29	62,168
Volkswagen International Finance 2.75% 2023	—	200,000	203,305	0.19	—
Volkswagen International Finance 4.125% 2031	—	400,000	428,316	0.39	—
Westfield Holdings 2.625% 2029	—	685,000	692,145	0.64	—
Westpac Bank 1% 2022	100,000	100,000	99,027	0.09	98,120
Westpac Bank 2.625% 2022	100,000	100,000	104,197	0.10	102,991
Total Value of Investments			106,384,545	98.08	16,697,387
Other Assets			3,001,063	2.76	908,424
Total Assets			109,385,608	100.84	17,605,811
Liabilities			(845,504)	(0.84)	(135,085)
Total Net Assets			108,540,104	100.00	17,470,726
			For the period ended 31.03.19		For the year ended 30.09.18
Cost of investments purchased			£173,831,939		£4,680,872
Proceeds from investments sold			£87,076,757		£6,090,122

Investment Portfolio - Investments Purchased and Sold

For the six month period ended 31 March 2019

This schedule refers to investments both purchased and sold during the period and as a result do not appear on the portfolio listings.

High Income Fund	Nominal
Comcast Corporation 5.5% 2029	170,000
Treasury Gilt 4.25% 2036	810,000

Sterling Bond Fund	
Anglian Water 4.5% 2027	159,000
AT&T Incorporated 4.375% 2029	100,000
BHP Billiton 4.3% 2042	924,000
Land Securities 2.625% 2039	2,216,000
Lloyds Banking Group 2.25% 2024	311,000
Morgan Stanley 2.625% 2027	700,000
Santander UK 1.875% 2020	354,000
Treasury Gilt 4.5% 2042	7,987,000
Treasury Gilt 4.25% 2040	93,000
Treasury Gilt 2.75% 2024	16,170,000
Treasury Gilt 1.25% 2027	690,000
Treasury Gilt 1.75% 2049	90,000
Treasury Gilt 1.625% 2028	16,500,000
Vodafone Group 4.875% 2078	307,000

Investment Portfolio - Summary of Material Portfolio Changes

For the six month period ended 31 March 2019

This schedule refers to securities purchased and sold during the period which had a value of greater than 2% of the net asset value of each Fund. The Directors consider that where applicable the disclosure of the 20 largest purchases and sales is sufficient to reflect the nature of the operating activity of the Funds.

Euro High Income Fund

Purchases	Cost €	Sales	Proceeds €
Wal-Mart Stores 4.875% 2029	137,153	Gas Natural Capital Markets 6.375% 2019	159,904
BHP Billiton Finance 3.125% 2033	119,540	British Telecom 1.75% 2026	141,825
BHP Billiton Finance 5.625% 2079	115,539	Nationwide 6.75% 2020	113,097
BG Energy Capital 2.25% 2029	108,244	Telefonica 5% FRN	109,704
Iberdrola 3.25% FRN (Perp)	100,000	Goldman Sachs 2% 2023	105,777
		Renault 1% 2025	103,399
		TDF Infrastructure 2.875% 2022	102,577
		MetLife Global Funding 2.375% 2019	102,493
		SSE Plc 2.375% FRN (Perp)	102,451
		TenneT Holdings 3% FRN	101,264
		Merlin Properties 1.875% 2026	100,707
		Iberdrola 1.88% FRN	98,009
		Hemsö Fastighets 1% 2026	97,891
		Teva Pharmaceutical Finance 1.125% 2024	89,234
		Bundesrepublik Deutschland 0.5% 2026	78,868
		Heidelberg Cement 2.25% 2024	53,479
		GE Capital European Funding 6% 2019	50,000

High Income Fund

Purchases	Cost £	Sales	Proceeds £
Land Securities 2.625% 2039	1,343,906	Treasury 4.25% 2040	1,845,378
Digital Stout Holding 3.75% 2030	1,136,162	Standard Life Finance 6.75% FRN (Perp)	1,481,479
Morhomes Plc 3.4% 2038	964,763	Treasury 4.75% 2038	1,464,422
HSBC Holdings 2.175% 2023	872,304	Northern Powergrid Yorkshire 9.25% 2020	1,164,496
CPUK Finance Ltd 3.69% 2028	839,950	Treasury 4.25% 2036	1,153,308
Income 2 2.5% 2058	828,948	Manchester Airport 4.125% 2024	1,104,923
Unite Group 3.5% 2028	825,751	AT&T 4.375% 2029	1,083,994
AT&T 4.375% 2029	814,393	PCL Funding FRN 2023	1,048,063
Abertis 3.375% 2026	795,184	Thames Water Utilities 7.75% 2019	1,031,049
America Movil 4.375% 2041	780,408	Lloyds Bank 2.25% 2024	932,106
Tesco Property Finance 5.744% 2040	748,447	Lloyds Bank 13% FRN (Perp)	917,149
Volkswagen International Finance 4.125% 2031	696,283	Treasury 4.5% 2034	842,967
Royal Bank of Scotland 3.125% 2027	678,540	E.ON International Finance 6.375% 2032	824,125
Treasury 4.5% 2034	629,974	Friends Life Group 8.25% 2022	817,204
TC Dudgeon 3.158% 2038	529,000	AT&T 4.875% 2044	803,089
Tesco Property Finance 5.6611% 2041	451,217	Treasury 4.5% 2034	750,839
Royal Bank of Scotland 3.125% 2027	449,145	Scottish Power 6.5% FRN 2041	727,558
Digital Stout Holding 3.75% 2030	444,044	E.ON International Finance 5.825% 2037	657,355
APT Pipelines 3.125% 2031	439,562	Manchester Airport 4.75% 2034	626,363
Treasury 4.25% 2036	407,728	Treasury 4.5% 2034	626,252

Investment Portfolio - Summary of Material Portfolio Changes (continued)

For the six month period ended 31 March 2019

Sterling Bond Fund

Purchases	Cost £	Sales	Proceeds £
Treasury 2.75% 2024	17,434,823	Treasury 1.625% 2028	5,841,308
Treasury 1.625% 2028	16,751,990	Treasury 2.75% 2024	5,647,688
Treasury 2.25% 2023	14,853,361	Treasury 4.5% 2042	5,643,581
Treasury 3.75% 2021	12,402,523	Treasury 1.625% 2028	4,462,396
Treasury 4.5% 2034	12,340,017	Treasury 4.5% 2034	3,338,959
Treasury 4.5% 2042	12,012,418	Treasury 1.625% 2028	3,240,316
Treasury 3.75% 2019	3,095,646	Treasury 4.5% 2042	3,051,984
Treasury 4.25% 2055	2,324,648	Treasury 2.75% 2024	2,904,608
Land Securities 2.625% 2039	2,129,107	Treasury 4.5% 2034	2,781,226
Treasury 1.75% 2037	1,515,516	Treasury 4.5% 2042	2,747,596
EDF 5.875% 2031	1,002,383	Treasury 3.75% 2021	2,612,938
CYBG Plc 4% 2026	998,245	Treasury 2.75% 2024	2,274,095
Treasury 4.5% 2034	972,453	Treasury 2.75% 2024	2,143,692
Barclays Bank 3.125% 2024	858,485	Treasury 4.5% 2034	2,085,665
Thames Water Utilities 2.875% 2027	846,454	Treasury 2.25% 2023	2,057,008
Annington Funding 3.184% 2029	826,013	Treasury 1.625% 2028	2,036,794
Land Securities 2.75% 2059	816,150	Treasury 2.75% 2024	1,981,051
Cooperatieve Rabobank 4.625% 2029	811,212	Treasury 4.5% 2034	1,809,264
Thames Water Utilities 6.75% 2028	784,288	Land Securities 2.625% 2039	1,639,257
Barclays Bank 2.375% 2023	777,242	Treasury 4.5% 2034	1,390,183

Notes to the Financial Statements

For the six month period ended 31 March 2019

1. The Company

The Company is domiciled and incorporated as a limited company in Jersey, Channel Islands under the Companies (Jersey) Law 1991 and is listed on The International Stock Exchange and a secondary listing on the Malta Stock Exchange. Full details of the Company, Investment Objectives and Policy and Report of the Directors are stated on pages 2 to 7.

2. Basis of Presentation

2.1 Basis of preparation

The Financial Statements of the Company and the Funds have been prepared in accordance with International Financial Reporting Standards ('IFRS'). The following remaining Funds are prepared on the going concern basis:

- Euro High Income Fund
- Sterling Bond Fund
- High Income Fund

As set out in the Report of the Directors the following Funds merged with the Lloyds Multi Strategy Fund Limited- Growth Strategy on 27 April 2018 and are closed ("Closed Funds") and as such have been prepared on a liquidation basis of accounting:

- European Fund
- North American Fund
- International Fund
- UK Fund

The Directors have also chosen to adopt areas of the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued in May 2014 by the IMA (Investment Management Association) where this does not conflict with other reporting requirements.

The policies set out below have been consistently applied to all periods presented. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of investments, held at fair value through the profit or loss and in accordance with the Companies (Jersey) Law 1991 and with the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended). Jersey is not part of the United Kingdom ('UK') and the Company is not regulated by the Financial Conduct Authority ('FCA') or the Prudential Regulation Authority ('PRA') of the UK.

The capital of the Company comprises various classes of Shares each relating to a separate Fund consisting of securities, cash, other assets and liabilities. These financial statements present the statements of financial position, statements of comprehensive income, statements of changes in net assets attributable to holders of participating redeemable preference shares, cash flow statements, investment portfolios and notes to the financial statements. At the statement of financial position date the following funds were in existence: Euro High Income Fund, High Income Fund, and Sterling Bond Fund. The Directors may from time to time create further classes (Funds).

The net assets attributable to holders of participating redeemable preference shares are classified as financial liabilities and therefore, in the opinion of the Directors, the Capital of the Company is only represented by the Founders Shares. Details of Founders Shares are disclosed in Notes 3 and 14.

Where assets of an individual Fund are insufficient to meet the Funds liabilities, then any liabilities that remain undischarged will revert to the Company as a whole and be allocated amongst the other Funds.

2.2 Significant accounting estimates and judgements

The Company makes assumptions and estimates that affect the reported amounts of assets and liabilities at the statement of financial position date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The accounting policies deemed significant to the Company's results and financial position, based upon materiality and significant judgements and estimates, are discussed in the following notes. See Note 3 for further details on what are considered to be the significant accounting estimates and judgements.

2.3 Going concern

The Financial Statements of the Company and remaining Funds have been prepared in accordance with IFRS on the going concern basis. The Financial Statements of the closed Funds have been prepared in accordance with IFRS on the liquidation basis. The Directors confirm there are no additional impacts to the measurement and presentation of these Financial Statements. The Directors have a reasonable expectation that the Lloyds Investment Funds Limited together with the remaining Funds Euro High Income, High Income and Sterling Bond will continue as a going concern for the foreseeable future.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all periods presented, unless otherwise stated in the following text:

The Directors also monitor new standards and ensure that they are applied where relevant.

3.1 Standards, amendments and interpretations effective for the current period

The following new standards, amendments and interpretations have been adopted in these financial statements.

Amendments to IFRIC 22, IFRS 2, IFRS 4 and IFRS 15: The Company has applied the amendments to IFRIC 22, IFRS 2, IFRS 4 and IFRS 15 for the first time in the current period.

3.2 The following New and revised standards, amendments and interpretations have been published but are not yet effective:

- IAS 19, 'Employee benefits' (effective from 1 January 2019).
- IAS 28, 'Investments in associates and joint ventures' (effective from 1 January 2019).
- IAS 40, 'Investment property' (effective from 1 January 2019).
- IFRIC 23, 'Uncertainty over income tax treatments' (effective from 1 January 2019).
- IFRS 9, 'Financial Instruments' (effective from 1 January 2019).
- IFRS 16, 'Leases' (effective 1 January 2019).
- IFRS 17, 'Insurance contracts' (effective from 1 January 2021).

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

Functional currency and presentational currency

Items included in the Company's Financial Statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). The Directors have adopted sterling as the functional and presentational currency which reflects the Company's primary economic environment in which financial assets are invested and the regulatory environment of the majority of investors, being UK based.

The Company has adopted sterling as its presentational and functional currency for High Income Fund and Sterling Bond Fund as the majority of Shares in each Fund have been subscribed for in sterling and all non dealing related fees and expenses are paid in sterling.

The Company has adopted Euro as its presentational and functional currency for the Euro High Income Fund as the Shares in the Fund have been subscribed for in Euros and the majority of non dealing related fees and expenses are paid in Euro.

Share premium and share capital currency translation

Share premium and share capital transactions are translated into sterling at the exchange rate ruling at the time of the transaction.

The aggregated balance of net assets attributable to holders of participating redeemable preference Shares is translated at the appropriate month end exchange rate.

Segmental reporting

The Company, at the statement of financial position date is organised into three business segments, each focusing on achieving returns by investing in a range of investments as described in the Investment Objectives and Policy on page 3.

The Company issues Shares which are allocated to the Fund selected by the investor. A separate account is maintained for each Fund, to which proceeds of issue, the income arising from those proceeds and expenses are allocated. Upon redemption shareholders are entitled to their proportion of the net assets held in the Fund in which their Shares have been designated. A statement of financial position, statement of comprehensive income, statement of changes in net assets attributable to holders of participating redeemable preference shares and cash flow statement have been prepared for each Fund as well as for the Company as a whole.

Foreign currency translation

Assets and liabilities denominated in currencies other than the functional currency of the Fund are translated at the rate of exchange ruling at the statement of financial position date. The currency profits or losses arising on translation, together with currency profits or losses realised during the period, are recognised in the statement of comprehensive income.

The rate of exchange to Sterling from Euro ruling at 31 March 2019 used for the conversion of statement of financial position items was 1.1605 and the average rate for the period used for the conversion of the statement of comprehensive income was 1.1406.

Financial assets and financial liabilities at fair value through profit or loss

(a) Classification

The Company classifies its investments in debt and equity securities as financial assets at fair value through profit or loss. These financial assets and financial liabilities are designated by the Board of Directors as fair value through profit or loss at inception.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy.

(b) Recognition

Purchases and sales are recognised on the trade date (the date on which the Company commits to purchase or sell the asset).

(c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value, and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income as incurred. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in the fair value of financial assets or financial liabilities at fair value through profit or loss are recognised in the statement of comprehensive income in the period in which they arise.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

3. Summary of Significant Accounting Policies (continued)

Revenue recognition

Investment income is recognised in the statement of comprehensive income on an ex-dividend basis when the right to receive payment is established or on a time proportionate basis for all debt instruments using the Effective Interest Rate method ('EIR'). This is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

Bank interest is recognised in the statement of comprehensive income on a time proportionate basis using the EIR method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial asset or liability, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Transaction Costs

The purchase and sale of financial assets at fair value through profit and loss are subject to transaction costs, which include broker commission, dealing charges and stamp duty. Transaction costs for the period are set out in Note 9.

Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the statement of financial position date.

The quoted market price used for financial assets and financial liabilities held by the Fund is the current mid-market price as required by IFRS 13 financial assets and financial liabilities at fair value at close of business on the last business day of the accounting period.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Share capital

- (i) The Founders Shares have been subscribed for by the Manager and are 'non-participating'. The holders thereof are entitled only to income arising on the assets represented by the Founders Shares. These Shares are classified as Ordinary Share capital in the statement of financial position.
- (ii) Unclassified Shares may be issued as either participating redeemable preference shares ('Participating Shares') or Nominal Shares. Participating Shares are redeemable at the shareholder's option and are classified as financial liabilities. Participating Shares are carried at the redemption amount that is payable if the holder exercises the right to redeem Shares at the statement of financial position date. Participating Shares are issued and redeemed at the holder's option at prices based on each Fund's net asset value per Share at the time of issue or redemption. Each Fund's net asset value per Share is calculated by dividing the net assets attributable to the holders of participating redeemable preference shares with the total number of Participating Shares in issue.

In accordance with the provisions of the Company's regulations, investments are valued based on the latest traded market price for the purpose of determining the net asset value per Share for subscriptions and redemptions.

The Shares are divided into Funds according to the type of investment in which the proceeds of the issue of Shares in each Fund are invested. A separate portfolio of investments is maintained for each Fund.

Each holder of a Participating Share is entitled on a poll, to one vote for each Participating Share held. Participating Shares have a right to dividends declared. If any dividends are paid, different amounts of dividends may be payable in respect of different Funds.

- (iii) Nominal Shares have been accounted for in accordance with the Companies (Jersey) Law 1991 and corresponding amounts have been included in debtors and financial liabilities. A Nominal Share will be created when a Participating Share is cancelled. A Nominal Share will be cancelled when a Participating Share is created until the number of Nominal Shares falls to zero.
- (iv) Both issued Nominal and Participating Shares have a nominal value of £ 0.01 per Share.

Cancellation of Nominal Shares

As it is considered unlikely that the number of Nominal Shares will reduce as a result of further issue of Participating Shares, after due consideration the Directors resolved to cancel 130 million Nominal Shares with effect from 18 December 2018.

Details of the Company's Share Capital transactions are shown in Note 14.

Share premium

The premium on issues and redemptions of Participating Shares is accounted for within the Share premium account which forms part of the net assets attributable to holders of participating redeemable preference Shares. Details are shown in Notes 15 and 17.

Distributions payable to holders of participating redeemable preference shares

Distributions to holders of Participating Shares are recognised as finance costs when they are ratified by the Directors.

Equity Funds Distributions

Distributions are calculated on an annual basis. A distributable amount includes both investment income (including ordinary stock dividends) and bank interest received. Revenue expenses deducted include management fees, custodian fees, registrar fee and management expenses. Transaction charges are in the first instance charged against revenue but then fully offset against capital and therefore do not form part of the distributable amount. This charge against capital effectively reduces the capital reserves of the fund. Transaction charges are set out in note 9.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

3. Summary of Significant Accounting Policies (continued)

Fixed Interest Funds Distributions

In respect of High Income Fund distributions are calculated on a monthly basis and in respect of Euro High Income Fund and Sterling Bond Fund distributions are calculated on a quarterly basis. A distributable amount includes both investment income and bank interest received. Revenue expenses deducted include management fees, custodian fees, registrar fee and management expenses. Transaction charges are in the first instance charged against revenue but then fully offset against capital and therefore do not form part of the distributable amount. In respect of High Income Fund and Euro High Income Fund the management fees and registrar fees are fully offset against capital. This charge against capital effectively reduces the capital reserves of the fund. All expenses are set out in note 9.

Accrued income and expenses

Accrued income and expenses are recognised initially at fair value and subsequently stated at amortised cost using the EIR.

As at 31 March 2019 the Fund held no commitments in respect of an obligation resulting from the occurrence of one or more future events not wholly within the Fund's control.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

4. Other Accrued Income and Other Debtors

	Company	Euro High Income Fund	European Fund
	£	€	£
			(Closed 27 April 2018)
Period ended 31 March 2019			
Accrued Income	6,528,191	172,412	—
Founders Shares	1,000	—	—
Nominal Shares	1,447,519	—	—
Total other accrued income and other debtors	7,976,710	172,412	—
Year ended 30 September 2018			
Accrued Income	4,773,219	237,225	—
Founders Shares	1,000	—	—
Nominal Shares	1,870,535	—	—
Total other accrued income and other debtors	6,644,754	237,225	—

5. Distributions

The distributions take account of income received on the creation of shares and income deducted on the cancellation of shares, and comprise:

	Company	Euro High Income Fund
	£	€
Period ended 31 March 2019		
31 October 2018	796,587	—
30 November 2018	790,599	—
31 December 2018	1,529,930	92,416
31 January 2019	775,524	—
28 February 2019	770,473	—
31 March 2019	1,475,552	82,144
Total distributions	6,138,665	174,560
Income paid on cancellation of shares	54,666	7,373
Income received on creation of shares	(330,003)	(440)
Net distributions for the period	5,863,328	181,493
Fees charged to capital*	(1,044,167)	(60,662)
Net distributions after taxation	4,819,161	120,831

* Details can be found in Notes 9 and 10.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

4. Other Accrued Income and Other Debtors

	High Income Fund £	International Fund £ (Closed 27 April 2018)	North American Fund £ (Closed 27 April 2018)	Sterling Bond Fund £	UK Fund £ (Closed 27 April 2018)
Period ended 31 March 2019					
Accrued Income	4,864,406	—	—	1,515,218	—
Founders Shares	—	—	—	—	—
Nominal Shares	—	—	—	—	—
Total other accrued income and other debtors	4,864,406	—	—	1,515,218	—
Year ended 30 September 2018					
Accrued Income	4,277,567	—	—	284,353	—
Founders Shares	—	—	—	—	—
Nominal Shares	—	—	—	—	—
Total other accrued income and other debtors	4,277,567	—	—	284,353	—

5. Distributions

The distributions take account of income received on the creation of shares and income deducted on the cancellation of shares, and comprise:

	High Income Fund £	Sterling Bond Fund £	UK Fund £ (Closed 27 April 2018)
Period ended 31 March 2019			
31 October 2018	796,587	—	—
30 November 2018	790,599	—	—
31 December 2018	783,102	663,877	—
31 January 2019	775,524	—	—
28 February 2019	770,473	—	—
31 March 2019	760,939	643,830	—
Total distributions	4,677,224	1,307,707	—
Income paid on cancellation of shares	26,059	22,143	—
Income received on creation of shares	(2,890)	(326,727)	—
Net distributions for the period	4,700,393	1,003,123	—
Fees charged to capital*	(984,203)	(6,780)	—
Net distributions after taxation	3,716,190	996,343	—

* Details can be found in Notes 9 and 10.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

5. Distributions (continued)

	Company	Euro High Income Fund
	£	€
Period ended 31 March 2018		
31 October 2017	988,435	—
30 November 2017	984,542	—
31 December 2017	1,187,634	108,932
31 January 2018	940,620	—
28 February 2018	930,574	—
31 March 2018	1,310,492	106,775
Total distributions	6,342,297	215,707
Income paid on cancellation of shares	31,949	2,624
Income received on creation of shares	(5,875)	(783)
Net distributions for the period	6,368,371	217,548
Fees charged to capital*	(1,290,321)	(71,063)
Net distributions after taxation	5,078,050	146,485

* Details can be found in Notes 9 and 10.

6. Accrued Expenses and Other Creditors

	Company	Euro High Income Fund	European Fund
	£	€	£
Period ended 31 March 2019			
Due to Manager	313,467	—	—
Due to Custodian	14,256	—	—
Other Creditors	140,294	30,132	—
Total accrued expenses and other creditors	468,017	30,132	—
Year ended 30 September 2018			
Due to Manager	222,637	14,643	—
Due to Custodian	11,587	1,011	—
Other Creditors	102,559	14,160	—
Total accrued expenses and other creditors	336,783	29,814	—

(Closed 27
April 2018)

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

5. Distributions (continued)

	High Income Fund	Sterling Bond Fund	UK Fund
	£	£	£
Period ended 31 March 2018			
31 October 2017	988,435	—	—
30 November 2017	984,542	—	—
31 December 2017	950,011	140,923	—
31 January 2018	940,620	—	—
28 February 2018	930,574	—	—
31 March 2018	925,045	132,557	159,276
Total distributions	5,719,227	273,480	159,276
Income paid on cancellation of shares	23,075	6,563	—
Income received on creation of shares	(3,495)	(1,690)	—
Net distributions for the period	5,738,807	278,353	159,276
Fees charged to capital*	(1,191,593)	(1,300)	(20,971)
Net distributions after taxation	4,547,214	277,053	138,305

* Details can be found in Notes 9 and 10.

6. Accrued Expenses and Other Creditors

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
		(Closed 27 April 2018)	(Closed 27 April 2018)		(Closed 27 April 2018)
Period ended 31 March 2019					
Due to Manager	184,174	—	—	129,293	—
Due to Custodian	9,258	—	—	4,998	—
Other Creditors	65,411	—	—	48,918	—
Total accrued expenses and other creditors	258,843	—	—	183,209	—
Year ended 30 September 2018					
Due to Manager	192,676	—	—	16,918	—
Due to Custodian	9,471	—	—	1,215	—
Other Creditors	79,029	—	—	10,918	—
Total accrued expenses and other creditors	281,176	—	—	29,051	—

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

7. Net (loss)/gain on financial assets at fair value through profit or loss

The net (loss)/gain on investments during the period comprise:

	Company	Euro High Income Fund	European Fund
	£	€	£
			(Closed 27 April 2018)
Period ended 31 March 2019			
Proceeds from sales of investments during the period	120,231,826	1,686,047	—
Original cost of investments sold during the period	(117,422,120)	(1,670,088)	—
Realised foreign exchange gains	—	—	—
Realised foreign exchange losses	—	—	—
Gains realised during the period	2,809,706	15,959	—
Realised gains on investments sold during the period	3,728,382	47,644	—
Realised losses on investments sold during the period	(918,674)	(31,685)	—
Movement in unrealised gains for the period	4,700,460	119,167	—
Movement in unrealised losses for the period	518,912	36,489	—
Net gains on investments	8,029,078	171,615	—
Period ended 31 March 2018			
Proceeds from sales of investments during the period	58,334,526	1,945,865	3,817,453
Original cost of investments sold during the period	(55,022,842)	(1,957,554)	(3,605,837)
Realised foreign exchange gains	129,089	—	46,164
Realised foreign exchange losses	(47,468)	—	(13,093)
Gains / (losses) realised during the period	3,393,306	(11,689)	244,687
Realised gains on investments sold during the period	5,444,448	38,010	691,103
Realised losses on investments sold during the period	(2,132,764)	(49,699)	(479,487)
Movement in unrealised gains for the period	8,690,889	374,112	309,942
Movement in unrealised losses for the period	(16,924,882)	(479,981)	(402,466)
Net (losses) / gains on investments	(4,840,688)	(117,558)	152,163

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

7. Net (loss)/gain on financial assets at fair value through profit or loss

The net (loss)/gain on investments during the period comprise:

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
		(Closed 27 April 2018)	(Closed 27 April 2018)		(Closed 27 April 2018)
Period ended 31 March 2019					
Proceeds from sales of investments during the period	31,676,869	—	—	87,076,757	—
Original cost of investments sold during the period	(29,382,795)	—	—	(86,575,117)	—
Realised foreign exchange gains	—	—	—	—	—
Realised foreign exchange losses	—	—	—	—	—
Gains realised during the period	2,294,074	—	—	501,640	—
Realised gains on investments sold during the period	3,038,152	—	—	648,459	—
Realised losses on investments sold during the period	(744,077)	—	—	(146,818)	—
Movement in unrealised gains for the period	2,000,068	—	—	2,595,916	—
Movement in unrealised losses for the period	403,208	—	—	83,713	—
Net gains on investments	4,697,350	—	—	3,181,269	—
Period ended 31 March 2018					
Proceeds from sales of investments during the period	39,228,467	3,818,150	2,781,190	3,444,682	3,531,072
Original cost of investments sold during the period	(37,923,378)	(2,979,995)	(1,888,400)	(3,300,074)	(3,601,352)
Realised foreign exchange gains	—	48,146	34,779	—	—
Realised foreign exchange losses	—	(22,938)	(10,109)	—	(1,328)
Gains / (losses) realised during the period	1,305,089	863,363	917,460	144,608	(71,608)
Realised gains on investments sold during the period	2,126,395	941,760	899,316	237,838	514,565
Realised losses on investments sold during the period	(821,306)	(103,605)	(6,526)	(93,230)	(584,845)
Movement in unrealised gains for the period	4,296,008	794,370	1,988,637	543,393	429,099
Movement in unrealised losses for the period	(9,444,936)	(1,848,744)	(2,857,198)	(866,262)	(1,082,609)
Net (losses) / gains on investments	(3,843,839)	(191,011)	48,899	(178,261)	(725,118)

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

8. Other Income

	Company	Euro High Income Fund	European Fund
	£	€	£
			(Closed 27 April 2018)
Period ended 31 March 2019			
Bank interest	2,981	—	—
Unclaimed distributions over 10 years old	858	276	—
Total other income	3,839	276	—
Period ended 31 March 2018			
Bank interest	1,208	—	—
Unclaimed distributions over 10 years old	—	—	—
Total other income	1,208	—	—

9. Operating Expenses

	Note	Company	Euro High Income Fund	European Fund
		£	€	£
				(Closed 27 April 2018)
Period ended 31 March 2019				
Payable to the Manager:				
Annual management fees	10	1,380,768	55,146	—
Registrar fees	10	90,439	5,096	—
Payable to the Custodian:				
Custodian fees	11	90,169	6,302	—
Safe custody fees	11	27,082	1,316	—
Other expenses:				
Administration expenses*		118,801	10,952	—
Broker commission, dealing charges and stamp duty		9,248	420	—
Audit fee		10,138	500	—
Total expenses		1,726,645	79,732	—
Total Expense Ratio**			1.26%	—
Total Cost Ratio***			0.01%	—

* The Administration expenses includes £5,000 of Director fees (see note 10).

** The Total Expense Ratio, represents the management fee and total operating expenses less the dealing and broker charges, expressed as an annualised percentage of the average daily net asset values during the period.

*** The Total Cost Ratio represents the dealing and broker charges only, expressed as an annualised percentage of the average daily net asset values during the period.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

8. Other Income

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
		(Closed 27 April 2018)	(Closed 27 April 2018)		(Closed 27 April 2018)
Period ended 31 March 2019					
Bank interest	1,422	—	—	1,559	—
Unclaimed distributions over 10 years old	504	—	—	112	—
Total other income	1,926	—	—	1,671	—
Period ended 31 March 2018					
Bank interest	1,110	8	10	—	80
Unclaimed distributions over 10 years old	—	—	—	—	—
Total other income	1,110	8	10	—	80

9. Operating Expenses

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
		(Closed 27 April 2018)	(Closed 27 April 2018)		(Closed 27 April 2018)
Period ended 31 March 2019					
Payable to the Manager:					
Annual management fees	949,990	—	—	382,430	—
Registrar fees	32,113	—	—	53,858	—
Payable to the Custodian:					
Custodian fees	58,648	—	—	25,996	—
Safe custody fees	17,290	—	—	8,638	—
Other expenses:					
Administration expenses*	65,425	—	—	43,774	—
Broker commission, dealing charges and stamp duty	2,100	—	—	6,780	—
Audit fee	9,000	—	—	700	—
Total expenses	1,134,566	—	—	522,176	—
Total Expense Ratio**	1.04%	—	—	1.19%	—
Total Cost Ratio***	0.00%	—	—	0.02%	—

* The Administration expenses includes £5,000 of Director fees (see note 10).

** The Total Expense Ratio, represents the management fee and total operating expenses less the dealing and broker charges, expressed as an annualised percentage of the average daily net asset values during the period.

*** The Total Cost Ratio represents the dealing and broker charges only, expressed as an annualised percentage of the average daily net asset values during the period.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

9. Operating Expenses (continued)

A detailed view of transaction costs is shown below.

	Company	Euro High Income Fund	European Fund
	£	€	£
Period ended 31 March 2019			(Closed 27 April 2018)
Purchase Transaction costs by asset class			
Equities			
Deal charges	—	—	—
As a percentage of purchase cost	—	—	—
Commission	—	—	—
As a percentage of purchase cost	—	—	—
Treasury Gilts*			
Deal charges	580	—	—
As a percentage of purchase cost	0.01%	—	—
Bonds*			
Deal charges	5,329	80	—
As a percentage of purchase cost	0.07%	0.01%	—
Cost of investments purchased before transaction costs	193,140,898	565,891	—
Cost of investments purchased after transaction costs	193,146,807	565,971	—
Sale Transaction costs by asset class			
Equities			
Deal charges	—	—	—
As a percentage of sale cost	—	—	—
Commission	—	—	—
As a percentage of sale cost	—	—	—
Treasury Gilts*			
Deal charges	1,200	—	—
As a percentage of sale cost	0.00%	—	—
Bonds*			
Deal charges	2,133	340	—
As a percentage of sale cost	0.02%	0.02%	—
Proceeds from investments sold before transaction costs	119,241,322	565,971	—
Proceeds from investments sold after transaction costs	119,244,293	565,891	—

* There is no commission paid on Treasury Gilts or Bonds.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

9. Operating Expenses (continued)

A detailed view of transaction costs is shown below.

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
Period ended 31 March 2019		(Closed 27 April 2018)	(Closed 27 April 2018)		(Closed 27 April 2018)
Purchase Transaction costs by asset class					
Equities					
Deal charges	—	—	—	—	—
As a percentage of purchase cost	—	—	—	—	—
Commission	—	—	—	—	—
As a percentage of purchase cost	—	—	—	—	—
Treasury Gilts*					
Deal charges	80	—	—	500	—
As a percentage of purchase cost	0.00%	—	—	0.00%	—
Bonds*					
Deal charges	900	—	—	4,360	—
As a percentage of purchase cost	0.05%	—	—	0.01%	—
Cost of investments purchased before transaction costs	18,821,332	—	—	173,831,939	—
Cost of investments purchased after transaction costs	18,822,312	—	—	173,836,799	—
Sale Transaction costs by asset class					
Equities					
Deal charges	—	—	—	—	—
As a percentage of sale cost	—	—	—	—	—
Commission	—	—	—	—	—
As a percentage of sale cost	—	—	—	—	—
Treasury Gilts*					
Deal charges	180	—	—	1,020	—
As a percentage of sale cost	0.00%	—	—	0.00%	—
Bonds*					
Deal charges	940	—	—	900	—
As a percentage of sale cost	0.00%	—	—	0.00%	—
Proceeds from investments sold before transaction costs	31,676,869	—	—	87,076,757	—
Proceeds from investments sold after transaction costs	31,677,989	—	—	87,078,677	—

* There is no commission paid on Treasury Gilts or Bonds.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

9. Operating Expenses (continued)

	Note	Company	Euro High Income Fund	European Fund
Period ended 31 March 2018		£	€	£
Payable to the Manager:				
Annual management fees	10	1,734,613	61,813	110,204
Registrar fees	10	101,262	6,230	6,883
Payable to the Custodian:				
Custodian fees	11	122,828	7,064	10,423
Safe custody fees	11	42,644	1,976	3,107
Other expenses:				
Administration expenses*		73,383	12,828	5,723
Broker commission, dealing charges and stamp duty		60,364	3,020	13,880
Audit fee		23,281	1,000	900
Total expenses		2,158,375	93,931	151,120
Total Expense Ratio**			1.28%	1.85%
Total Cost Ratio ***			0.04%	0.19%

* The Administration expenses includes £5,000 of Director fees (see note 10).

** The Total Expense Ratio, represents the management fee and total operating expenses less the dealing and broker charges, expressed as an annualised percentage of the average daily net asset values during the period.

*** The Total Cost Ratio represents the dealing and broker charges only, expressed as an annualised percentage of the average daily net asset values during the period.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

9. Operating Expenses (continued)

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
Period ended 31 March 2018	£	£	£	£	£
Payable to the Manager:					
Annual management fees	1,126,728	164,802	80,369	84,747	113,331
Registrar fees	62,165	9,845	4,590	5,566	6,727
Payable to the Custodian:					
Custodian fees	68,723	12,226	7,936	8,504	8,795
Safe custody fees	27,150	4,153	2,087	3,274	1,133
Other expenses:					
Administration expenses*	36,690	5,649	4,440	6,375	3,210
Broker commission, dealing charges and stamp duty	2,700	11,874	6,980	1,300	20,971
Audit fee	17,000	1,500	700	1,300	1,000
Total expenses	1,341,156	210,049	107,102	111,066	155,167
Total Expense Ratio**	1.03%	1.79%	1.85%	1.12%	1.76%
Total Cost Ratio ***	0.00%	0.11%	0.13%	0.01%	0.28%

* The Administration expenses includes £5,000 of Director fees (see note 10).

** The Total Expense Ratio, represents the management fee and total operating expenses less the dealing and broker charges, expressed as an annualised percentage of the average daily net asset values during the period.

*** The Total Cost Ratio represents the dealing and broker charges only, expressed as an annualised percentage of the average daily net asset values during the period.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

9. Operating Expenses (continued)

	Company	Euro High Income Fund	European Fund
	£	€	£
Period ended 31 March 2018			(Closed 27 April 2018)
Purchases Transaction costs by asset class			
Equities			
Deal charges	4,075	—	1,739
As a percentage of purchase cost	0.16%	—	0.06%
Commission	5,504	—	1,238
As a percentage of purchase cost	0.21%	—	0.04%
Treasury Gilts*			
Deal charges	200	—	—
As a percentage of purchase cost	0.02%	—	—
Bonds*			
Deal charges	1,780	200	—
As a percentage of purchase cost	0.12%	0.02%	—
Cost of investments purchased before transaction costs	49,825,045	1,027,174	3,001,127
Cost of investments purchased after transaction costs	50,748,454	1,945,865	3,001,628
Sale Transaction costs by asset class			
Equities			
Deal charges	7,705	—	3,404
As a percentage of sale proceeds	0.21%	—	0.09%
Commission	6,452	—	1,492
As a percentage of sale proceeds	0.19%	—	0.04%
Treasury Gilts*			
Deal charges	180	—	—
As a percentage of sale proceeds	0.00%	—	—
Bonds*			
Deal charges	1,720	320	—
As a percentage of sale proceeds	0.06%	0.02%	—
Proceeds from investments sold before transaction costs	58,561,378	1,945,865	3,816,216
Proceeds from investments sold after transaction costs	58,560,478	1,945,545	3,814,049

* There is no commission paid on Treasury Gilts or Bonds.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

9. Operating Expenses (continued)

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
Period ended 31 March 2018		(Closed 27 April 2018)	(Closed 27 April 2018)		(Closed 27 April 2018)
Purchases Transaction costs by asset class					
Equities					
Deal charges	—	966	420	—	950
As a percentage of purchase cost	—	0.05%	0.02%	—	0.03%
Commission	—	830	1,803	—	1,634
As a percentage of purchase cost	—	0.05%	0.08%	—	0.05%
Treasury Gilts*					
Deal charges	80	—	—	120	—
As a percentage of purchase cost	0.00%	—	—	0.02%	—
Bonds*					
Deal charges	1,040	—	—	540	—
As a percentage of purchase cost	0.03%	—	—	0.08%	—
Cost of investments purchased before transaction costs	35,400,545	1,822,391	2,345,443	3,014,481	3,213,884
Cost of investments purchased after transaction costs	35,401,665	1,823,357	2,345,863	3,015,241	3,214,834
Sale Transaction costs by asset class					
Equities					
Deal charges	—	1,848	915	—	1,538
As a percentage of sale proceeds	—	0.05%	0.03%	—	0.04%
Commission	—	1,405	2,042	—	1,512
As a percentage of sale proceeds	—	0.04%	0.07%	—	0.04%
Treasury Gilts*					
Deal charges	80	—	—	100	—
As a percentage of sale proceeds	0.00%	—	—	0.00%	—
Bonds*					
Deal charges	1,040	—	—	360	—
As a percentage of sale proceeds	0.03%	—	—	0.01%	—
Proceeds from investments sold before transaction costs	39,228,467	3,817,320	2,779,387	3,444,682	3,529,441
Proceeds from investments sold after transaction costs	39,229,547	3,816,302	2,780,275	3,445,222	3,529,538

* There is no commission paid on Treasury Gilts or Bonds.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

10. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial or operating decisions. The following are considered by the Directors of the Company to be related parties:

- The Manager, Lloyds Investment Fund Managers Limited.
- The Investment Manager, Aberdeen Asset Investments Limited.
- Key management personnel.

The fees received by the Manager are set out in Note 9. The Investment Manager is paid by the Manager. Details of amounts due to the Manager at the end of the period are shown in Note 6.

All investor share transactions in the Company are facilitated through the Manager, the aggregate values of which are set out in the statement of changes in net assets attributable to holders of participating redeemable preference shares on pages 18 to 19.

At the period end the Manager held Participating Shares in the Company as follows:

	31 March 2019	30 September 2018
Euro High Income Fund	7,921	7,874
High Income Fund	7,005	7,016
Sterling Bond Fund	5,023	4,924
	19,949	19,814

(a) Management and Registrar fees

The Manager of the Company, Lloyds Investment Fund Managers Limited, is part of the Lloyds Bank Group of companies. The Manager is entitled to a daily fee equal at the annual rate set out below by reference to the net assets of each Fund calculated daily and paid monthly by the Company.

Euro High Income Fund	0.875%
High Income Fund	0.875%
Sterling Bond Fund	0.875%

The Directors and the Manager may agree a higher fee for any Fund subject to a maximum annual rate of 1.5% of the mid market value of net assets of the Fund. If such a higher fee is agreed, shareholders of the relevant Fund will be given at least three months written notice before it comes into effect.

Following the redemption of all shares in the closed Fund classes on 27 April 2018 no further management fees or expenses were incurred in respect of the closed classes.

The Manager, in its capacity as Registrar, is entitled to a fee payable by the Company of £12.00 for each shareholding which appears on the Share Register on the last business day of each annual and half yearly accounting year. The Manager and the Company may agree a higher fee.

Details of amounts due to the Manager at the period end are shown in Note 6.

(b) Fees charged to capital

In order to maximise the income available for distribution to shareholders, the Directors, in consultation with the Custodian, have agreed to charge the Management and Registrar fees for High Income Fund and Euro High Income Fund only, to the capital of these Funds.

(c) Key management personnel

The following Directors of the Company at 31 March 2019 are employees of Lloyds Banking Group: I.M.J. Hardy, B.C. James, B. Lysiak and R.D. Willcox.

T.J. Herbert was a consultant to Mourant Ozannes, who are the Jersey legal advisers to the Company and the Manager.

T.J. Herbert resigned as a Director of the Company with effect from 31 March 2019.

I.M.J. Hardy, B.C. James and R.D. Willcox are Directors of the Manager, Lloyds Investment Fund Managers Limited.

(d) Directors' Fees

Directors who are employees of the Lloyds Banking Group do not receive Directors' fees. All other Directors receive a fee of £5,000 per annum (2018: £5,000 per annum).

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

11. Custodian

The fees received by the Custodian are set out in Note 9. Details of amounts due to the Custodian at the period end are shown in Note 6.

The Custodian is entitled to an annual fee payable monthly by the Company, in respect of each Fund, at the rates set out in the table below by reference to the net asset value of each Fund calculated on a mid-market basis and subject to a minimum overall fee of £20,000 per annum for the Company as a whole.

The Custodian is entitled to reimbursement by each Fund of its expenses in connection with its duties as Custodian and to make transaction charges to cover the cost of effecting settlement of stock and cash.

Custodian Fee Rates

	Up to £10m %	NAV of each Fund £10m to £25m %	£25m Plus %
High Income Fund	0.100	0.075	0.050
Sterling Bond Fund	0.100	0.075	0.050
	Up to €15m %	NAV of each Fund €15m to €40m %	€40m Plus %
Euro High Income Fund	0.100	0.075	0.050

Following the redemption of all shares in the Fund classes closed on 27 April 2018 no further management fees or expenses were incurred in respect of the closed classes.

12. Controlling Party

In the opinion of the Directors, there is no ultimate controlling party of the Company as defined by International Accounting Standards (IAS) 24 Related Party Disclosures.

13. Equalisation

The price of a participating share includes an equalisation payment calculated by dividing the net undistributed income of the Fund by the number of Shares in issue at the time when the prices are calculated. The payment of the first distribution after the issue of a Share includes an amount of equalisation calculated by averaging the amounts received by way of equalisation during the period to which the distribution relates.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

14. Share Capital

	31 March 2019		30 September 2018	
Authorised share Capital:	£		£	
1,000 Founders Shares of £1	1,000		1,000	
750,000,000 Unclassified Shares of 1p	7,500,000		7,500,000	
	<u>7,501,000</u>		<u>7,501,000</u>	
Issued Share Capital:				
Founders Shares	1,000		1,000	
Nominal shares:				
Balance brought forward	1,870,535		1,477,791	
Creations	232,204		471,238	
Redemptions	(655,220)		(78,494)	
Balance carried forward	<u>1,447,519</u>		<u>1,870,535</u>	
Participating Shares:				
Balance brought forward	2,903,519		3,296,263	
Creations	655,220		78,494	
Redemptions	(232,204)		(471,238)	
Balance carried forward	<u>3,326,535</u>		<u>2,903,519</u>	
Fund	Shares	£	Shares	£
High Income Fund	253,648,377	2,536,486	270,022,634	2,700,226
Sterling Bond Fund	71,536,701	715,367	11,781,645	117,816
Total Sterling Funds	<u>325,185,078</u>	<u>3,251,853</u>	<u>281,804,279</u>	<u>2,818,042</u>
Fund	Shares	€	Shares	€
Euro High Income Fund	7,467,614	118,936	8,547,064	129,731
	Shares	£	Shares	£
Total Company (Sterling equivalent)	<u>332,652,692</u>	<u>3,326,535</u>	<u>290,351,343</u>	<u>2,903,519</u>

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

15. Share Premium

	31 March 2019	30 September 2018
Fund	£	£
High Income	270,400,468	283,862,846
Sterling Bond	104,941,673	17,477,682
Total Sterling Funds	375,342,141	301,340,528
Fund	€	€
Euro High Income	13,067,447	14,700,251
	£	£
Total Company (Sterling equivalent)	383,857,586	311,267,441
	£	£
Balance brought forward	311,267,441	343,511,670
Premium on creations	94,739,069	8,003,162
Premium on redemptions	(22,148,924)	(98,446,073)
Transfer from capital reserve	—	58,198,682
Balance carried forward	383,857,586	311,267,441

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

16. Capital Reserves

	Note	Company	Euro High Income Fund	European Fund
		£	€	£
				(closed 27 April 2018)
Net realised (losses) / gains on investments b/fwd		(1,815,470)	186,946	—
Net realised gains for the period	7	2,809,706	15,959	—
Net realised gains/(losses) on investments c/fwd		994,236	202,905	—
Net unrealised movement on investment b/fwd		11,254,337	544,032	—
Net unrealised movement in the period	7	5,219,373	155,656	—
Net unrealised movement on investment c/fwd		16,473,710	699,688	—
Total realised/unrealised movement		17,467,946	902,593	—
Distributions unclaimed over 10 periods old b/fwd		19,942	387	—
Net movement in the period		852	277	—
Distributions unclaimed over 10 periods old c/fwd		20,794	664	—
Fees charged to Capital b/fwd*		(43,794,367)	(1,641,486)	—
Net movement in the period		(1,044,167)	(60,662)	—
Fees charged to Capital c/fwd*		(44,838,534)	(1,702,148)	—
As at 31 March 2019		(27,349,794)	(798,891)	—

* Details of the fees can be found in Note 10.

Under the Reporting Fund Regime, broker commission, dealing charges and stamp duty are not allowable expenses. The Directors have therefore, transferred these expenses from the Net undistributed income reserve to a separate broker charges reserve.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

16. Capital Reserves

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
		(closed 27 April 2018)	(closed 27 April 2018)		(closed 27 April 2018)
Net realised (losses) / gains on investments b/fwd	(3,793,256)	—	—	1,884,979	—
Net realised gains for the period	2,294,074	—	—	501,640	—
Net realised gains/(losses) on investments c/fwd	(1,499,182)	—	—	2,386,619	—
Net unrealised movement on investment b/fwd	10,935,070	—	—	(109,106)	—
Net unrealised movement in the period	2,403,276	—	—	2,679,629	—
Net unrealised movement on investment c/fwd	13,338,346	—	—	2,570,523	—
Total realised/unrealised movement	11,839,164	—	—	4,957,142	—
Distributions unclaimed over 10 periods old b/fwd	14,116	—	—	5,506	—
Net movement in the period	503	—	—	106	—
Distributions unclaimed over 10 periods old c/fwd	14,619	—	—	5,612	—
Fees charged to Capital b/fwd*	(42,439,052)	—	—	(13,076)	—
Net movement in the period	(984,203)	—	—	(6,780)	—
Fees charged to Capital c/fwd*	(43,423,255)	—	—	(19,856)	—
As at 31 March 2019	(31,569,472)	—	—	4,942,898	—

* Details of the fees can be found in Note 10.

Under the Reporting Fund Regime, broker commission, dealing charges and stamp duty are not allowable expenses. The Directors have therefore, transferred these expenses from the Net undistributed income reserve to a separate broker charges reserve.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

17. Net assets attributable to holders of participating redeemable preference shares

	Note	Company £	Euro High Income Fund €	European Fund £ (closed 27 April 2018)
Period ended 31 March 2019				
Share capital	14	3,326,535	118,936	—
Share premium	15	383,857,586	13,067,447	—
Capital reserves	16	(27,349,794)	(798,891)	—
Dilution levies		316,063	30,772	—
Undistributed income*		(28,578,588)	(872,451)	—
Movement in currency translation		2,807,365	—	—
As at 31 March 2019		334,379,167	11,545,813	—
Year ended 30 September 2018				
Share capital	14	2,903,519	129,731	—
Share premium	15	311,267,441	14,700,251	—
Capital reserves	16	(34,335,558)	(910,121)	—
Dilution levies		316,956	30,772	—
Undistributed income*		(28,130,854)	(811,062)	—
Movement in currency translation		3,206,906	—	—
As at 30 September 2018		255,228,410	13,139,571	—

* The distributions detailed in Note 5 have been declared by the Directors using a dividend policy based on the accruals method of accounting for income on debt instruments, as opposed to the EIR method of accounting for investment income which is the basis used for recognition of income on debt instruments as explained in the accounting policies. Future distributions will continue to be made on the basis of the existing distribution policy. Equity Fund distributions were declared net of broker fees.

Undistributed income under the accruals method as at 31 March 2019 amounts to £675,127 (30 September 2018 amounts to (£102,158)).

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

17. Net assets attributable to holders of participating redeemable preference shares

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
		(closed 27 April 2018)	(closed 27 April 2018)		(closed 27 April 2018)
Period ended 31 March 2019					
Share capital	2,536,486	—	—	715,367	—
Share premium	270,400,468	—	—	104,941,673	—
Capital reserves	(31,569,472)	—	—	4,942,898	—
Dilution levies	218,071	—	—	71,476	—
Undistributed income*	(25,695,489)	—	—	(2,131,310)	—
Movement in currency translation	—	—	—	—	—
As at 31 March 2019	215,890,064	—	—	108,540,104	—
Year ended 30 September 2018					
Share capital	2,700,226	—	—	117,816	—
Share premium	283,862,846	—	—	17,477,682	—
Capital reserves	(35,283,122)	—	—	1,768,303	—
Dilution levies	218,071	—	—	71,476	—
Undistributed income*	(25,443,882)	—	—	(1,964,551)	—
Movement in currency translation	—	—	—	—	—
As at 30 September 2018	226,054,139	—	—	17,470,726	—

* The distributions detailed in Note 5 have been declared by the Directors using a dividend policy based on the accruals method of accounting for income on debt instruments, as opposed to the EIR method of accounting for investment income which is the basis used for recognition of income on debt instruments as explained in the accounting policies. Future distributions will continue to be made on the basis of the existing distribution policy. Equity Fund distributions were declared net of broker fees.

Undistributed income under the accruals method as at 31 March 2019 amounts to £675,127 (30 September 2018 amounts to (£102,158)).

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

18. Taxation

In accordance with International Accounting Standard (IAS) 12 Income Taxes, investment income is shown gross of withholding tax.

The withholding tax suffered is recorded on the taxation line as set out below:

	31 March 2019	30 September 2018
Foreign tax on income for the period	—	£108,533

The Company is liable to be charged at a tax rate of 0% under Schedule D under the Income Tax (Jersey) Law 1961, as amended (the 'Income Tax Law') in respect of:

- (i) the income or profits of any trade carried on by the Company in Jersey or elsewhere,
- (ii) any interest of money, whether yearly or otherwise, or other annual payment paid to the Company, whether such payment is made within or outside of Jersey,
- (iii) dividends and other distributions of a company regarded as resident in Jersey paid to the Company,
- (iv) income arising to the Company from securities outside of Jersey and
- (v) any other income of the Company that is not derived from the ownership or disposal of land in Jersey.

It is not expected that the Company will be in receipt of income charged to tax under any Schedule under Income Tax Law other than Schedule D. As such the Company is no longer subject to the payment of tax in Jersey.

Jersey resident individuals should note that any income received from the Fund(s) will be paid gross and will be taxable under Schedule D Case III (D3) of the Income Tax (Jersey) Law 1961, as amended.

19. Financial risk management

Strategy in using financial instruments

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), liquidity risk, counter-party risk, capital risk and certain other risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Each Fund is able to use derivative financial instruments to moderate certain risk exposures. There were no such exposures as at 31 March 2019.

Each Fund's investment objectives and policy are stated on page 3. To achieve these objectives the Company's assets and liabilities comprise financial instruments held in accordance with each Fund's investment objectives and policy.

These may include:

- Investments including non-equity Shares, bonds and floating rate securities
- Cash, liquid resources and short term debtors and creditors that arise directly from the investment activities
- Hedging instruments, such as forward exchange contracts and traded options which a Fund may enter into, for the purpose of managing the risks arising from the Fund's investment activities.

Market risk

All securities investments present a risk of loss of capital. The Manager moderates this risk through a careful selection of investments within specified limits. The maximum risk resulting from investments is determined by the fair value of those investments.

The overall market position and therefore the risk exposure for each Fund are governed by the Prospectus, the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended) and the investment objectives for each Fund. These positions are monitored on a daily basis by the Manager and are reviewed on a quarterly basis by the Board of Directors.

The investments are principally bonds and cash, dependent on each Fund's investment policy. The value of these is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual stock or be caused by general market factors (such as interest rates, government policy or the health of the underlying economy) which could affect the entire portfolio of a Fund.

The period end portfolios of each Fund are detailed on pages 25 to 37.

The Manager controls this risk on a Fund by Fund basis and monitors the movements in the bonds and interest rates against the relevant bond indices and market interest rates respectively.

The Manager considers that a reasonably possible movement in the market risk components would be equivalent to a 5% movement in bond indices and a 1% movement in market interest rates.

The table on the following page summarises, for each of the Funds, the impact of increases / (decreases) in the bond indices, and market interest rates on the net asset value as at 31 March 2019. The analysis is based on the assumption that the bond indices increase / (decrease) by 5%, and market interest rates increase / (decrease) by 1%, with all other variables held constant. The analysis also assumes that the movement in the portfolios of each Fund has perfect positive correlation with the equity and bond indices and market interest rates.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

19. Financial risk management (continued)

Market risk (continued)

End of year / period	Fund	Value (base currency)	Equities 5% Movement in equity index	Bonds 5% Movement in bond index	Cash 1% Movement in interest rate
31.03.19	Euro High Income	11,545,813	—	572,992	258
30.09.18	Euro High Income	13,139,571	—	623,271	5,693
31.03.19	High Income	215,890,064	—	10,596,358	6,145
30.09.18	High Income	226,054,139	—	11,036,584	31,772
31.03.19	Sterling Bond	108,540,104	—	5,319,227	14,858
30.09.18	Sterling Bond	17,470,726	—	834,869	6,241

Interest rate risk

Each Fund receives income from its various investments. For the Sterling Bond Fund, Euro High Income Fund and High Income Fund, the income is received from investments in bonds and loan stock.

In accordance with the Funds policy, the Manager monitors the Fund's overall interest rate sensitivity on a daily basis, and the Board of Directors reviews it on a quarterly basis.

The interest bearing financial assets and liabilities held in the Funds expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

The table overleaf summarises the effect of interest rate risks on each Fund. It includes the Fund's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates. Other than those financial instruments identified in the table, each Fund has no significant exposure to interest rate risks.

The income received by each Fund is primarily fixed in nature and shown in the table on the next page. Income is derived from the securities held in the portfolio of each Fund which may be varied from time to time in accordance with its investment objectives and policy.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

19. Financial risk management (continued)

Interest rate risk (continued)

The interest rate profile of each Fund's financial assets at 31 March 2019 was:

Fund	Currency	Total 000's	Fixed rate interest securities 000's	Floating rate interest securities 000's	Interest Free Assets 000's	Interest Free Liabilities 000's
Euro High Income	Euro	11,546	9,934	1,525	198	112
High Income	Sterling	215,890	194,303	17,624	5,479	1,516
Sterling Bond	Sterling	108,540	104,115	2,270	3,001	846

Fund	Currency	Weighted average coupon rate %	Weighted average effective interest rate %	Weighted average period for which the rate is fixed (years)
Euro High Income	Euro	4.08	1.52	19.87
High Income	Sterling	5.35	2.95	18.28
Sterling Bond	Sterling	4.29	2.46	14.79

The interest rate profile of each Fund's financial assets at 30 September 2018 was:

Fund	Currency	Total 000's	Fixed rate interest securities 000's	Floating rate interest securities 000's	Interest Free Assets 000's	Interest Free Liabilities 000's
Euro High Income	Euro	13,140	10,722	1,743	807	132
High Income	Sterling	226,054	199,232	21,500	7,998	2,676
Sterling Bond	Sterling	17,471	14,900	1,797	908	134

Fund	Currency	Weighted average coupon rate %	Weighted average effective interest rate %	Weighted average period for which the rate is fixed (years)
Euro High Income	Euro	3.95	1.70	19.09
High Income	Sterling	5.46	3.23	18.38
Sterling Bond	Sterling	4.72	3.05	17.13

Foreign currency risk

The Euro High Income Fund is denominated in Euro. All of the other Funds are denominated in sterling. A portion of the underlying financial assets of the Funds may be denominated in currencies other than the base currency with the effect that the statement of financial position and each Fund's total return can be significantly affected by currency movements.

An investment in a currency other than the shareholders' own base currency will be subject to the movement of foreign exchange rates, which may cause additional favourable or unfavourable changes in value. In respect of foreign currency exposure, derivative instruments will only be utilised where a forward exchange or currency option is used for the purpose of reduction of foreign currency risk, in order to hedge this exposure back to the base currency of the Fund.

With the exceptions of the Sterling Bond Fund, each Fund may purchase securities denominated in a currency other than its base currency, and hence take a position in other currencies.

The Company is not currently involved in currency hedging transactions. In accordance with the Company's policy, the Manager monitors each Fund's currency position on a daily basis, and the Board of Directors reviews it on a quarterly basis.

As at 31 March 2019 the Funds had no foreign currency exposure.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

19. Financial risk management (continued)

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counter-party will be unable to pay amounts in full when due. Impairment provisions would be provided for losses that have been incurred by the statement of financial position date. As at 31 March 2019 no impairment provisions were required and there was no money overdue.

The Company's main credit risk exposure arises through investments in debt securities at the Fund level. If any of the Funds hold any interest bearing instruments, at least 90% of these instruments must have a credit rating of 'Investment Grade' as provided by Moodys Investor Services Limited, Standard and Poors or Fitch Ratings Limited. These instruments could include inter alia money market instruments, bonds, gilts, corporate bonds etc.

In accordance with each Fund's policy, the Manager monitors the Fund's credit position on a daily basis, and the Board of Directors reviews it on a quarterly basis.

Certain transactions that the Funds enter into expose them to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. It is the policy of the Manager to buy and sell investments only through approved brokers. Credit risk exposure is balanced by the regulatory obligation of the counter parties.

The risk to Shareholders is that we will not have enough cash to cover redemptions. To counter this risk each Fund's cash is managed to meet its liabilities. Where investments cannot be realised in time to meet any redemptions of Participating Shares, each Fund may borrow up to 10% of its value to ensure settlement of its liabilities. Borrowings during the year did not exceed the 10% limit.

The Custodian has also entered into a sub-custodian agreement with State Street Bank and Trust Company, London Branch. Under the terms of that sub-custodian agreement, the Sub-Custodian will hold certain assets of the Company on behalf of the Custodian. The assets of the Company will be held in compliance with applicable laws and specific provisions as agreed in the sub-custodian agreement between the Custodian and the Sub-Custodian. These will include requirements designed to protect the Company's assets in the event of the insolvency or bankruptcy, but they do not guarantee this effect.

Cash balances held with the Sub-Custodian will not be segregated from the Sub-Custodian's own accounts or held on trust for the Custodian. This exposes investors to risk if the Sub-Custodian becomes insolvent, since the Custodian (who has entered into the contract with the Sub-Custodian) will rank as an unsecured creditor along with all other deposit holders in respect of any claim. Accordingly, there is no guarantee that the Custodian would ever be able to recover monies held in such cash accounts on the Company's behalf.

Capital risk

Where the objective of the underlying Fund seeks to provide high or good levels of income, the investment policy which supports this may result in a gradual reduction in the capital value of the underlying Fund's Shares, except where bond prices are generally rising.

Capital risk management

The net assets attributable to holders of participating redeemable preference shares are classified as financial liabilities and therefore, in the opinion of the Directors, the capital of the Company is only represented by the Founders Shares. Details of the Founders Shares are shown in notes 3 and 14.

Due to the nature and requirement of the Founders' Shares the Directors have decided that no active capital risk management is required.

Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Company is the current mid price, these are updated each morning at 10am and represented in the Fund's daily share prices; the appropriate quoted market price for financial liabilities is the current asking price. When the Company holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate. If a significant movement in fair value occurs subsequent to the close of trading on the period end date, valuation techniques will be applied to determine the fair value. With the exception of the effect of the class closures detailed in the Report of the Directors, there has been no significant movements in the fair value of any holdings since the period end date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions at an arm's length basis.

IFRS 13 states the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

19. Financial risk management (continued)

Fair value estimation (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable', requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. All other assets held by the Company at fair value through profit or loss are all quoted in active markets and therefore fall under level 1 as defined above. The fair value hierarchy table is shown below.

Financial assets at fair value through profit and loss

31 March 2019

Fund	Level 1 £	Level 2 £	Level 3 £	Totals £
High Income Fund	211,927,169	—	—	211,927,169
Sterling Bond Fund	106,384,545	—	—	106,384,545

Fund	Level 1 €	Level 2 €	Level 3 €	Totals €
Euro High Income Fund	11,459,832	—	—	11,459,832

30 September 2018

Fund	Level 1 £	Level 2 £	Level 3 £	Totals £
High Income Fund	220,731,676	—	—	220,731,676
Sterling Bond Fund	16,697,387	—	—	16,697,387

Fund	Level 1 €	Level 2 €	Level 3 €	Totals €
Euro High Income Fund	12,465,417	—	—	12,465,417

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

19. Financial risk management (continued)

Fair value estimation (continued)

Derivatives

Derivatives will only be used where they accord with existing investment objectives and policy. They may not be used for the purpose of reducing risk independently of investment strategy in respect of the underlying physical assets or for merely speculative purposes. Derivatives will only be used for efficient portfolio management. Derivatives may not be used for the purpose of gearing or leveraging or for purposes of producing, enhancing or generating income. No derivative can be traded on an "Over The Counter" basis, and no uncovered positions are allowed.

The underlying Funds may hold the following derivatives:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in the futures contracts value are settled daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market. Futures are settled on a net basis.

(b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price.

The seller receives a premium from the purchaser in consideration for the assumption of future securities prices. Where options are held by the underlying Funds, they are exchange-traded. The Funds are exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

The notional amounts of certain types of financial instrument provide a basis for comparison with instruments recognised on the statements of financial position, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and do not therefore indicate the Company's exposure to credit or market price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms.

The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

During the period the Company did not enter into any derivative contracts.

Liquidity risk

The Company is exposed to daily cash redemptions of Participating Shares which are redeemed on demand at the holder's option. It therefore invests all of its assets in investments that are traded in an active market and can be readily disposed of. From time to time assets held could become illiquid due to in-active trading. At 31 March 2019 the percentage of the assets within the portfolios which are subject to special arrangements arising from their illiquid nature is 0% (2018: 0%). As such each Fund's financial assets are considered to be readily realisable for cash.

The Manager manages each Fund's cash to meet its liabilities. Where investments cannot be realised in time to meet any redemptions of Participating Shares, each Fund may borrow up to 10% of its value to ensure settlement of its liabilities. Any such borrowings did not exceed the 10% limit.

In accordance with the Company's policy, the Manager monitors each Fund's liquidity position on a daily basis, and the Board of Directors review it on a quarterly basis.

The table on the following pages analyses the Company's financial liabilities into relevant maturity groups based on the remaining period at the statement of financial position date to the contractual maturity date.

Cross fund liability

Shareholders should be aware that in the event of the Company being unable to meet liabilities attributable to any particular Fund or share class out of the assets attributable to such Fund or share class, the excess liabilities may have to be met out of the assets attributable to the other Funds or share classes.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

19. Financial risk management (continued)

Liquidity risk (continued)

	Company	Euro High Income Fund	European Fund
	£	€	£
Period ended 31 March 2019			(closed 27 April 2018)
Share Capital			
(less than 1 month)	335,827,686	11,545,813	—
Cancellation payable			
(less than 1 month)	514,647	—	—
Investment purchase payable			
(less than 1 month)	—	—	—
Proposed dividend			
(less than 1 month)	760,939	—	—
(1 month to 3 months)	714,613	82,144	—
Accrued expenses			
(less than 1 month)	121,538	—	—
(1 month to 3 months)	346,479	30,132	—
Total financial liabilities	338,285,902	11,658,089	—
Year ended 30 September 2018			
Share Capital			
(less than 1 month)	257,099,946	13,139,571	—
Cancellation payable			
(less than 1 month)	223,517	—	—
Investment purchase payable			
(less than 1 month)	1,333,857	—	—
Proposed dividend			
(less than 1 month)	837,064	—	—
(1 month to 3 months)	197,389	102,565	—
Accrued expenses			
(less than 1 month)	73,643	8,089	—
(1 month to 3 months)	263,140	21,725	—
Total financial liabilities	260,028,556	13,271,950	—

None of the Alternative Investment Fund's assets are subject to special arrangements arising from their illiquid nature in accordance with Article 23(4)(a) of Directive 2011/61/EU.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2019

19. Financial risk management (continued)

Liquidity risk (continued)

	High Income Fund	International Fund	North American Fund	Sterling Bond Fund	UK Fund
	£	£	£	£	£
Period ended 31 March 2019		(closed 27 April 2018)	(closed 27 April 2018)		(closed 27 April 2018)
Share Capital					
(less than 1 month)	215,890,064	—	—	108,540,104	—
Cancellation payable					
(less than 1 month)	496,182	—	—	18,465	—
Investment purchase payable					
(less than 1 month)	—	—	—	—	—
Proposed dividend					
(less than 1 month)	760,939	—	—	—	—
(1 month to 3 months)	—	—	—	643,830	—
Accrued expenses					
(less than 1 month)	55,899	—	—	65,639	—
(1 month to 3 months)	202,944	—	—	117,570	—
Total financial liabilities	217,406,028	—	—	109,385,608	—
Year ended 30 September 2018					
Share Capital					
(less than 1 month)	226,054,139	—	—	17,470,726	—
Cancellation payable					
(less than 1 month)	223,517	—	—	—	—
Investment purchase payable					
(less than 1 month)	1,333,857	—	—	—	—
Proposed dividend					
(less than 1 month)	837,064	—	—	—	—
(1 month to 3 months)	—	—	—	106,034	—
Accrued expenses					
(less than 1 month)	59,460	—	—	6,978	—
(1 month to 3 months)	221,716	—	—	22,073	—
Total financial liabilities	228,729,753	—	—	17,605,811	—

None of the Alternative Investment Fund's assets are subject to special arrangements arising from their illiquid nature in accordance with Article 23(4)(a) of Directive 2011/61/EU.

20. Events after period end date

There has not arisen in the interval between the end of the financial period and the date of this report, any other item, transaction or event of a material nature likely in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in subsequent financial years.

Change in Net Asset Value per Share

For the six month period ended 31 March 2019

Year/period	Net Asset Value of Fund	Number of Shares in Issue	Opening net asset value per share	Return before operating charges
Euro High Income Fund				
30.09.17	€14,590,078	9,087,364	167.49	(1.91)
30.09.18	€13,139,571	8,547,064	160.55	(1.86)
31.03.19	€11,545,813	7,467,614	153.57	3.10
High Income Fund				
30.09.17	£264,148,459	299,731,464	92.50	0.33
30.09.18	£226,054,139	270,022,634	88.13	(0.56)
31.03.19	£215,890,064	253,648,377	83.04	3.22
Sterling Bond Fund				
30.09.17	£19,576,434	12,715,595	160.28	(0.68)
30.09.18	£17,470,726	11,781,645	153.96	(1.45)
31.03.19	£108,540,104	71,536,701	146.94	5.61

Change in Net Asset Value per Share (continued)

For the six month period ended 31 March 2019

Operating charges	Return after operating charges	Distributions on shares	Appreciation / (Depreciation) on capital assets	Closing net asset value per share	Retained income per share
(2.09)	(4.00)	(4.93)	1.99	160.55	0.03
(2.11)	(3.97)	(5.00)	1.99	153.57	0.08
(1.07)	2.03	(2.34)	1.35	154.61	0.03
(0.94)	(0.61)	(4.30)	0.54	88.13	0.02
(0.97)	(1.53)	(4.10)	0.54	83.04	0.06
(0.45)	2.77	(1.84)	1.14	85.11	0.22
(1.92)	(2.60)	(0.05)	(3.67)	153.96	0.18
(1.86)	(3.31)	(0.04)	(3.67)	146.94	0.26
(0.73)	4.88	(0.02)	(0.07)	151.73	—

Distribution Tables

For the six month period ended 31 March 2019

Euro High Income Fund	Gross income	Equalisation payable	Distribution paid current period (cents)	Distribution paid prior period (cents)
1st Quarter				
Group 1	1.100	—	1.100	1.230
Group 2	0.750	0.350	1.100	1.230
2nd Quarter				
Group 1	1.100	—	1.100	1.230
Group 2	0.330	0.770	1.100	1.230
1st Quarter				
Group 1 : Shares purchased prior to 1 October 2018				
Group 2 : Shares purchased between 1 October 2018 and 31 December 2018				
2nd Quarter				
Group 1 : Shares purchased prior to 1 January 2019				
Group 2 : Shares purchased between 1 January 2019 and 31 March 2019				
High Income Fund (continued)	Gross income	Equalisation payable	Distribution paid current period (pence)	Distribution paid prior period (pence)
31 October 2018				
Group 1	0.300	—	0.330	0.330
Group 2	0.161	0.139	0.330	0.330
30 November 2018				
Group 1	0.300	—	0.330	0.330
Group 2	0.162	0.138	0.330	0.330
31 December 2018				
Group 1	0.300	—	0.330	0.320
Group 2	0.179	0.121	0.330	0.320
31 January 2019				
Group 1	0.300	—	0.330	0.320
Group 2	0.107	0.193	0.330	0.320
28 February 2019				
Group 1	0.300	—	0.330	0.320
Group 2	0.125	0.175	0.330	0.320
31 March 2019				
Group 1	0.300	—	0.330	0.320
Group 2	0.200	0.100	0.330	0.320
31 October 2018				
Group 1 : Shares purchased prior to 1 October 2018				
Group 2 : Shares purchased between 1 October 2018 and 31 October 2018				
30 November 2018				
Group 1 : Shares purchased prior to 1 November 2018				
Group 2 : Shares purchased between 1 November 2018 and 30 November 2018				
31 December 2018				
Group 1 : Shares purchased prior to 1 December 2018				
Group 2 : Shares purchased between 1 December 2018 and 31 December 2018				
31 January 2019				
Group 1 : Shares purchased prior to 1 January 2019				
Group 2 : Shares purchased between 1 January 2019 and 31 January 2019				
28 February 2019				
Group 1 : Shares purchased prior to 1 February 2019				
Group 2 : Shares purchased between 1 February 2019 and 28 February 2019				
31 March 2019				
Group 1 : Shares purchased prior to 1 March 2019				
Group 2 : Shares purchased between 1 March 2019 and 31 March 2019				

Distribution Tables (continued)

For the six month period ended 31 March 2019

Sterling Bond Fund	Gross income	Equalisation payable	Distribution paid current period (pence)	Distribution paid prior period (pence)
1st Quarter				
Group 1	0.900	—	0.900	1.100
Group 2	0.439	0.461	0.900	1.100
2nd Quarter				
Group 1	0.900	—	0.900	1.100
Group 2	0.297	0.603	0.900	1.100

1st Quarter

Group 1 : Shares purchased prior to 1 October 2018

Group 2 : Shares purchased between 1 October 2018 and 31 December 2018

2nd Quarter

Group 1 : Shares purchased prior to 1 January 2019

Group 2 : Shares purchased between 1 January 2019 and 31 March 2019

Performance Record

For the six month period ended 31 March 2019

Euro High Income Fund

Shares in the Fund were first offered to the public in October 2006 at an offer price of 178.90 cents per share.

Calendar Year	Highest Offer Price c	Lowest Bid Price c	Income per Share c	Income per €1,000 Invested at 31/12/09 €
2010	163.70	153.20 xd	7.51	48.48
2011	156.60	140.60	5.73	36.99
2012	167.40	144.60	7.71	49.74
2013	169.10	161.70	7.45	48.10
2014	170.30	161.70	6.51	42.03
2015	173.50	159.70	4.94	31.89
2016	163.90	158.10	4.70	30.34
2017	163.00	159.90	4.96	32.02
2018	160.80	150.40	4.80	30.99
31.03.19	155.40	149.30	1.10	7.10

High Income Fund

Shares in the Fund were first offered to the public in June 1995 at an offer price of 100p per share.

Calendar Year	Highest Offer Price p	Lowest Bid Price p	Income per Share p	Income per £1,000 Invested at 31/12/09 £
2010	88.28	82.15	5.40	65.53
2011	85.30	79.70	5.17	62.68
2012	89.19	81.20	5.25	63.65
2013	91.66	85.23	4.82	58.50
2014	89.56	85.55	4.78	58.01
2015	92.53	85.86	4.59	55.64
2016	86.21	83.74	4.37	53.03
2017	90.65	87.58	4.21	51.09
2018	88.86	81.85	3.79	46.00
31.03.19	85.24	82.21	0.90	10.92

Sterling Bond Fund

Shares in the Fund were first offered to the public in July 2001 at an offer price of 148.6p per share.

Calendar Year	Highest Offer Price p	Lowest Bid Price p	Income per Share p	Income per £1,000 Invested at 31/12/09 £
2010	139.00	127.40	6.54	50.74
2011	136.80	128.60	6.41	49.73
2012	147.00	131.20	6.27	48.64
2013	151.60	140.10	5.91	45.85
2014	151.30	140.20	5.78	44.84
2015	156.80	144.70	5.40	41.89
2016	147.50	142.20	5.50	42.67
2017	158.90	150.90	4.50	34.91
2018	156.10	145.80	4.00	31.03
31.03.19	152.60	146.20	0.90	6.98

For more information please go to international.lloydsbank.com/products-and-services/investments/funds or call us on 01534 845 555

