
LLOYDS INVESTMENT FUNDS LIMITED

Interim Report and
Unaudited Financial Statements

For the six month period ended 31 March 2020



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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
G. Cook

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

(From 23 November 2019)
Schroder Investment Management Limited
1 London Wall Place
London
EC2Y 5AU
United Kingdom

(Replaced 23 November 2019)
Aberdeen Asset Investments Limited
Bow Bells House,
1 Bread Street,
London,
EC4M 9HH.

Custodian

Apex Financial Services (Corporate) Limited
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 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 60.

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 61.

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 59.

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 55.

Geoffrey Cook – Non Executive Chair, Chartered Company Director and a Chartered Banker.

A career in Financial Services spanning 30 years, including roles as Head of Wealth Management for HSBC UK and CEO of Jersey Finance. A Chartered Banker, MBA Distinction, Chartered Fellow of the Chartered Institute of Securities and Investment and a member of the Society of Trustee and Estate Practitioners. Geoffrey Cook is a Director of a number of bank, financing, fund and social enterprise companies. Geoffrey has been a standing member of a number of high level governance boards, including Jersey's Financial Services Advisory Board, Fiscal Strategy Group and the Sound Business Practice Committee and has represented Jersey at the G20, OECD, CHOG, IMF and World Bank meetings and is a leading figure in the IFC world.
Aged 64.

Report of the Directors

The Directors have pleasure in submitting their Interim Report together with the Unaudited Financial Statements for the six month period ended 31 March 2020. 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, Investment Objectives and Policy and Report of the Directors are stated on pages 2 to 7.

Results

The results for the period are set out in the financial statements on pages 10 to 15.

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 G. Cook (appointed 3 July 2019)

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 2020, no Director had a beneficial interest in the shares of 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 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. The Manager acts as the Company's non-EU Alternative Investment Fund Manager for the purpose of the Alternative Investment Fund Managers Directive (AIFMD). Fees earned by the Manager are disclosed in these Financial Statements in Note 9.

Mr G. Cook is a Director of Lloyds Bank (International Services) Limited, a Director of Apex Financial Services (Jersey) Limited and a Consultant to Mourant Ozannes, Jersey.

Directors Remuneration

Director remuneration is set at £12,500 per annum as disclosed in the Annual Report and Audited Financial Statements to 30 September 2019 (2019: £8,098). Directors who are employees of the Lloyds Banking Group do not receive Directors' fees.

Investment Activities

The Report of the Investment Manager is set out on pages 8 and 9.

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.

Independent Auditor

PricewaterhouseCoopers CI LLP were re-appointed as Independent Auditor at the Annual General Meeting held on 27 February 2020 and have indicated a willingness to remain in office.

Changes to the Investment Manager

With effect from 23 November 2019 the Investment Manager for Lloyds Investment Funds Limited changed from Aberdeen Asset Investments Limited to Schroder Investment Management Limited ('Schroders').

Assessment of Value

The Company has conducted an assessment of value and it confirms that the payments out of scheme property set out in the prospectus are justified in the context of the overall value delivered to unitholders.

Prospectus

Copies of the Prospectus dated May 2020 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 60 to 64.

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.

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.

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. The UK offshore funds rules apply in relation to each Fund within the Company. The following Funds have been approved by HM Revenue & Customs in the UK as "Reporting Funds" for the purposes of the UK offshore fund rules: Euro High Income Fund, High Income Fund and Sterling Bond Fund.

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.

Following the UK formally leaving the EU on 31 January 2020 there will be a period of negotiation ("the implementation period") in which the UK and EU will discuss trade deals. During this 11 month period to 31 December 2020 the UK will continue to follow all the EU's rules and it's trading relationship will remain the same. As a result the directors consider the impact of Brexit on the Fund Company to be minimal. The directors will review impact to the Fund Company on a regular basis.

Due to the effects of the COVID pandemic on the economic climate the market values of the funds initially decreased, however, we have now seen the share prices starting to rise again, as follows:

Sterling Denominated Funds

	28 February 2020 (pence)	31 March 2020 (pence)	08 June 2020 (pence)
High Income Fund	88.49	81.72	86.18
Sterling Bond Fund	160.60	146.80	157.30

Euro Denominated Funds

	(Euro cents)	(Euro cents)	(Euro cents)
Euro High Income Fund	157.80	145.70	152.60

More information can be found in the Report of the Investment Manager on pages 8 and 9.

Response to manage the COVID-19 pandemic

As coronavirus (COVID-19) continues to spread globally the directors want to reassure investors that the continuing safety and wellbeing of the administrators and the ongoing operational effectiveness of the Jersey business, in order to service clients, remains of paramount importance to them. The directors continue to monitor the situation closely and in accordance with the advice of the UK and Jersey governments and Public Health England. Key personnel and critical business processes (particularly those directly supporting clients) have been identified and contingency measures have been put in place. Social distancing and work from home measures have been implemented allowing the business to continue to service the fund and clients.

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 published share price of the assets of each Fund was as follows:

Sterling Denominated Funds

	31 March 2020 (pence)	1 October 2019 (pence)
High Income Fund	81.72	87.41
Sterling Bond Fund	146.80	157.10

Euro Denominated Funds

	(Euro cents)	(Euro cents)
Euro High Income Fund	145.70	158.50

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 2020 %	1 October 2019 %
Euro High Income Fund	0.51	0.49
High Income Fund	0.80	0.78
Sterling Bond Fund	0.66	0.60

The spread on the statement of financial position date is representative of the typical spread throughout the period.

Remuneration

As per the requirement for AIFMD disclosure of remuneration, the Alternative Investment Fund Manager (AIFM) has no direct employees. Fixed and variable costs (including any bonuses) are recharged by fellow Group Companies, as set out in the financial statements of Lloyds Investment Fund Managers Limited, a copy of which are available upon request. Total staff costs and numbers have been allocated to Lloyds Investment Funds Limited based on the value of the assets under management as at 31 December 2019 as shown in the table below:

31 December 2019	Number of Employees	Fixed Remuneration £000	Variable Remuneration £000	Total Remuneration £000
Lloyds Investment Funds Limited	5	280	67	347
Total staff costs and numbers recharged to the AIFM by fellow Group Companies	21	1,206	289	1,495

The Alternative Investment Fund Manager has no employees and other than the fees set out in Note 10 no other remuneration is paid.

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.

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
9 June 2020

Report of the Investment Manager

Euro High Income Fund

Performance

For the period under review the Fund outperformed its benchmark (gross of fee) by c.1.6%, returning -7.4%. This was a big improvement on the relative performance of the previous six months.

Outperformance was driven by both sector selection and individual security selection. There was some negative impact from duration and yield curve positioning.

The largest positive relative contribution came from our underweight position (duration weighted) in the Banks sector. This was also helped by the fund holding no peripheral European banks. The second big contributor was the large underweight in Autos, the second weakest sector behind Leisure. Subordinated Insurance was a key detractor.

Background and Strategy

At the end of November 2019 we made several adjustments to the portfolio to bring it in to line with our views and process. We reduced our exposure to certain sectors where our view was less constructive. Trades in Unibail Rodamco and Volkswagen fell into this category. Sales in Pemex and BG Group bonds were driven by our issuer specific bottoms-up credit view. A few trades were switches between bonds of different maturities from the same issuer conducted for duration rebalancing.

After an active Q4 rebalancing phase, Q1 2020 was much more subdued. Whilst credit markets sold off aggressively, liquidity was extremely poor which made for very high execution costs. In January we continued to invest some of the excess cash we had built up last year. One of these purchases was ENI, the Italian oil and energy company which later suffered as oil prices collapsed. The other was Veolia which being much more utility like suffered a lot less in the general sell off. In early February we reduced our holding in EDF.

Our significant duration underweight reflects our view that core European government bond yields are significantly lower than their long term fair value levels. However, given the considerable uncertainty created by Covid-19 and its effects on the economy, yields look set to remain low for a long time. The European Central Bank (ECB) has increased and diversified its bond purchase programs and this will continue to support the asset class.

The future from here essentially depends on the nature of the eventual, post virus economic rebound. Will it be 'V' shaped or 'W' shaped i.e. suffering a further round of infections? We sense the market is still very much in the former camp and this has been aided and abetted by the Central Banks' support programs perhaps detaching market pricing from reality. We will most likely be looking to improve the credit quality of the portfolio on continued spread tightening.

High Income Fund

Performance

For the period under review the fund was just modestly behind its benchmark returning -5.3% vs. -5.2% (gross basis). This was an improvement on the relative performance of the previous six months. As risk markets collapsed in the face of Covid-19 inspired economic chaos towards the end of February, credit spreads saw dramatic widening and gilt yields fell sharply. Having some exposure to Gilts and quasi-government issuers such as EIB and KFW was a benefit as was the shorter than benchmark duration of our credit holdings. Lower rated bonds underperformed higher rate bonds as one would expect.

Key positive contributors to relative performance included an underweight exposure to banks, mainly at the senior level and the overweight exposure to Gilts and Supranational/Government Agency issues. Security selection within utilities was very helpful. An underweight in capital goods was also positive.

Key detractors to relative performance included an overweight allocation to subordinated Insurance and energy.

Background and Strategy

At the end of November 2019 we made many adjustments to the portfolio to bring it in to line with our views and process. We executed 66 trades during the period under review – 47 sells and 19 buys. We sold down bonds from certain issuers such as Thames Water, Intu Metrocentre and Osprey Financing Plc. motivated by our view on their credit fundamentals. We also reduced our exposure to a few lower yielding names in physical retail such as Westfield and New River REIT. Some of the securities that dragged on the running yield but did not enhance the credit quality of the portfolio were also sold (including bond issues from Deutsche Bank and Sodexo). Our additions were motivated by the need to redeploy the proceeds from our sales and required duration rebalancing. We increased our exposure to US Banks (Bank of America, Goldman Sachs, Citigroup) whose credit metrics are either stable or moderately improving. We also allocated to sovereign (UK Gilts) and sovereign backed or owned issuers (KFW, EIB, Equinor) to rebalance duration and deploy our sale proceeds quickly. We also added to Notting Hill Housing Trust and Western Power Distribution, both stable credits and exceeding our running yield targets. After the very active previous quarter there were many fewer trades in Q1. Whilst credit markets sold off aggressively, liquidity was extremely poor which made for very high execution costs. In January we continued to invest some of the excess cash we had built up last year. Met Life and GSK were the additions, keeping the quality high. We continued to reduce holdings in BBB rated bonds as markets recovered and 1 or 2 names were downgraded. We sold subordinated Lloyds and M&G bonds and Morrisons.

Report of the Investment Manager (continued)

Background and Strategy (continued)

Our modest duration underweight reflects our view that gilt yields are lower than their long term fair value levels. However, given the considerable uncertainty created by Covid 19 and its effects on the economy, yields look set to remain low for a long time. This is despite the fact that Gilt issuance will rise to record levels to fund the Government's massive spending plans aimed at offsetting those economic effects. That is because the Bank of England has reinstated a considerable Gilt buying program (Quantitative Easing) to ensure the markets have enough liquidity to allow credit to keep flowing.

Credit spreads were, at the worst of it, pricing in a multiple of the worst ever run of defaults and in general offer value. However a move all the way back to where spreads were at the beginning of the year seems highly unlikely any time soon despite the safety net of corporate bond buying by the central banks of the US and the Eurozone, the Bank of England is a minor player in this space so far.

The future from here essentially depends on the nature of the eventual, post virus economic rebound. Will it be 'V' shaped or 'W' shaped i.e. suffering a further round of infections? We sense the market is still very much in the former camp and this has been aided and abetted by the Central Banks' support programs perhaps detaching market pricing from reality. The trials of Brexit trade negotiations will likely rise to the surface as the year progresses and perhaps see the sterling market underperform again. We will most likely be looking to improve the credit quality of the portfolio on continued spread tightening.

Sterling Bond Fund

Performance

For the 6 month period to 31 March 2020, the fund has delivered negative performance on an absolute basis, and underperformed the benchmark, returning -6.4%.

The fund initially had a positive start, delivering strong relative performance. However, the emergence of the coronavirus in the first quarter saw the fund start to lag behind the benchmark. The market struggled to come to grips with the uncertainty caused by the global pandemic, which fuelled a broad-based sell-off and highly correlated re-pricing across credit markets, with very little differentiation.

Given this widening of spreads, our overweight position to BBB-rated issues detracted from performance, as did overweights to more cyclical sectors such as real estate, lower-tier banking and energy in particular, as well as the overweight to the (normally defensive) utilities sector. Underperformance was mitigated somewhat by the portfolio's allocation to gilts and agency issues which held up better in the volatile environment, as well as by a number of more positive contributions to return through sector positioning, including our underweight allocations to healthcare, financial services and consumer cyclicals (the more growth-sensitive area of the consumer sector).

Background and Strategy

At the start of our management of the Fund's assets, we actively sought to reduce the portfolio's underweight allocation to senior banks, given our positive view on the sector. We also held a defensive bias, and as such increased our overweight exposure to utilities and to the real estate sector: here we like the relatively defensive characteristics of UK housing associations, a sector in which there are a rapidly growing number of companies raising debt at attractive levels. In January (when the coronavirus was still largely confined to just China and the market was not yet pricing in a pandemic) spreads tightened and we took the opportunity to increase our defensive stance further, increasing our overweight exposure to utilities, and increasing overall duration (sensitivity to interest rates).

As the virus spread more globally we focussed on adding quality names. We reduced our underweight position in retail, adding to global names with very strong balance sheets and liquidity, and during the sell-off in March we reduced the fund's overweight to energy as a means of reducing risk.

The coronavirus crisis has had a profoundly detrimental impact on the global economy, with large swathes of activity shutting down and effectively being mothballed for the foreseeable future. For financial markets it presented a perfect storm; shock, uncertainty and panic.

Liquidity was severely impaired during the middle of March, as the volume of investors looking to liquidate assets (i.e. to meet collateral calls, deleverage and de-risk) met a paucity of buyers. With so much pressure on short-dated assets to source liquidity, liquidity at the short end of the market was tested severely, and while it broadly improved in late March, it remains very challenging.

The market became calmer towards the end of March, with a modest recovery, but still clearly anticipates a severe recession, and a very meaningful default and downgrade cycle.

Schroder Investment Management Limited

9 June 2020

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.

Statements of Financial Position

As at 31 March 2020

	Note	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
		£	€	£	£
Current Assets					
Cash and cash equivalents		5,319,795	250,250	3,700,577	1,397,768
Cash at broker		28,000	—	—	28,000
Investment sales receivable		22,596	—	22,596	—
Financial assets at fair value through profit or loss		289,351,461	9,066,867	186,497,480	94,830,560
Other accrued income and other debtors	4	5,576,232	127,943	3,474,328	1,597,347
Total Assets		300,298,084	9,445,060	193,694,981	97,853,675
Equity					
Ordinary share capital		1,000	—	—	—
Total Equity		1,000	—	—	—
Current Liabilities					
Financial liabilities at fair value through profit or loss	19	17,920	—	—	17,920
Cancellation payable		—	—	—	—
Investment purchases payable		141,000	—	—	141,000
Distribution payable	5	1,386,360	71,088	695,686	627,767
Accrued expenses and other creditors	6	589,237	28,066	309,097	255,304
Nominal shares	14	390,338	—	—	—
Total Liabilities*		2,524,855	99,154	1,004,783	1,041,991
Net assets attributable to holders of participating redeemable preference shares	17	297,772,229	9,345,906	192,690,198	96,811,684
Total Liabilities and Equity		300,280,164	9,445,060	193,694,981	97,835,755

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

The financial statements on pages 10 to 59 were approved by the Board of Directors on 9 June 2020 and are signed on their behalf by:

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

The notes on pages 33 to 59 form an integral part of these financial statements.

Statements of Financial Position (continued)

As at 30 September 2019

	Note	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
		£	€	£	£
Current Assets					
Cash and cash equivalents		11,221,190	504,193	8,805,197	1,969,943
Cash at broker		—	—	—	—
Investment sales receivable		—	—	—	—
Financial assets at fair value through profit or loss		323,211,677	10,688,478	206,548,310	107,207,466
Other accrued income and other debtors	4	5,147,805	198,883	3,119,722	1,559,132
Total Assets		339,580,672	11,391,554	218,473,229	110,736,541
Equity					
Ordinary share capital		1,000	—	—	—
Total Equity		1,000	—	—	—
Current Liabilities					
Financial liabilities at fair value through profit or loss	19	—	—	—	—
Cancellation payable		104,332	—	46,969	57,363
Investment purchases payable		5,803,337	—	4,360,505	1,442,832
Distribution payable	5	1,522,579	85,281	727,749	719,383
Accrued expenses and other creditors	6	517,326	23,065	282,798	214,123
Nominal shares	14	292,003	—	—	—
Total Liabilities*		8,239,577	108,346	5,418,021	2,433,701
Net assets attributable to holders of participating redeemable preference shares	17	331,340,095	11,283,208	213,055,208	108,302,840
Total Liabilities and Equity		339,580,672	11,391,554	218,473,229	110,736,541

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

Statement of Comprehensive Income

For the six month period ended 31 March 2020

	Notes	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
		£	€	£	£
Operating Profit					
Net loss on financial assets at fair value through profit or loss	7	(20,889,856)	(807,095)	(12,837,090)	(7,360,530)
Investment income		5,110,285	90,018	3,511,164	1,521,914
Other income	8	32,319	793	4,946	26,693
Total operating expenses	9	(1,833,898)	(75,755)	(1,120,190)	(648,734)
Operating Loss		(17,581,150)	(792,039)	(10,441,170)	(6,460,657)
Finance Costs					
Distributions to holders of participating redeemable preference shares	5	(5,497,637)	(145,324)	(4,137,606)	(1,234,223)
Total finance costs		(5,497,637)	(145,324)	(4,137,606)	(1,234,223)
Loss before tax		(23,078,787)	(937,363)	(14,578,776)	(7,694,880)
Withholding tax on dividends and other investment income	18	(1,617)	(1,885)	—	—
Decrease in net assets attributable to holders of participating redeemable preference shares from operations		(23,080,404)	(939,248)	(14,578,776)	(7,694,880)

For the six month period ended 31 March 2019

	Note	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
		£	€	£	£
Operating Profit					
Net gain on financial assets at fair value through profit or loss	7	8,029,078	171,615	4,697,350	3,181,269
Investment income		6,069,942	139,175	4,597,729	1,350,195
Other income	8	3,839	276	1,926	1,671
Total operating expenses	9	(1,726,645)	(79,732)	(1,134,566)	(522,176)
Operating Profit		12,376,214	231,334	8,162,439	4,010,959
Finance Costs					
Distributions to holders of participating redeemable preference shares	5	(6,138,665)	(174,560)	(4,677,224)	(1,307,707)
Total finance costs		(6,138,665)	(174,560)	(4,677,224)	(1,307,707)
Profit before tax		6,237,549	56,774	3,485,215	2,703,252
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	3,485,215	2,703,252

The notes on pages 33 to 59 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 2020

Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund	
£	€	£	£	
Net assets attributable to holders of participating redeemable preference shares at the beginning of the period	331,340,095	11,283,208	213,055,208	108,302,840
Creation of participating redeemable preference shares	5,913,169	112,706	5,263,915	554,487
Redemption of participating redeemable preference shares	(16,376,388)	(1,110,760)	(11,050,149)	(4,378,763)
Initial margin deposits held at broker	28,000	—	—	28,000
Net decrease from share transactions	(10,435,219)	(998,054)	(5,786,234)	(3,796,276)
Decrease in net assets attributable to holders of participating redeemable preference shares from operations	(23,080,404)	(939,248)	(14,578,776)	(7,694,880)
Movement in currency translation	(52,243)	—	—	—
Net assets attributable to holders of participating redeemable preference shares as at 31 March 2020	297,772,229	9,345,906	192,690,198	96,811,684

For the six month period ended 31 March 2019

Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund	
£	€	£	£	
Net assets attributable to holders of participating redeemable preference shares at the beginning of the period	255,228,410	13,139,571	226,054,139	17,470,726
Creation of participating redeemable preference shares	95,722,576	203,306	1,508,019	94,036,083
Redemption of participating redeemable preference shares	(22,417,208)	(1,853,838)	(15,157,309)	(5,669,957)
Initial margin deposits held at broker	—	—	—	—
Net increase / (decrease) from share transactions	73,305,368	(1,650,532)	(13,649,290)	88,366,126
Increase in net assets attributable to holders of participating redeemable preference shares from operations	6,237,549	56,774	3,485,215	2,703,252
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	215,890,064	108,540,104

The notes on pages 33 to 59 form an integral part of these financial statements.

Cash Flow Statement

For the six month period ended 31 March 2020

Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund	
£	€	£	£	
Cash flows from operating activities				
Purchases of financial assets and settlement of financial liabilities	(68,106,722)	(1,497,972)	(44,742,826)	(22,079,103)
Receipts from sale of investments	74,252,479	2,238,513	46,843,838	25,488,695
Investment income received	5,916,825	234,933	3,908,781	1,806,545
Unclaimed distributions over 10 years old	27,782	793	1,207	25,895
Bank interest received	4,537	—	3,739	798
Interest paid	(161)	(112)	(65)	—
Operating expenses paid	(1,761,942)	(70,642)	(1,093,826)	(607,527)
Net cash inflow from operating activities	10,332,798	905,513	4,920,848	4,635,303
Cash flows from financing activities				
Distributions paid to holders of participating redeemable preference shares issued	(5,632,324)	(159,517)	(4,169,669)	(1,325,839)
Proceeds received from issue of participating redeemable preference shares	5,892,473	112,706	5,241,319	554,487
Payments on redemption of participating redeemable preference shares	(16,485,930)	(1,110,760)	(11,097,118)	(4,436,126)
Net cash outflow from financing activities	(16,227,398)	(1,159,456)	(10,025,468)	(5,207,478)
Net decrease in cash and cash equivalents	(5,894,600)	(253,943)	(5,104,620)	(572,175)
Cash and cash equivalents at the beginning of the period	11,221,190	504,193	8,805,197	1,969,943
Exchange gains / (losses) on cash and cash equivalents	—	—	—	—
Movement in currency translation	(6,795)	—	—	—
Cash and cash equivalents as at 31 March 2020	5,319,795	250,250	3,700,577	1,397,768

The notes on pages 33 to 59 form an integral part of these financial statements.

Cash Flow Statement (continued)

For the six month period ended 31 March 2019

Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund	
£	€	£	£	
Cash flows from operating activities				
Purchases of financial assets and settlement of financial liabilities	(194,483,259)	(565,891)	(20,155,189)	(173,831,939)
Receipts from sale of investments	120,775,182	1,686,047	32,220,225	87,076,757
Investment income received	5,254,686	261,031	4,657,211	368,623
Unclaimed distributions over 10 years old	858	276	504	112
Bank interest received	2,981	—	1,422	1,559
Interest paid	(566)	(42)	(155)	(374)
Operating expenses paid	(1,593,976)	(79,371)	(1,156,745)	(367,644)
Net cash (outflow) / inflow from operating activities	(70,044,094)	1,302,050	15,567,273	(86,752,906)
Cash flows from financing activities				
Distributions paid to holders of participating redeemable preference shares issued	(5,694,205)	(194,981)	(4,753,349)	(769,911)
Proceeds received from issue of participating redeemable preference shares	95,722,345	203,306	1,508,019	94,036,083
Payments on redemption of participating redeemable preference shares	(22,161,442)	(1,853,838)	(14,884,644)	(5,651,492)
Net cash inflow / (outflow) from financing activities	67,866,698	(1,845,513)	(18,129,974)	87,614,680
Net (decrease) / increase in cash and cash equivalents	(2,177,396)	(543,463)	(2,562,701)	861,774
Cash and cash equivalents at the beginning of the period	4,308,313	569,308	3,177,154	624,071
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	614,453	1,485,845

Investment Portfolios

As at 31 March 2020

Euro High Income Fund

	Holding 31.03.20	Market Value 31.03.20 €	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19 €	% of Total Net Assets
Asia and Middle East 1% (0.96%)						
DP World Ltd 2.375% 2026	100,000	93,221	1.00	100,000	108,183	0.96
Australia and New Zealand 4.59% (0.98%)						
APT Pipelines 2% 2027	100,000	104,460	1.12	100,000	109,480	0.97
BHP Billiton Finance 3.125% 2033	100,000	112,565	1.20	100,000	131,148	1.16
BHP Billiton Finance 5.625% 2079	100,000	105,967	1.13	100,000	122,352	1.08
Telstra 3.75% 2022	100,000	106,347	1.14	100,000	110,265	0.98
Central America 1.16% (0.92%)						
America Movil 4.75% 2022	100,000	108,537	1.16	100,000	113,109	1.00
Petroleo Mexicano 4.75% 2029	—	—	—	100,000	103,875	0.92
Europe 68.04% (0.92%)						
ABN Amro Bank 2.88% 2028	100,000	98,397	1.05	100,000	107,956	0.96
ABN Amro Bank 4.125% 2022	130,000	137,916	1.48	130,000	143,650	1.27
Allianz Financial 5.75% 2041	100,000	104,778	1.12	100,000	110,097	0.98
Anheuser Busch 2.75% 2036	200,000	193,449	2.07	200,000	252,691	2.24
AXA 3.875% FRN (Perp)	100,000	103,867	1.11	100,000	112,718	1.00
Banque Federative Credit Mutuel 3% 2024	100,000	100,897	1.08	100,000	111,841	0.99
Bayer Capital 2.125% 2029	100,000	100,291	1.07	100,000	110,377	0.98
BNP Paribas 1.5% 2028	250,000	253,386	2.71	—	—	—
BNP Paribas 2.63% 2027	100,000	98,676	1.06	100,000	106,678	0.95
BNP Paribas 2.875% 2022	—	—	—	90,000	98,423	0.87
BNP Paribas 4.032% FRN (Perp)	100,000	97,323	1.04	100,000	111,137	0.98
BNP Paribas 4.5% 2023	—	—	—	250,000	291,650	2.58
Bundesrepublik Deutschland 5.5% 2031	100,000	165,884	1.77	100,000	170,764	1.51
CNP Assurances 4.25% 2045	100,000	104,043	1.11	100,000	115,205	1.02
Cooperatieve Rabobank 4.75% 2022	270,000	292,248	3.13	300,000	340,060	3.01
Credit Agricole 4.5% 2025	100,000	102,464	1.10	100,000	112,101	0.99
Credit Agricole 5.125% 2023	200,000	225,258	2.41	200,000	238,648	2.12
Danone 1.75% FRN	100,000	96,136	1.03	100,000	102,357	0.91
Deutsche Annington 4% FRN (Perp)	100,000	99,331	1.06	100,000	107,580	0.95
Deutsche Telekom Intl Finance 7.5% 2033	150,000	243,270	2.60	150,000	271,688	2.41
EDF 4.5% 2040	100,000	131,541	1.41	100,000	156,146	1.38
EDF 4.625% 2030	150,000	194,186	2.08	150,000	211,503	1.87
EDF 6.25% 2021	100,000	104,811	1.12	150,000	162,843	1.44
Engie 5.95% 2111	60,000	112,883	1.21	60,000	118,775	1.05
Engie 6.375% 2021	100,000	104,529	1.12	100,000	108,622	0.96
ENI SPA 3.625% 2029	200,000	232,271	2.49	—	—	—
GE Capital European Funding 6.025% 2038	100,000	112,106	1.20	100,000	153,617	1.36
Groupe BPCE 2.75% 2026	100,000	99,400	1.06	100,000	104,535	0.93
Iberdrola 3.25% FRN (Perp)	100,000	101,000	1.08	100,000	109,625	0.97
Innogy Finance 5.75% 2033	100,000	148,699	1.59	100,000	163,083	1.45
KFW Bankengruppe 0.375% 2030	300,000	309,906	3.32	—	—	—
KFW Bankengruppe 4.675% 2023	270,000	307,538	3.29	570,000	668,733	5.93
Medtronic 2.25% 2039	100,000	102,293	1.09	—	—	—
Metrovacesa SA 2.375% 2022	—	—	—	100,000	105,703	0.94
NN Group 1.375 (Perp)	100,000	101,016	1.08	100,000	109,743	0.97
Nordea Bank 3.25% 2022	200,000	210,775	2.26	200,000	218,802	1.94
Orange 8.125% 2033	150,000	255,451	2.73	170,000	326,090	2.89
Orsted 6.25% FRN 3013	25,000	27,420	0.29	25,000	29,949	0.27
RTE 3.875% 2022	100,000	107,729	1.15	100,000	110,997	0.98
Société Générale 2.625% 2025	100,000	97,410	1.04	100,000	110,887	0.98
Telefonica 3% FRN	100,000	93,875	1.00	100,000	103,500	0.92
Total Capital International 2.625% FRN (Perp)	159,000	151,846	1.62	159,000	173,115	1.53

Investment Portfolios (continued)

As at 31 March 2020

Euro High Income Fund (continued)

	Holding 31.03.20	Market Value 31.03.20 €	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19 €	% of Total Net Assets
Europe (continued)						
Unibail Rodamco 2% 2036	200,000	186,143	1.99	300,000	348,848	3.09
Valeo 3.25% 2024	100,000	98,600	1.06	100,000	112,884	1.00
Veolia Environment 4.625% 2027	200,000	248,899	2.66	—	—	—
Vesteda Finance 2.5% 2022	100,000	102,546	1.10	100,000	106,689	0.95
Vonovia Finance BV 4% FRN	—	—	—	100,000	106,579	0.94
VW Financial Services 4.625% FRN (Perp)	—	—	—	130,000	144,502	1.28
VW Financial Services 2.7% FRN (Perp)	—	—	—	100,000	103,570	0.92
United Kingdom 9.11% (1.8%)						
Aviva 3.375% FRN 2045	100,000	99,172	1.06	100,000	108,459	0.96
Aviva 6.125% FRN 2043	100,000	109,281	1.17	100,000	117,175	1.04
Barclays Bank 6.625% 2022	100,000	104,487	1.12	100,000	114,541	1.02
BG Energy Capital 2.25% 2029	—	—	—	100,000	118,582	1.05
Channel Link Enterprises Inc 2.706% 2050	100,000	104,718	1.12	100,000	105,147	0.93
HBOS 4.5% FRN 2030	100,000	104,421	1.12	100,000	114,214	1.01
Royal Bank of Scotland 5.375% 2019	—	—	—	150,000	150,568	1.33
SSE Plc 2.375% FRN (Perp)	100,000	96,479	1.03	100,000	102,477	0.91
Total Capital International 5.125% 2024	200,000	233,155	2.49	200,000	247,720	2.20
United Utilities Water 4.25% 2020	—	—	—	200,000	202,698	1.80
United States 13.09% (1.29%)						
AT&T 3.15% 2036	100,000	102,017	1.09	100,000	121,586	1.08
AT&T 3.375% 2034	100,000	108,183	1.16	100,000	124,216	1.10
Goldman Sachs 2% 2023	100,000	100,260	1.07	100,000	106,770	0.95
JP Morgan Chase 2.75% 2022	—	—	—	120,000	129,675	1.15
JP Morgan Chase 2.875% 2028	150,000	161,333	1.73	—	—	—
Lehman Brothers Holdings FRN 2019	150,000	—	—	150,000	390	—
Microsoft 3.125% 2028	100,000	120,356	1.29	100,000	127,121	1.13
Thermo Fisher Scientific 1.5% 2039	100,000	83,480	0.89	—	—	—
Verizon Communications 1.875% 2029	—	—	—	100,000	111,375	0.99
Verizon Communications 3.25% 2026	185,000	203,701	2.18	185,000	219,491	1.95
Vodafone Group 2.875% 2037	100,000	101,997	1.09	100,000	120,953	1.07
Wal-Mart Stores 2.55% 2026	100,000	109,725	1.17	100,000	116,063	1.03
Wal-Mart Stores 4.875% 2029	100,000	132,518	1.42	100,000	145,893	1.29
Total Value of Investments		9,066,867	96.99		10,688,478	94.72
Other Assets		378,193	4.05		703,076	6.23
Total Assets		9,445,060	101.04		11,391,554	100.95
Liabilities		(99,154)	(1.04)		(108,346)	(0.95)
Total Net Assets		9,345,906	100.00		11,283,208	100.00
				For the period ended 31.03.20		For the year ended 30.09.19
Cost of investments purchased		€1,497,972				€608,276
Proceeds from investments sold		€2,238,513				€2,854,807

Investment Portfolios (continued)

As at 31 March 2020

High Income Fund

	Holding 31.03.20	Market Value 31.03.20 £	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19 £	% of Total Net Assets
UK Government Bonds 1.93% (0%)						
Treasury 6% 2028	2,500,000	3,727,625	1.93	—	—	—
UK Corporate Bonds 56.34% (66.18%)						
Accent Capital 2.625% 2049	267,000	280,124	0.15	267,000	293,197	0.14
Anglian Water (Osprey) Financing 4.5% 2026	1,000,000	1,079,200	0.56	1,000,000	1,118,315	0.52
Anglian Water (Osprey) Financing 5% 2023	—	—	—	600,000	608,253	0.29
Annington Finance 3.685% 2034	690,000	695,910	0.36	690,000	764,534	0.36
Annington Finance 3.935% 2047	750,000	748,358	0.39	750,000	867,000	0.41
Aspire Defence Finance A 4.674% 2040	—	—	—	1,143,000	1,373,202	0.64
Aspire Defence Finance B 4.674% 2040	—	—	—	500,000	600,701	0.28
Assura Financing 3% 2028	335,000	344,728	0.18	335,000	372,334	0.17
Autolink Concessionaires 8.39% 2022	1,500,000	423,857	0.22	1,500,000	508,916	0.24
Aviva 4.375% FRN 2049	317,000	298,543	0.15	317,000	339,382	0.16
Aviva 5.125% FRN 2050	1,200,000	1,161,972	0.60	1,200,000	1,365,074	0.64
Aviva 6.125% FRN (Perp)	1,760,000	1,723,315	0.89	1,760,000	1,890,071	0.89
Aviva 6.875% FRN 2058	200,000	228,244	0.12	200,000	279,060	0.13
Barclays Bank 2.375% 2023	794,000	770,105	0.40	794,000	801,571	0.38
Barclays Bank 3.25% 2033	600,000	525,402	0.27	1,320,000	1,336,771	0.63
Barclays Bank 9.5% 2021	1,697,000	1,812,180	0.94	1,697,000	1,934,962	0.91
Barclays Bank 10% 2021	1,610,000	1,709,498	0.89	1,610,000	1,820,456	0.85
BHP Billiton Finance 4.3% 2042	500,000	590,857	0.31	—	—	—
BHP Billiton Finance 6.5% 2077	1,400,000	1,450,168	0.75	1,400,000	1,591,052	0.75
BP Capital Markets 1.827% 2025	459,000	437,237	0.23	459,000	476,261	0.22
BP Capital Markets 2.274% 2026	1,290,000	1,253,861	0.65	1,290,000	1,375,301	0.65
British American Tobacco 6% 2022	700,000	749,720	0.39	700,000	785,836	0.37
British American Tobacco 6.375% 2019	—	—	—	1,240,000	1,251,557	0.59
Broadgate Financing 4.821% 2036	1,340,000	1,861,102	0.97	1,340,000	1,855,660	0.87
Bromford Housing 3.125% 2048	550,000	617,419	0.32	550,000	666,897	0.31
BUPA Finance 5% 2026	900,000	955,506	0.50	900,000	1,020,834	0.48
Canary Wharf II 6.455% 2030	1,510,000	370,153	0.19	1,510,000	395,418	0.19
Catalyst Housing 3.125% 2047	532,000	578,952	0.30	532,000	618,679	0.29
Circle Anglia Social Housing 7.25% 2038	1,400,000	2,427,741	1.26	400,000	723,611	0.34
Channel Link Enterprises Inc 3.043% 2050	600,000	617,670	0.32	600,000	637,938	0.30
City of Greenwich 9.375% 2020	—	—	—	600,000	64,577	0.03
Clydesdale Bank 4.625% 2026	2,050,000	2,496,972	1.30	2,050,000	2,540,282	1.19
Co-operative Group 5.625% 2020	655,000	673,229	0.35	655,000	745,049	0.35
Connect Plus M25 2.607% 2039	713,000	739,221	0.38	713,000	790,782	0.37
Coventry Building Society 2050	—	—	—	1,677,000	881,337	0.41
CRH Finance 4.125% 2029	430,000	470,392	0.24	430,000	517,759	0.24
CYBG Plc 3.375% 2026	—	—	—	960,000	940,568	0.44
CYBG Plc 4% 2026	—	—	—	683,000	691,960	0.32
CYBG Plc 5% 2026	—	—	—	1,095,000	1,086,448	0.51
Daily Mail and General 6.375% 2027	—	—	—	450,000	534,479	0.25
Dignity Finance 4.6956% 2049	—	—	—	1,000,000	842,610	0.40
DS Smith Plc 2.875% 2029	330,000	311,233	0.16	330,000	344,258	0.16
Dwr Cymru Finance 6.907% 2021	—	—	—	1,900,000	2,068,431	0.97
Eastern Power Networks 8.5% 2025	3,530,000	4,561,522	2.37	3,530,000	4,777,950	2.24
Electricity North Western 8.785% 2026	1,452,000	1,992,522	1.03	1,452,000	2,102,586	0.99
EMH Treasury Plc 4.5% 2044	—	—	—	800,000	1,119,720	0.53
Eversholt Funding 3.529% 2042	490,000	494,420	0.26	490,000	525,037	0.25
First Hydro 9% 2021	1,550,000	1,704,706	0.88	1,550,000	1,767,202	0.83
GlaxoSmithKline 6.375% 2039	1,557,000	2,481,022	1.29	557,000	939,898	0.44
Great Rolling Stock 6.25% 2031	1,000,000	1,037,581	0.54	1,000,000	1,109,202	0.52
Hammerson Plc 6% 2026	434,000	430,798	0.22	228,000	260,796	0.12
Hammerson Plc 7.25% 2028	400,000	422,620	0.22	—	—	—

Investment Portfolios (continued)

As at 31 March 2020

High Income Fund (continued)

	Holding 31.03.20	Market Value 31.03.20	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19	% of Total Net Assets
		£			£	
UK Corporate Bonds (continued)						
HBOS 12% (Perp)	2,000,000	2,340,000	1.21	2,000,000	2,347,600	1.10
Heathrow Funding 4.625% 2048	1,200,000	1,373,462	0.71	1,200,000	1,701,244	0.80
Heathrow Funding 6.45% 2033	1,000,000	1,290,899	0.67	1,000,000	1,485,761	0.70
Heathrow Funding 6.75% 2028	900,000	1,080,761	0.56	900,000	1,216,022	0.57
Housing Association Funding 8.25% 2027	1,500,000	677,208	0.35	1,500,000	709,389	0.33
HSBC Bank 5.844% FRN (Perp)	660,000	876,975	0.46	660,000	877,883	0.41
HSBC Holdings 3% 2030	990,000	958,370	0.50	990,000	1,049,360	0.49
HSBC Holdings 5.875% (Perp)	754,000	669,974	0.35	754,000	799,632	0.38
HSBC Holdings 6% 2040	1,000,000	1,158,370	0.60	1,000,000	1,390,122	0.65
Imperial Tobacco 9% 2022	1,200,000	1,319,960	0.69	1,200,000	1,414,249	0.66
Income 2 2.5% 2058	—	—	—	1,090,000	964,568	0.45
Informa Plc 3.125% 2026	1,068,000	1,063,835	0.55	1,068,000	1,141,190	0.54
InterContinental Hotels 3.75% 2025	1,050,000	970,505	0.50	1,050,000	1,160,543	0.54
Integrated Accommodation 6.48% 2029	1,951,000	1,292,175	0.67	1,951,000	1,374,894	0.65
Intu Metrocentre 4.125% 2028	—	—	—	760,000	690,383	0.32
L&Q Housing Trust 2.625% 2028	1,425,000	1,468,890	0.76	1,425,000	1,509,089	0.71
L&Q Housing Trust 4.625% 2033	500,000	619,448	0.32	500,000	651,971	0.31
L&Q Housing Trust 5.5% 2040	500,000	702,568	0.36	500,000	739,228	0.35
Land Securities GRN 2031	125,000	130,306	0.07	125,000	133,762	0.06
Land Securities 1.974% 2026	400,000	404,132	0.21	400,000	411,380	0.19
Livewest TRS 2.25% 2043	351,000	336,295	0.17	—	—	—
Lloyds Bank 1.75% 2024	894,000	849,273	0.44	894,000	898,662	0.42
Lloyds Bank 9.625% 2023	2,000,000	2,350,132	1.22	1,500,000	1,897,812	0.89
Lloyds of London 4.75% 2024	—	—	—	646,000	712,891	0.33
Longstone Finance 4.896% 2036	65,000	78,075	0.04	65,000	79,002	0.04
Morhomes Plc 3.4% 2038	—	—	—	975,000	1,105,089	0.52
National Grid Gas 2.75% 2046	—	—	—	750,000	788,850	0.37
NewRiver REIT 3.5% 2028	—	—	—	826,000	838,791	0.39
NIE Finance 6.375% 2026	1,500,000	1,865,583	0.97	1,000,000	1,304,191	0.61
NGG Finance 5.625% FRN 2073	1,590,000	1,676,126	0.87	1,590,000	1,788,949	0.84
Northumberland Services 6.875% 2023	2,250,000	2,561,463	1.33	2,250,000	2,680,322	1.26
Notting Hill 2.875% 2029	258,000	270,325	0.14	258,000	276,183	0.13
Notting Hill 5.25% 2042	1,500,000	2,065,728	1.07	—	—	—
Paragon Mortgages 0 2050	—	—	—	1,141,000	1,094,920	0.51
Paragon Treasury 3.625% 2047	600,000	702,824	0.36	600,000	733,873	0.34
Peabody Capital 3.25% 2048	—	—	—	526,000	611,985	0.29
Pension Insurance Corp 5.625 2030	—	—	—	587,000	610,636	0.29
Phoenix Group Holdings 6.625% 2025	1,500,000	1,527,606	0.79	—	—	—
Premiertel Plc 6.175% 2032	—	—	—	1,100,000	1,185,015	0.56
Prudential 5% FRN 2055	1,900,000	1,772,639	0.92	1,900,000	2,174,774	1.02
Prudential 5.625% 2051	—	—	—	711,000	818,055	0.38
QBE Insurance 6.115% 2042	787,000	822,856	0.43	787,000	863,048	0.41
Quadgas Finance 3.375% 2029	1,422,000	1,441,695	0.75	1,422,000	1,495,091	0.70
RMAC ZERO 2045	—	—	—	1,000,000	823,809	0.39
Royal Bank of Scotland 2.875% 2026	630,000	611,828	0.32	630,000	649,850	0.31
Royal Bank of Scotland 3.125% 2027	1,133,000	1,099,112	0.57	1,133,000	1,177,804	0.55
Santander UK 10.0625% (Perp)	500,000	801,450	0.42	500,000	812,500	0.38
Scottish Power 6.5% FRN 2041	500,000	758,710	0.39	500,000	798,665	0.37
Segro Plc 2.875% 2037	850,000	844,819	0.44	850,000	923,729	0.43
Severn Trent 6.25% 2029	1,550,000	2,049,156	1.06	1,550,000	2,181,630	1.02
Shaftesbury Carnaby 2.487% 2031	1,000,000	948,550	0.49	1,000,000	1,032,380	0.48
Southern Gas Networks 4.875% 2029	2,550,000	3,151,035	1.64	2,550,000	3,304,341	1.55
Southern Gas Networks 6.375% 2040	300,000	473,826	0.25	300,000	509,683	0.24
SP Distribution Plc 5.875% 2026	305,000	367,193	0.19	305,000	387,796	0.18
SP Transmission 2% 2031	331,000	319,067	0.17	—	—	—

Investment Portfolios (continued)

As at 31 March 2020

High Income Fund (continued)

	Holding 31.03.20	Market Value 31.03.20	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19	% of Total Net Assets
		£			£	
UK Corporate Bonds (continued)						
SSE Plc 3.875% FRN (Perp)	2,350,000	2,323,010	1.21	2,350,000	2,375,265	1.11
Stagecoach Group 4% 2025	—	—	—	800,000	865,769	0.41
Standard Chartered 5.125% 2034	762,000	811,498	0.42	762,000	910,053	0.43
TC Dudgeon 3.158% 2038	—	—	—	529,000	584,145	0.27
Telereal Securitisation 5.3887% 2033	13,000	8,367	—	13,000	9,061	0.00
Tesco Property Finance 2039	279,000	337,301	0.18	279,000	356,170	0.17
Tesco Property Finance 5.6611% 2041	390,000	476,092	0.25	390,000	495,104	0.23
Tesco Property Finance 5.744% 2040	641,000	771,345	0.40	641,000	807,040	0.38
Tesco Property Finance 5.8006% 2040	290,000	354,125	0.18	290,000	370,763	0.17
Thames Water Utilities 2.375% 2023	—	—	—	570,000	575,626	0.27
Thames Water Utilities 2.625% 2032	—	—	—	300,000	312,182	0.15
Thames Water Utilities 2.875% 2027	—	—	—	430,000	436,929	0.21
Thames Water Utilities 5.125% 2037	—	—	—	1,486,000	2,034,310	0.95
Thames Water Utilities 5.75% 2030	—	—	—	740,000	810,486	0.38
Thames Water Utilities 5.875% 2022	—	—	—	800,000	823,408	0.39
Thames Water Utilities 6.75% 2028	—	—	—	800,000	1,112,520	0.52
Thames Water Utilities 7.738% 2058	—	—	—	240,000	505,116	0.24
THFC Funding No.2 6.35% 2041	—	—	—	1,080,000	1,783,842	0.84
THFC Funding No.3 5.2% 2045	—	—	—	105,000	160,710	0.08
Total Capital International 1.75% 2025	1,054,000	1,013,453	0.53	1,054,000	1,092,160	0.51
Tritax 2.625% 2026	—	—	—	432,000	448,800	0.21
Tritax 3.125% 2031	—	—	—	838,000	895,721	0.42
Unite Group 3.374% 2028	425,000	442,453	0.23	425,000	457,211	0.21
Unite Group 3.5% 2028	837,000	862,671	0.45	837,000	915,180	0.43
Unite Group 3.921% 2030	1,516,000	1,637,758	0.85	1,516,000	1,700,482	0.80
University of Cambridge 2.35% 2078	273,000	352,536	0.18	273,000	347,929	0.16
UPP Bond Series 1 4.9023% 2040	—	—	—	1,100,000	1,333,714	0.63
Verizon Communications 3.375% 2036	560,000	583,901	0.30	560,000	651,056	0.31
Vicinity Centres 3.375% 2026	520,000	538,117	0.28	520,000	564,450	0.26
Virgin Media 4.875% 2027	400,000	371,608	0.19	400,000	417,508	0.20
Virgin Media 5% 2027	680,000	650,053	0.34	680,000	718,916	0.34
Virgin Media 6.25% 2029	300,000	269,325	0.14	300,000	288,160	0.14
Wessex Water Financial Services 1.5% 2029	983,000	930,699	0.48	983,000	967,429	0.45
Western Power 3.625% 2023	1,000,000	1,034,634	0.54	1,000,000	1,069,164	0.50
Western Power 5.75% 2032	1,500,000	1,932,936	1.00	1,300,000	1,832,793	0.86
Westfield Stratford 1.642% 2026	—	—	—	767,000	787,816	0.37
WM Morrisons Supermarket 2.5% 2031	—	—	—	685,000	687,654	0.32
Yorkshire Power 7.25% 2028	1,000,000	1,402,497	0.73	—	—	—
Yorkshire Water Services 6.5876% 2023	842,000	961,625	0.50	842,000	998,322	0.47
Zurich Finance 6.625% FRN (Perp)	800,000	825,435	0.43	800,000	900,768	0.42
Overseas Borrowers 38.5% (30.72%)						
Abertis 3.375% 2026	—	—	—	800,000	850,308	0.40
America Movil 4.375% 2041	1,170,000	1,403,915	0.73	1,170,000	1,557,565	0.73
America Movil 5.75% 2030	500,000	647,197	0.34	—	—	—
Anheuser Busch 2.85% 2037	1,471,000	1,321,966	0.69	1,471,000	1,579,928	0.74
APT Pipelines 3.125% 2031	443,000	432,634	0.22	443,000	482,194	0.23
APT Pipelines 3.5% 2030	1,270,000	1,282,294	0.67	1,670,000	1,876,773	0.88
Aroundtown SA 3.25% 2027	—	—	—	945,000	974,451	0.46
AT&T 4.25% 2043	777,000	837,524	0.43	777,000	916,127	0.43
AT&T 4.375% 2029	786,000	868,491	0.45	786,000	924,324	0.43
AT&T 4.875% 2044	600,000	704,924	0.37	600,000	770,759	0.36
AXA 6.686% FRN (Perp)	1,030,000	1,114,042	0.58	1,030,000	1,231,365	0.58
AXA 5.453% FRN (Perp)	2,123,000	2,151,860	1.12	2,123,000	2,384,484	1.12
Bank of America 7% 2028	1,250,000	1,561,948	0.81	—	—	—

Investment Portfolios (continued)

As at 31 March 2020

High Income Fund (continued)

	Holding 31.03.20	Market Value 31.03.20 £	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19 £	% of Total Net Assets
Overseas Borrowers (continued)						
Berkshire Hathaway 2.375% 2039	449,000	445,341	0.23	449,000	484,076	0.23
Berkshire Hathaway 2.625% 2059	352,000	363,389	0.19	352,000	408,112	0.19
Citigroup 1.75% 2026	744,000	683,238	0.35	—	—	—
Citigroup 5.15% 2026	500,000	557,925	0.29	—	—	—
Citigroup 6.8% 2038	1,200,000	1,743,907	0.91	1,200,000	2,036,897	0.96
Commonwealth Bank of Australia 1.125% 2021	1,370,000	1,381,926	0.72	1,370,000	1,377,309	0.65
Cooperatieve Rabobank 4.625% 2029	1,500,000	1,577,274	0.82	1,500,000	1,793,282	0.84
Cooperatieve Rabobank 5.375% 2060	500,000	872,425	0.45	500,000	1,019,302	0.48
CPUK Finance Ltd 3.69% 2028	840,000	823,402	0.43	840,000	920,111	0.43
Credit Agricole 1.25% 2024	900,000	849,060	0.44	900,000	898,934	0.42
Deutsche Bank 1.875% 2020	—	—	—	1,000,000	999,570	0.47
Deutsche Telekom Intl Finance GRN 2030	1,250,000	1,839,639	0.95	—	—	—
Digital Stout Holding 3.75% 2030	1,000,000	1,028,465	0.53	1,000,000	1,125,200	0.53
DONG Energy 5.75% 2040	250,000	368,364	0.19	250,000	403,339	0.19
E.ON International Finance 5.825% 2037	800,000	1,103,622	0.57	800,000	1,193,529	0.56
EDF 5.125% 2050	650,000	901,926	0.47	650,000	979,284	0.46
EDF 5.5% 2037	100,000	131,689	0.07	100,000	143,378	0.07
EDF 5.5% 2041	1,000,000	1,359,695	0.71	1,000,000	1,477,527	0.69
EDF 5.875% 2031	1,368,000	1,791,003	0.93	1,368,000	1,926,258	0.90
EDF 6% 2014	700,000	1,047,697	0.54	700,000	1,163,120	0.55
EDF 6.125% 2034	600,000	815,935	0.42	600,000	883,060	0.41
EDF 6.25% 2028	400,000	507,313	0.26	400,000	546,314	0.26
Enel SPA 5.75% 2037	1,300,000	1,667,476	0.87	1,300,000	1,858,792	0.87
Equinor ASA 6.875% 2031	1,250,000	1,800,718	0.93	—	—	—
European Investment Bank 6% 2028	1,250,000	1,772,250	0.92	—	—	—
Fidelity National Info Services 3.36% 2031	1,250,000	1,288,450	0.67	1,250,000	1,390,738	0.65
First Group 8.75% 2021	—	—	—	1,500,000	1,651,728	0.78
Fiserv Inc 2.25% 2025	257,000	252,744	0.13	257,000	266,265	0.12
Fiserv Inc 3% 2031	196,000	194,296	0.10	196,000	210,557	0.10
Freshwater Finance 5.182% 2035	—	—	—	858,000	1,223,398	0.57
GE Capital UK Funding 6.25% 2038	150,000	179,690	0.09	150,000	203,659	0.10
General Motors Financial 2.25% 2024	850,000	772,982	0.40	850,000	857,212	0.40
Goldman Sachs 7.125% 2025	850,000	1,010,957	0.52	850,000	1,103,678	0.52
Goldman Sachs 7.25% 2028	1,077,000	1,341,171	0.70	577,000	814,091	0.38
Innogy Finance 6.125% 2039	1,450,000	2,083,427	1.08	1,450,000	2,262,864	1.06
Innogy Finance 6.5% 2021	700,000	732,231	0.38	700,000	756,078	0.35
KFW Bankengruppe 6% 2028	5,000,000	7,152,500	3.71	—	—	—
Koninklijke KPN 5.75% 2029	2,000,000	2,374,028	1.23	—	—	—
MetLife Global Funding 2.625% 2022	1,250,000	1,270,029	0.66	1,250,000	1,308,095	0.61
MetLife Incorporated 5.375% 2024	1,000,000	1,131,096	0.59	—	—	—
Orange 5.625% 2034	1,000,000	1,326,100	0.69	1,000,000	1,431,731	0.67
Orange 5.875% FRN (Perp)	2,002,000	2,081,069	1.08	2,002,000	2,183,431	1.02
Orange 8.125% 2028	700,000	1,010,848	0.52	700,000	1,078,683	0.51
Orsted 2.125% 2027	1,027,000	1,029,593	0.53	417,000	441,221	0.21
Société Générale 1.875% 2024	1,100,000	1,036,371	0.54	1,100,000	1,094,929	0.51
Sodexo SA 1.75% 2028	—	—	—	236,000	246,245	0.12
SLM Student Loan 5.45% 2038	—	—	—	1,000,000	796,046	0.37
Swedbank AB 1.25% 2021	880,000	860,983	0.45	880,000	881,258	0.41
Total Capital International 1.405% 2031	600,000	520,773	0.27	600,000	592,596	0.28
Total Capital International 1.66% 2026	1,200,000	1,144,728	0.59	1,200,000	1,238,466	0.58
Time Warner Cable 5.25% 2042	600,000	653,113	0.34	600,000	713,072	0.33
Verizon Communications 1.875% 2030	874,000	809,761	0.42	874,000	874,262	0.41
Verizon Communications 2.5% 2031	300,000	294,639	0.15	300,000	319,388	0.15
Vinci SA 2.75% 2034	300,000	316,326	0.16	300,000	340,490	0.16
Vodafone Group 3% 2056	700,000	617,120	0.32	700,000	684,618	0.32
Vodafone Group 3.375% 2049	362,000	337,583	0.18	362,000	379,130	0.18

Investment Portfolios (continued)

As at 31 March 2020

High Income Fund (continued)

	Holding 31.03.20	Market Value 31.03.20 £	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19 £	% of Total Net Assets
Overseas Borrowers (continued)						
VW Financial Services 2.125% 2024	500,000	471,475	0.24	500,000	508,183	0.24
VW Financial Services 3.375% 2026	300,000	286,563	0.15	300,000	322,833	0.15
Wal-Mart Stores 5.25% 2035	811,000	1,148,251	0.60	811,000	1,240,733	0.58
Welltower Incorporated 4.8% 2028	850,000	959,031	0.50	850,000	1,033,997	0.49
Wells Fargo & Co 4.875% 2035	500,000	554,892	0.29	500,000	655,500	0.31
Westpac Bank 1% 2022	1,200,000	1,203,858	0.62	1,200,000	1,201,368	0.56
Total Value of Investments		186,497,480	96.77		206,548,310	96.90
Other Assets		7,197,501	3.74		11,924,919	5.60
Total Assets		193,694,981	100.51		218,473,229	102.50
Liabilities		(1,004,783)	(0.51)		(5,418,021)	(2.50)
Total Net Assets		192,690,198	100.00		213,055,208	100.00
				For the period ended 31.03.20		For the year ended 30.09.19
Cost of investments purchased		£40,382,321			£40,286,398	
Proceeds from investments sold		£46,843,838			£66,653,763	

Investment Portfolios (continued)

As at 31 March 2020

Sterling Bond Fund

	Holding 31.03.20	Market Value 31.03.20 £	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19 £	% of Total Net Assets
Futures -0.02% (0%)						
Liffe-Long Gilt June 2020	(8)	(1,093,520)	(0.02)	—	—	—
Futures Liability	—	1,075,600	—	—	—	—
UK Government Bonds 0.47% (7.65%)						
Treasury 0.875% 2029	78,000	82,169	0.08	—	—	—
Treasury 1.75% 2049	120,429	148,321	0.15	—	—	—
Treasury 2.25% 2023	—	—	—	2,985,000	3,215,144	2.97
Treasury 3.75% 2021	—	—	—	3,655,000	3,892,941	3.59
Treasury 4.25% 2032	130,341	187,723	0.19	—	—	—
Treasury 4.25% 2036	—	—	—	468,000	718,076	0.66
Treasury 4.25% 2049	—	—	—	252,000	468,707	0.43
Treasury 4.75% 2030	32,484	47,394	0.05	—	—	—
UK Corporate Bonds 54.87% (55.05%)						
Accent Capital 2.625% 2049	134,000	140,587	0.15	134,000	147,147	0.14
Alba FRN 2039	—	—	—	100,000	59,195	0.05
Annington Finance 2.646% 2025	100,000	99,298	0.10	100,000	103,818	0.10
Annington Finance 3.935% 2047	414,000	413,093	0.43	414,000	478,584	0.44
Annington Funding 3.184% 2029	826,000	818,025	0.84	826,000	880,694	0.81
Aspire Defence Finance B 4.674% 2040	693,000	800,408	0.83	693,000	832,571	0.77
Assura Financing 3% 2028	297,000	305,625	0.32	297,000	330,099	0.30
Aster Treasury Plc 4.5% 2043	—	—	—	207,000	296,339	0.27
Autolink Concessionaires 8.39% 2022	—	—	—	300,000	101,783	0.09
Aviva 4.375% FRN 2049	948,000	892,803	0.92	948,000	1,014,934	0.94
Aviva 5.125% FRN 2050	319,000	308,891	0.32	319,000	362,882	0.34
Aviva 5.9021% FRN (Perp)	510,000	501,095	0.52	—	—	—
Aviva 6.125% 2036	200,000	225,159	0.23	200,000	239,149	0.22
Aviva 6.125% FRN (Perp)	340,000	332,913	0.34	340,000	365,127	0.34
Aviva 6.625% FRN 2041	500,000	521,051	0.54	500,000	539,534	0.50
Barclays Bank 2.375% 2023	888,000	861,276	0.89	888,000	896,467	0.83
Barclays Bank 3% 2026	389,000	362,194	0.37	389,000	399,878	0.37
Barclays Bank 3.125% 2024	842,000	820,782	0.85	842,000	877,010	0.81
Barclays Bank 3.25% 2033	317,000	277,587	0.29	690,000	698,766	0.65
BAT International Finance 2.25% 2052	100,000	62,758	0.06	100,000	76,383	0.07
BAT International Finance 4% 2026	170,000	176,705	0.18	170,000	190,367	0.18
BAT International Finance 4% 2055	192,000	175,695	0.18	192,000	212,900	0.20
BAT International Finance 6% 2034	291,000	345,803	0.36	291,000	392,633	0.36
BG Energy Capital 5.125% 2025	500,000	563,965	0.58	500,000	620,377	0.57
BP Capital Markets 1.827% 2025	231,000	220,047	0.23	231,000	239,687	0.22
BP Capital Markets 2.274% 2026	310,000	301,315	0.31	665,000	708,973	0.65
British Land Co 2.375% 2029	—	—	—	369,000	381,035	0.35
British Telecom 3.625% 2047	100,000	97,412	0.10	—	—	—
British Telecom 6.375% 2037	66,000	89,452	0.09	—	—	—
Bromford Housing 3.125% 2048	635,000	712,838	0.74	—	—	—
BUPA Finance 5% 2023	200,000	209,880	0.22	200,000	220,575	0.20
BUPA Finance 5% 2026	100,000	106,167	0.11	100,000	113,426	0.10
Canary Wharf Finance 5.952% 2035	150,000	214,304	0.22	150,000	227,445	0.21
Catalyst Housing 3.125% 2047	100,000	108,826	0.11	100,000	116,293	0.11
Channel Link Enterprises Inc 3.043% 2050	100,000	102,945	0.11	100,000	106,323	0.10
Circle Anglia Social Housing 7.25% 2038	179,000	310,404	0.32	179,000	323,816	0.30
Clarion Funding 3.125% 2048	480,000	535,402	0.55	260,000	310,586	0.29
Clydesdale Bank 4.625% 2026	100,000	121,804	0.13	100,000	123,916	0.11
Connect Plus M25 2.607% 2039	451,000	467,586	0.48	451,000	500,200	0.46
Coventry Building Society 1.5% 2023	515,000	496,924	0.51	—	—	—
Credit Agricole 1.25% 2024	500,000	471,700	0.49	500,000	499,408	0.46
CRH Finance 4.125% 2029	—	—	—	587,000	706,801	0.65
CYBG Plc 3.375% 2026	500,000	458,245	0.47	500,000	489,879	0.45

Investment Portfolios (continued)

As at 31 March 2020

Sterling Bond Fund (continued)

	Holding 31.03.20	Market Value 31.03.20	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19	% of Total Net Assets
		£			£	
UK Corporate Bonds (continued)						
CYBG Plc 4% 2026	600,000	559,452	0.58	1,020,000	1,033,380	0.95
DS Smith Plc 2.875% 2029	293,000	276,337	0.29	293,000	305,659	0.28
Dwr Cymru Finance 1.375% 2033	822,000	758,229	0.78	—	—	—
Eastern Power Networks 5.75% 2024	169,000	192,939	0.20	169,000	201,494	0.19
Eastern Power Networks 6.25% 2036	240,000	354,502	0.37	240,000	379,840	0.35
EMH Treasury Plc 4.5% 2044	—	—	—	100,000	139,965	0.13
Eversholt Funding 3.529% 2042	—	—	—	101,000	108,222	0.10
Eversholt Funding 6.697% 2035	224,000	279,504	0.29	224,000	296,648	0.27
Experian Finance FRN 2028	142,000	141,000	0.15	—	—	—
First Group 8.75% 2021	556,000	578,543	0.60	556,000	612,241	0.57
Futures Treasury 3.375% 2044	100,000	117,868	0.12	100,000	120,263	0.11
Gatwick Funding 2.625% 2048	207,000	160,804	0.17	207,000	207,659	0.19
Gatwick Funding 3.125% 2039	205,000	182,298	0.19	205,000	225,133	0.21
Gatwick Funding 6.125% 2026	100,000	115,520	0.12	100,000	126,788	0.12
Gatwick Funding 6.5% 2043	186,000	250,069	0.26	186,000	305,712	0.28
GlaxoSmithKline 4.25% 2045	365,000	480,515	0.50	465,000	657,410	0.61
GlaxoSmithKline 5.25% 2042	—	—	—	100,000	155,590	0.14
Great Rolling Stock 6.25% 2020	204,000	206,754	0.21	204,000	211,876	0.20
Great Rolling Stock 6.25% 2031	575,000	596,609	0.62	575,000	637,791	0.59
Hammerson Plc 6% 2026	—	—	—	519,000	593,655	0.55
Heathrow Funding 2.75% 2049	355,000	291,879	0.30	355,000	374,969	0.35
Heathrow Funding 4.625% 2048	282,000	322,764	0.33	282,000	399,792	0.37
Heathrow Funding 5.875% 2043	115,000	149,753	0.15	115,000	181,001	0.17
Heathrow Funding 6.45% 2033	467,000	602,850	0.62	467,000	693,850	0.64
Heathrow Funding 7.075% 2028	132,000	167,971	0.17	132,000	188,184	0.17
Heathrow Funding 7.125% 2024	240,000	271,852	0.28	240,000	293,952	0.27
HSBC Bank 4.75% 2046	350,000	359,175	0.37	350,000	454,432	0.42
HSBC Bank 5.375% 2030	295,000	321,024	0.33	295,000	346,824	0.32
HSBC Bank 5.375% 2033	150,000	164,290	0.17	150,000	195,280	0.18
HSBC Holdings 2.175% 2023	462,000	453,100	0.47	462,000	470,244	0.43
HSBC Holdings 2.26% 2026	371,000	355,600	0.37	371,000	378,778	0.35
HSBC Holdings 5.875% (Perp)	—	—	—	636,000	674,491	0.62
HSBC Holdings 6% 2040	528,000	611,619	0.63	528,000	733,984	0.68
HSBC Holdings 7% 2038	300,000	375,777	0.39	300,000	453,030	0.42
Hutchison Whampoa Finance UK 5.625% 2026	500,000	603,424	0.62	500,000	641,265	0.59
Imperial Brands 5.5% 2026	100,000	111,279	0.11	—	—	—
Imperial Tobacco 9% 2022	137,000	150,695	0.16	—	—	—
Income 2 2.5% 2058	—	—	—	574,000	507,947	0.47
Incommunities Treasury 3.25% 2049	100,000	116,076	0.12	100,000	121,323	0.11
InterContinental Hotels 2.125% 2026	244,000	190,398	0.20	244,000	247,396	0.23
InterContinental Hotels 3.75% 2025	708,000	654,397	0.68	708,000	782,538	0.72
Intu Metrocentre 4.125% 2028	—	—	—	466,000	423,314	0.39
L&Q Housing Trust 2.625% 2028	387,000	398,920	0.41	387,000	409,837	0.38
L&Q Housing Trust 2.75% 2057	100,000	95,047	0.10	100,000	102,848	0.09
L&Q Housing Trust 4.625% 2033	596,000	738,381	0.76	596,000	777,149	0.72
L&Q Housing Trust 5.5% 2040	92,000	129,273	0.13	92,000	136,018	0.13
Libra Longhurst 2 3.25% 2043	112,000	119,542	0.12	—	—	—
Livewest TRS 2.25% 2043	280,000	268,269	0.28	—	—	—
Lloyds Bank 1.75% 2024	454,000	431,286	0.45	454,000	456,368	0.42
Lloyds Bank 2.25% 2024	628,000	605,367	0.63	—	—	—
Lloyds Bank 5.75% 2025	—	—	—	100,000	103,239	0.10
Lloyds Bank 6% 2029	100,000	139,743	0.14	100,000	142,165	0.13
Lloyds Bank 6.5% 2040	207,000	299,357	0.31	207,000	354,169	0.33
Lloyds Bank 7.625% 2025	631,000	737,007	0.76	631,000	810,337	0.75
Lloyds of London 4.75% 2024	231,000	235,793	0.24	231,000	254,919	0.24
London & Quadrant 3.75% 2049	100,000	117,030	0.12	100,000	124,519	0.11

Investment Portfolios (continued)

As at 31 March 2020

Sterling Bond Fund (continued)

	Holding 31.03.20	Market Value 31.03.20	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19	% of Total Net Assets
		£			£	
UK Corporate Bonds (continued)						
Manchester Airport 4.75% 2034	100,000	114,885	0.12	—	—	—
Marks & Spencer 4.75% 2025	112,000	110,402	0.11	112,000	123,235	0.11
Meadowhall 4.988% 2037	300,000	255,330	0.26	300,000	269,380	0.25
Morhomes Plc 3.4% 2038	496,000	534,341	0.55	496,000	562,179	0.52
National Grid Electricity Transmission 2% 2038	200,000	188,353	0.19	200,000	201,538	0.19
National Grid Electricity Transmission 2.75% 2035	100,000	105,727	0.11	100,000	112,091	0.10
National Grid Gas 2.625% 2038	100,000	98,795	0.10	100,000	104,298	0.10
National Grid Gas 2.75% 2046	584,000	570,445	0.59	584,000	614,251	0.57
NewRiver REIT 3.5% 2028	—	—	—	355,000	360,497	0.33
NGG Finance 5.625% FRN 2073	120,000	126,500	0.13	120,000	135,015	0.12
NIE Finance 6.375% 2026	567,000	705,190	0.73	567,000	739,476	0.68
Northern Gas Network 4.875% 2027	529,000	632,673	0.65	529,000	663,356	0.61
Northumbrian Water 2.375% 2027	363,000	369,574	0.38	363,000	383,370	0.35
Northumbrian Water 5.625% 2033	209,000	282,585	0.29	209,000	301,730	0.28
Notting Hill 2.875% 2029	480,000	502,930	0.52	380,000	406,781	0.38
Notting Hill 3.25% 2048	313,000	324,886	0.34	313,000	347,111	0.32
Orbit Capital 3.5% 2045	—	—	—	100,000	120,304	0.11
Paragon Treasury 3.625% 2047	—	—	—	278,000	340,028	0.31
Peabody Capital 4.625% 2053	—	—	—	194,000	291,500	0.27
Pension Insurance Corp 5.625 2030	—	—	—	315,000	327,683	0.30
Prudential 5% FRN 2055	467,000	435,696	0.45	467,000	534,537	0.49
Prudential 5.625% 2051	362,000	356,132	0.37	462,000	531,563	0.49
Prudential 5.7% 2063	273,000	269,588	0.28	173,000	206,415	0.19
Quadgas Finance 3.375% 2029	700,000	709,695	0.73	700,000	735,980	0.68
RMPA Services 5.337% 2038	147,000	143,143	0.15	147,000	152,109	0.14
Royal Bank of Scotland 2.875% 2026	600,000	582,693	0.60	600,000	618,905	0.57
Royal Bank of Scotland 3.125% 2027	521,000	505,417	0.52	521,000	541,603	0.50
Royal Sun Alliance 5.125% 2045	100,000	105,181	0.11	100,000	111,733	0.10
Santander UK 3.875% 2029	422,000	449,038	0.46	422,000	503,662	0.47
Segro Plc 2.875% 2037	400,000	397,562	0.41	400,000	434,696	0.40
Severn Trent 6.125% 2024	256,000	293,724	0.30	256,000	308,308	0.28
Severn Trent 6.25% 2029	170,000	224,746	0.23	170,000	239,276	0.22
Severn Utilities 1.625% 2022	700,000	691,548	0.71	700,000	713,062	0.66
Severn Utilities 4.875% 2042	324,000	438,622	0.45	324,000	475,751	0.44
Southern Gas Networks 6.375% 2040	430,000	679,151	0.70	430,000	730,545	0.67
Sovereign Housing 5.705% 2039	124,000	193,955	0.20	124,000	197,280	0.18
SP Transmission 2% 2031	169,000	162,908	0.17	—	—	—
SSE Plc 3.875% FRN (Perp)	200,000	197,703	0.20	200,000	202,150	0.19
Stagecoach Group 4% 2025	538,000	525,664	0.54	538,000	582,230	0.54
Standard Chartered 5.125% 2034	100,000	106,496	0.11	200,000	238,859	0.22
Swan Housing Capital Plc 3.625% 2048	283,000	305,944	0.32	283,000	333,959	0.31
TC Dudgeon 3.158% 2038	—	—	—	332,000	366,609	0.34
Tesco Property Finance 5.744% 2040	908,000	1,092,638	1.13	—	—	—
Thames Water Utilities 2.625% 2032	179,000	176,860	0.18	179,000	186,268	0.17
Thames Water Utilities 2.875% 2027	865,000	839,015	0.87	865,000	878,939	0.81
Thames Water Utilities 4% 2025	126,000	137,562	0.14	126,000	142,114	0.13
Thames Water Utilities 4.375% 2034	115,000	135,408	0.14	115,000	143,296	0.13
Thames Water Utilities 5.75% 2030	576,000	612,189	0.63	576,000	630,865	0.58
Thames Water Utilities 6.5% 2032	100,000	137,421	0.14	100,000	145,392	0.13
Thames Water Utilities 6.75% 2028	560,000	749,183	0.77	560,000	778,764	0.72
Thames Water Utilities 7.738% 2058	100,000	197,880	0.20	100,000	210,465	0.19
The Wellcome Trust 2.517% 2118	240,000	273,360	0.28	240,000	302,179	0.28
THFC Funding No.1 5.125% 2037	387,000	529,311	0.55	387,000	548,823	0.51
THFC Funding No.2 6.35% 2041	247,000	393,732	0.41	247,000	407,971	0.38
THFC Funding No.3 5.2% 2045	100,000	144,818	0.15	100,000	153,057	0.14
Tritax 2.625% 2026	252,000	251,133	0.26	252,000	261,800	0.24

Investment Portfolios (continued)

As at 31 March 2020

Sterling Bond Fund (continued)

	Holding 31.03.20	Market Value 31.03.20 £	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19 £	% of Total Net Assets
UK Corporate Bonds (continued)						
Unite Group 3.5% 2028	414,000	426,697	0.44	414,000	452,670	0.42
United Utilities Water 1.75% 2038	350,000	312,645	0.32	—	—	—
United Utilities Water 5% 2035	120,000	158,350	0.16	120,000	171,787	0.16
University of Cambridge 2.35% 2078	—	—	—	198,000	252,344	0.23
University of Oxford 2.544% 2117	190,000	218,671	0.23	190,000	240,825	0.22
University of Southampton 2.25% 2057	—	—	—	204,000	215,771	0.20
UPP Bond Series 1 4.9023% 2040	150,000	162,475	0.17	150,000	181,870	0.17
Virgin Money UK 4% 2027	123,000	114,416	0.12	—	—	—
Vodafone Group 3% 2056	258,000	227,453	0.23	358,000	350,133	0.32
Vodafone Group 3.375% 2049	127,000	118,434	0.12	227,000	237,742	0.22
Wessex Water Financial Services 1.5% 2029	500,000	473,398	0.49	500,000	492,080	0.45
Wessex Water Financial Services 5.375% 2028	404,000	501,987	0.52	404,000	524,737	0.48
Western Power 3.625% 2023	500,000	517,317	0.53	500,000	534,582	0.49
Western Power 5.75% 2032	202,000	260,302	0.27	202,000	284,788	0.26
Western Power 5.75% 2040	150,000	213,775	0.22	150,000	233,234	0.22
Western Power 5.75% 2040	50,000	70,836	0.07	50,000	77,745	0.07
Western Power 6.25% 2040	138,000	208,003	0.21	138,000	227,824	0.21
Westfield Stratford 1.642% 2026	391,000	388,077	0.40	391,000	401,612	0.37
Wheatley Group 4.375% 2044	—	—	—	135,000	179,567	0.17
WM Morrisons Supermarket 2.5% 2031	—	—	—	350,000	351,356	0.32
Yorkshire Building Society 3% 2025	350,000	345,448	0.36	350,000	358,792	0.33
Yorkshire Building Society 3.5% 2026	346,000	362,826	0.37	346,000	372,831	0.34
Overseas Borrowers 42.36% (36.08%)						
Abertis 3.375% 2026	400,000	383,426	0.40	400,000	425,154	0.39
ABN Amro Bank 1.375% 2022	400,000	390,950	0.40	400,000	403,260	0.37
America Movil 4.375% 2041	190,000	227,986	0.24	190,000	252,938	0.23
America Movil 4.948% 2033	405,000	504,743	0.52	405,000	546,280	0.50
America Movil 5.75% 2030	425,000	550,117	0.57	425,000	584,223	0.54
America Movil 6.375% FRN 2073	—	—	—	339,000	353,304	0.33
Anheuser Busch 2.85% 2037	590,000	530,224	0.55	590,000	633,690	0.59
Anheuser Busch 9.75% 2024	500,000	645,036	0.67	500,000	699,127	0.65
Apple Incorporated 3.05% 2029	100,000	111,827	0.12	100,000	116,895	0.11
Apple Incorporated 3.6% 2042	126,000	156,965	0.16	126,000	168,966	0.16
APT Pipelines 3.125% 2031	292,000	285,167	0.29	292,000	317,835	0.29
APT Pipelines 3.5% 2030	484,000	488,685	0.50	684,000	768,690	0.71
AT&T 4.25% 2043	253,000	272,707	0.28	253,000	298,301	0.28
AT&T 4.875% 2044	164,000	192,679	0.20	164,000	210,674	0.19
AT&T 5.2% 2033	269,000	317,931	0.33	269,000	346,206	0.32
AT&T 7% 2040	250,000	364,501	0.38	250,000	395,201	0.36
AXA 5.453% FRN (Perp)	996,000	1,009,540	1.04	996,000	1,118,674	1.03
AXA 6.686% FRN (Perp)	300,000	324,478	0.34	300,000	358,650	0.33
Bank of America 2.3% 2025	415,000	401,681	0.41	415,000	434,964	0.40
Bank of America 7% 2028	550,000	687,257	0.71	550,000	788,258	0.73
Banque Federative Credit Mutuel 1.25% 2025	500,000	458,395	0.47	—	—	—
Banque Federative Credit Mutuel 1.5% 2026	500,000	456,375	0.47	—	—	—
Berkshire Hathaway 2.375% 2039	227,000	225,150	0.23	227,000	244,733	0.23
Berkshire Hathaway 2.625% 2059	200,000	206,471	0.21	100,000	115,941	0.11
BHP Billiton Finance 6.5% 2077	1,208,000	1,251,287	1.29	1,208,000	1,372,851	1.27
BMW International Investments 1.375% 2024	160,000	147,256	0.15	—	—	—
Citigroup 1.75% 2026	381,000	349,884	0.36	—	—	—
Citigroup 4.5% 2031	170,000	175,393	0.18	170,000	207,203	0.19
Citigroup 6.8% 2038	299,000	434,524	0.45	299,000	507,527	0.47
Citigroup 7.375% 2039	—	—	—	196,000	353,517	0.33
Comcast Corporation 1.5% 2029	553,000	525,441	0.54	—	—	—
Comcast Corporation 1.875% 2036	330,000	305,085	0.32	—	—	—
Comcast Corporation 5.5% 2029	158,000	204,399	0.21	158,000	216,398	0.20

Investment Portfolios (continued)

As at 31 March 2020

Sterling Bond Fund (continued)

	Holding 31.03.20	Market Value 31.03.20 £	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19 £	% of Total Net Assets
Overseas Borrowers (continued)						
Commonwealth Bank of Australia 1.125% 2021	105,000	105,914	0.11	105,000	105,560	0.10
Cooperatieve Rabobank 4.625% 2029	857,000	901,149	0.93	857,000	1,024,562	0.95
CPUK Finance Ltd 3.69% 2028	420,000	411,701	0.43	420,000	460,055	0.42
Credit Agricole 7.375% 2023	400,000	461,518	0.48	400,000	495,468	0.46
Credit Suisse Group 2.125% FRN 2025	100,000	94,756	0.10	100,000	101,652	0.09
Deutsche Bank 1.875% 2020	—	—	—	400,000	399,828	0.37
Deutsche Telekom Intl Finance 6.5% 2022	—	—	—	600,000	681,271	0.63
Digital Stout Holding 3.75% 2030	340,000	349,678	0.36	340,000	382,568	0.35
Digital Stout Holding 4.25% 2025	600,000	645,314	0.67	600,000	678,589	0.63
DONG Energy 4.875% 2032	400,000	501,438	0.52	400,000	538,397	0.50
DONG Energy 5.75% 2040	400,000	589,382	0.61	400,000	645,342	0.60
E.ON International Finance 5.875% 2037	450,000	620,787	0.64	450,000	671,360	0.62
E.ON International Finance 6.375% 2032	492,000	670,579	0.69	492,000	718,813	0.66
E.ON International Finance 6.75% 2039	150,000	228,117	0.24	150,000	247,453	0.23
EDF 5.125% 2050	300,000	416,273	0.43	300,000	451,977	0.42
EDF 5.5% 2037	200,000	263,378	0.27	200,000	286,756	0.26
EDF 5.5% 2041	400,000	543,878	0.56	400,000	591,011	0.55
EDF 5.875% 2031	845,000	1,106,285	1.14	845,000	1,189,830	1.10
EDF 6% 2014	400,000	598,684	0.62	400,000	664,640	0.61
EDF 6.25% 2028	300,000	380,485	0.39	300,000	409,736	0.38
EDF 6.875% 2022	250,000	281,993	0.29	250,000	297,527	0.27
Enel Finance International 5.625% 2024	847,000	960,126	0.99	—	—	—
Enel Finance International 5.75% 2040	592,000	771,147	0.80	—	—	—
Engie 5% 2060	250,000	418,116	0.43	250,000	448,376	0.41
ESB Finance 1.875% 2035	199,000	187,485	0.19	—	—	—
European Investment Bank 5% 2039	1,294,000	2,165,897	2.24	—	—	—
Fidelity National Info Services 3.36% 2031	630,000	649,379	0.67	630,000	700,932	0.65
First Abu Dhabi Bank 1.375% 2023	317,000	307,894	0.32	—	—	—
Fiserv Inc 2.25% 2025	130,000	127,847	0.13	130,000	134,687	0.12
Fiserv Inc 3% 2031	100,000	99,131	0.10	100,000	107,427	0.10
Gatwick Funding 4.625% FRN 2036	312,000	340,048	0.35	312,000	401,792	0.37
GE Capital UK Funding 6.25% 2038	65,000	77,866	0.08	65,000	88,252	0.08
GE Capital UK Funding 8% 2039	120,000	167,812	0.17	120,000	187,130	0.17
General Motors Financial 2.25% 2024	857,000	779,347	0.80	857,000	864,272	0.80
Glencore Finance GRN 2022	—	—	—	665,000	735,733	0.68
Groupe BPCE 5.25% 2029	100,000	110,515	0.11	100,000	124,457	0.11
Innogy Finance 5.625% 2023	123,000	137,560	0.14	123,000	145,067	0.13
Innogy Finance 6.125% 2039	550,000	790,265	0.82	550,000	858,328	0.79
Landesbank Baden-Württemberg 1.5% 2025	500,000	465,943	0.48	—	—	—
Logicor Financing 2.75% 2030	150,000	137,115	0.14	—	—	—
LVMH 1% 2023	500,000	486,883	0.50	—	—	—
Morgan Stanley 2.625% 2027	363,000	343,903	0.36	—	—	—
New York Life 1.625% 2023	317,000	310,538	0.32	317,000	324,261	0.30
New York Life 1.75% 2022	100,000	98,687	0.10	100,000	102,257	0.09
Orange 3.25% 2032	300,000	316,161	0.33	300,000	339,687	0.31
Orange 5.375% 2050	—	—	—	100,000	162,273	0.15
Orange 5.875% FRN (Perp)	164,000	170,477	0.18	164,000	178,863	0.17
Orange 8.125% 2028	417,000	602,176	0.62	417,000	642,587	0.59
Orsted 2.125% 2027	310,000	310,783	0.32	—	—	—
Precise Mortgage Funding FRN 2055	—	—	—	100,000	74,537	0.07
QBE Insurance 6.115% 2042	112,000	117,103	0.12	112,000	122,823	0.11
Scentre Management 2.375% 2022	—	—	—	100,000	103,058	0.10
Scentre Management 3.875% 2026	230,000	244,260	0.25	230,000	259,406	0.24
SGSP Assets 5.125% 2021	520,000	535,384	0.55	520,000	545,938	0.50
Siemens 1% 2025	700,000	664,489	0.69	—	—	—
SLM Student Loan 5.45% 2038	190,000	138,692	0.14	190,000	151,249	0.14
Société Générale 1.875% 2024	600,000	565,293	0.58	600,000	597,234	0.55

Investment Portfolios (continued)

As at 31 March 2020

Sterling Bond Fund (continued)

	Holding 31.03.20	Market Value 31.03.20 £	% of Total Net Assets	Holding 30.09.19	Market Value 30.09.19 £	% of Total Net Assets
Overseas Borrowers (continued)						
Southern Water 5% 2021	—	—	—	180,000	190,234	0.18
Telefonica Emision 5.289% 2022	150,000	161,339	0.17	150,000	169,110	0.16
Telefonica Emision 5.445% 2029	550,000	663,250	0.68	550,000	717,737	0.66
Total Capital International 1.25% 2024	1,050,000	996,592	1.03	1,050,000	1,063,970	0.98
Total Capital International 1.405% 2031	—	—	—	300,000	296,298	0.27
Total Capital International 1.66% 2026	600,000	572,364	0.59	600,000	619,233	0.57
Trafford Centre Finance 6.5% 2033	200,000	216,819	0.22	200,000	225,841	0.21
United Parcel Services 5.125% 2050	—	—	—	50,000	84,782	0.08
Vattenfall 6.875% 2039	91,000	151,054	0.16	—	—	—
Veolia Environment 6.125% 2037	150,000	229,389	0.24	150,000	242,431	0.22
Verizon Communications 3.125% 2035	400,000	413,764	0.43	400,000	452,534	0.42
Verizon Communications 3.375% 2036	482,000	502,572	0.52	482,000	560,373	0.52
Vicinity Centres 3.375% 2026	468,000	484,305	0.50	468,000	508,005	0.47
Vinci SA 2.25% 2027	200,000	204,847	0.21	200,000	212,956	0.20
Vinci SA 2.75% 2034	200,000	210,884	0.22	200,000	226,993	0.21
VW Financial Services 2.125% 2024	200,000	188,590	0.19	200,000	203,273	0.19
VW Financial Services 2.25% 2025	319,000	298,115	0.31	319,000	327,587	0.30
VW Financial Services 2.75% 2023	200,000	195,952	0.20	200,000	207,405	0.19
VW Financial Services 3.375% 2026	—	—	—	300,000	322,833	0.30
Welltower Incorporated 4.8% 2028	—	—	—	460,000	559,575	0.52
Westpac Bank 1% 2022	100,000	100,322	0.10	100,000	100,114	0.09
Westpac Bank 2.625% 2022	100,000	99,922	0.10	100,000	105,077	0.10
Total Value of Investments		94,812,640	97.83		107,207,466	98.92
Other Assets		3,051,936	3.15		3,529,075	3.26
Total Assets		97,864,576	100.98		110,736,541	102.18
Liabilities		(1,024,071)	(0.98)		(2,433,701)	(2.18)
Total Net Assets		96,840,505	100.00		108,302,840	100.00
				For the period ended 31.03.20		For the year ended 30.09.19
Cost of investments purchased		£20,750,982				£191,754,195
Proceeds from investments sold		£25,491,228				£108,672,005

Investment Portfolios (continued)

For the six month period ended 31 March 2020

Investments Purchased and Sold

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	<u>Nominal</u>
The Wrekin Housing 1.5% 2048	424,000

Sterling Bond Fund	<u>Nominal</u>
CPI Property 2.75% 2028	100,000
European Investment Bank 0.75% 2024	801,000
The Wrekin Housing 1.5% 2048	216,000
Treasury 5% 2025	375,000

Investment Portfolios (continued)

For the six month period ended 31 March 2020

Investment Dealing

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

Jane Street Financial Limited

BNP Paribas

Societe Generale SA

High Income Fund

JP Morgan Chase

Citigroup Global Markets Limited

Sterling Bond Fund

Royal Bank Of Scotland

Lloyds Bank Limited

HSBC Securities

Investment Portfolios (continued)

For the six month period ended 31 March 2020

Summary of Material Portfolio Changes

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 €
KFW Bankengruppe 0.375% 2030	312,072	KFW Bankengruppe 4.675% 2023	359,998
BNP Paribas 1.5% 2028	274,220	BNP Paribas 4.5% 2023	295,877
Veolia Environment 4.625% 2027	269,967	VW Financial Services 4.625% FRN (Perp)	151,024
ENI SPA 3.625% 2029	261,755	Royal Bank of Scotland 5.375% 2019	150,000
JP Morgan Chase 2.875% 2028	184,620	JP Morgan Chase 2.75% 2022	130,141
Medtronic 2.25% 2039	118,565	BG Energy Capital 2.25% 2029	115,360
Thermo Fisher Scientific 1.5% 2039	97,697	Unibail Rodamco 2% 2036	114,178
		Verizon Communications 1.875% 2029	111,099
		ATF Netherlands BV 2.125% 2023	107,479
		Petroleo Mexicano 4.75% 2029	107,057
		Metrovacesa SA 2.375% 2022	106,308
		VW Financial Services 2.7% FRN (Perp)	105,876
		BNP Paribas 2.875% 2022	98,014
		EDF 6.25% 2021	53,252
		Orange 8.125% 2033	38,626
		Cooperatieve Rabobank 4.75% 2022	34,395

High Income Fund

Purchases	Cost £	Sales	Proceeds £
Treasury 6% 2028	4,524,164	Dwr Cymru Finance 6.907% 2021	2,131,857
KFW Bankengruppe 6% 2028	4,464,480	Thames Water Utilities 5.125% 2037	2,016,475
KFW Bankengruppe 6% 2028	2,987,947	THFC Funding No.2 6.35% 2041	1,769,988
Koninklijke KPN 5.75% 2029	2,470,994	First Group 8.75% 2021	1,714,962
Notting Hill 5.25% 2042	2,173,120	Aspire Defence Finance A 4.674% 2040	1,360,018
Equinor ASA 6.875% 2031	2,007,587	Lloyds Bank 9.625% 2023	1,327,008
Lloyds Bank 9.625% 2023	1,970,726	British American Tobacco 6.375% 2019	1,317,538
Phoenix Group Holdings 6.625% 2025	1,842,595	UPP Bond Series 1 4.9023% 2040	1,315,863
Circle Anglia Social Housing 7.25% 2038	1,803,383	Freshwater Finance 5.182% 2035	1,205,498
Bank of America 7% 2028	1,795,599	Premiertel Plc 6.175% 2032	1,173,529
European Investment Bank 6% 2028	1,773,275	CYBG Plc 5% 2026	1,126,653
GlaxoSmithKline 6.375% 2039	1,735,133	WM Morrisons Supermarket 2.5% 2031	1,109,257
Yorkshire Power 7.25% 2028	1,470,365	EMH Treasury Plc 4.5% 2044	1,108,872
MetLife Incorporated 5.375% 2024	1,200,759	Thames Water Utilities 6.75% 2028	1,103,838
Deutsche Telekom Intl Finance GRN 2030	1,027,544	Morhomes Plc 3.4% 2038	1,082,351
Deutsche Telekom Intl Finance GRN 2030	877,376	Paragon Mortgages 0 2050	1,061,022
Citigroup 1.75% 2026	737,237	Deutsche Bank 1.875% 2020	1,015,558
Goldman Sachs 7.25% 2028	703,824	Income 2 2.5% 2058	1,009,876
BHP Billiton Finance 4.3% 2042	694,486	Aroundtown SA 3.25% 2027	998,103
America Movil 5.75% 2030	690,561	CYBG Plc 3.375% 2026	976,957

Investment Portfolios (continued)

For the six month period ended 31 March 2020

Summary of Material Portfolio Changes (continued)

Sterling Bond Fund

Purchases	Cost £	Sales	Proceeds £
European Investment Bank 5% 2039	2,124,429	Treasury 3.75% 2021	1,874,932
Tesco Property Finance 5.744% 2040	1,172,893	Treasury 2.25% 2023	1,610,980
Enel Finance International 5.625% 2024	1,025,095	Treasury 3.75% 2021	1,595,303
Enel Finance International 5.75% 2040	879,689	European Investment Bank 0.75% 2024	803,867
Dwr Cymru Finance 1.375% 2033	813,410	Glencore Finance GRN 2022	759,368
European Investment Bank 0.75% 2024	795,098	HSBC Holdings 5.875% (Perp)	733,628
Bromford Housing 3.125% 2048	747,923	Treasury 4.25% 2036	694,400
Treasury 1.75% 2049	701,399	Deutsche Telekom Intl Finance 6.5% 2022	684,659
Siemens 1% 2025	698,754	Hammerson Plc 6% 2026	624,652
Lloyds Bank 2.25% 2024	646,251	Treasury 0.875% 2029	572,960
Clarion Funding 3.125% 2048	561,552	Treasury 2.25% 2023	538,196
Comcast Corporation 1.5% 2029	550,373	Treasury 2.25% 2023	537,308
Aviva 5.9021% FRN (Perp)	533,458	Income 2 2.5% 2058	531,547
Coventry Building Society 1.5% 2023	518,308	Treasury 2.25% 2023	518,607
LVMH 1% 2023	499,845	Treasury 5% 2025	465,623
Landesbank Baden-Württemberg 1.5% 2025	499,480	Treasury 4.25% 2049	446,155
Banque Federative Credit Mutuel 1.25% 2025	497,400	CYBG Plc 4% 2026	429,423
Banque Federative Credit Mutuel 1.5% 2026	495,782	Treasury 3.75% 2021	426,086
Treasury 5% 2025	467,510	Treasury 1.75% 2049	417,099
Treasury 1.75% 2049	438,598	Deutsche Bank 1.875% 2020	400,000

Notes to the Financial Statements

For the six month period ended 31 March 2020

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'). Within the Financial Statements the Company represents the total value of the Funds combined, with the exception of the Statements of Financial Position which also includes the Nominal Share values. The financial statements of the Company and the following Funds are prepared on the going concern basis:

- Euro High Income Fund
- Sterling Bond Fund
- High Income 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 (unless otherwise stated). 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 the 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, are discussed in the following notes. There are no significant estimates and judgements that have a material effect on the financial statements.

2.3 Going concern

The Financial Statements of the Company and Funds have been prepared in accordance with IFRS on a going concern basis. The Directors have a reasonable expectation that the Lloyds Investment Funds Limited will continue as a going concern for the foreseeable future.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

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

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

Amendments to IAS 40, IFRIC 22, IFRS 2, IFRS 4, IFRS 9 and IFRS 15: The Company has applied the amendments to IAS 40, IFRIC 22, IFRS 2, IFRS 4, IFRS 9 and IFRS 15 for the first time in the current period. None of these amendments had a material impact on the financial statements.

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

- IAS 1 'Presentation of financial statements on classification of liabilities' (effective periods commencing on or after 1 January 2022).
- IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and errors' on 'the definition of material' (effective periods commencing on or after 1 January 2020).
- IFRS 3, 'Definition of a business' (effective periods commencing on or after 1 January 2020).
- IFRS 9, IAS 39 and IFRS 7 – 'Interest rate benchmark reform' (effective periods commencing on or after 1 January 2020).
- IFRS 17, 'Insurance contracts' (effective periods commencing on or after 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 or Funds, 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 2020 used for the conversion of statement of financial position items was 1.1301 and the average rate for the period used for the conversion of the statement of comprehensive income was 1.1659.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

3. Summary of Significant Accounting Policies (continued)

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

(a) Classification

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis.

The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Company's debt securities are solely principal and interest and are held in order to collect principal plus interest resulting in the business model "hold to collect and sell". The Company values the debt instruments at fair value through profit and loss. Under the business model derivatives are also measured at fair value through profit or loss.

(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.

IFRS 13 requires 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).

Creations receivable and Redemptions payable

Creations receivable represent the amount due from investors for the issue of participating shares. Redemptions payable represent the amount payable to investors following a cancellation of participating shares. These are recognised at fair value.

Investment sales receivable and Investment purchases payable

Investment sales receivable represent securities sold that have been contracted for but not yet settled or delivered on the statement of financial position date.

Investment purchases payable represent securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less impairment.

When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

A provision for impairment of amounts due on investment sales receivable is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from the broker is impaired.

Revenue recognition

Investment income is recognised in the statement of comprehensive income 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 in line with IFRS 13 financial assets and financial liabilities at fair value at close of business on the last business day of the accounting period.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

3. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and also include bank overdrafts.

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.

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.

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 2020 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 2020

4. Other Accrued Income and Other Debtors

	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
	£	€	£	£
Period ended 31 March 2020				
Accrued Income	5,184,894	127,943	3,474,328	1,597,347
Founders Shares	1,000	—	—	—
Nominal Shares	390,338	—	—	—
Total other accrued income and other debtors	5,576,232	127,943	3,474,328	1,597,347
Year ended 30 September 2019				
Accrued Income	4,854,802	198,883	3,119,722	1,559,132
Founders Shares	1,000	—	—	—
Nominal Shares	292,003	—	—	—
Total other accrued income and other debtors	5,147,805	198,883	3,119,722	1,559,132

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

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 €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2020				
31 October 2019	699,646	—	699,646	—
30 November 2019	673,462	—	673,462	—
31 December 2019	1,338,426	74,236	669,069	606,456
31 January 2020	701,925	—	701,925	—
28 February 2020	697,818	—	697,818	—
31 March 2020	1,386,360	71,088	695,686	627,767
Total distributions	5,497,637	145,324	4,137,606	1,234,223
Income paid on cancellation of shares	38,901	3,443	23,754	12,194
Income received on creation of shares	(10,834)	(260)	(9,407)	(1,204)
Net distributions for the period	5,525,704	148,507	4,151,953	1,245,213
Fees charged to capital*	(999,611)	(50,294)	(953,874)	(2,600)
Net distributions after taxation	4,526,093	98,213	3,198,079	1,242,613

* Details can be found in Notes 9 and 10.

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2019				
31 October 2018	796,587	—	796,587	—
30 November 2018	790,599	—	790,599	—
31 December 2018	1,529,930	92,416	783,102	663,877
31 January 2019	775,524	—	775,524	—
28 February 2019	770,473	—	770,473	—
31 March 2019	1,475,552	82,144	760,939	643,830
Total distributions	6,138,665	174,560	4,677,224	1,307,707
Income paid on cancellation of shares	54,666	7,373	26,059	22,143
Income received on creation of shares	(330,003)	(440)	(2,890)	(326,727)
Net distributions for the period	5,863,328	181,493	4,700,393	1,003,123
Fees charged to capital*	(1,044,167)	(60,662)	(984,203)	(6,780)
Net distributions after taxation	4,819,161	120,831	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 2020

6. Accrued Expenses and Other Creditors

	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
	£	€	£	£
Period ended 31 March 2020				
Due to Manager	344,217	—	188,688	155,529
Due to Custodian	14,740	—	9,552	5,188
Other Creditors	230,280	28,066	110,857	94,587
Total accrued expenses and other creditors	589,237	28,066	309,097	255,304
Year ended 30 September 2019				
Due to Manager	336,519	—	191,963	144,556
Due to Custodian	15,177	—	9,806	5,371
Other Creditors	165,630	23,065	81,029	64,196
Total accrued expenses and other creditors	517,326	23,065	282,798	214,123

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

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

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

	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
	£	€	£	£
Period ended 31 March 2020				
Proceeds from sales of investments during the period	74,281,324	2,238,513	46,843,838	25,517,540
Original cost of investments sold during the period	(67,782,284)	(2,359,964)	(41,631,675)	(24,126,496)
Gains realised during the period	6,499,040	(121,451)	5,212,163	1,391,044
Realised gains on investments sold during the period	8,119,549	6,006	6,412,658	1,701,740
Realised losses on investments sold during the period	(1,562,891)	(127,457)	(1,200,495)	(253,078)
Realised losses on the trading of derivative instruments during the period	(28,821)	—	—	(28,821)
Movement in unrealised gains for the period	(17,561,662)	(460,484)	(11,489,494)	(5,677,216)
Movement in unrealised losses for the period	(9,827,234)	(225,160)	(6,559,759)	(3,074,358)
Net gains on investments	(20,889,856)	(807,095)	(12,837,090)	(7,360,530)

	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
	£	€	£	£
Period ended 31 March 2019				
Proceeds from sales of investments during the period	120,231,826	1,686,047	31,676,869	87,076,757
Original cost of investments sold during the period	(117,422,120)	(1,670,088)	(29,382,795)	(86,575,117)
Gains realised during the period	2,809,706	15,959	2,294,074	501,640
Realised gains on investments sold during the period	3,728,382	47,644	3,038,152	648,459
Realised losses on investments sold during the period	(918,674)	(31,685)	(744,077)	(146,818)
Realised losses on the trading of derivative instruments during the period	—	—	—	—
Movement in unrealised gains for the period	4,700,460	119,167	2,000,068	2,595,916
Movement in unrealised losses for the period	518,912	36,489	403,208	83,713
Net gains on investments	8,029,078	171,615	4,697,350	3,181,269

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

8. Other Income

	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
	£	€	£	£
<hr/>				
Period ended 31 March 2020				
Bank interest	4,537	—	3,739	798
Unclaimed distributions over 10 years old	27,782	793	1,207	25,895
Total other income	32,319	793	4,946	26,693
<hr/>				
	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
	£	€	£	£
<hr/>				
Period ended 31 March 2019				
Bank interest	2,981	—	1,422	1,559
Unclaimed distributions over 10 years old	858	276	504	112
Total other income	3,839	276	1,926	1,671
<hr/>				

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

9. Operating Expenses

	Note	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2020					
Payable to the Manager:					
Annual management fees	10	1,421,407	46,470	917,705	463,846
Registrar fees	10	114,123	3,304	34,289	77,000
Payable to the Custodian:					
Custodian fees	11	92,274	5,311	56,827	30,892
Safe custody fees	11	34,890	2,033	23,565	9,581
Other expenses:					
Administration expenses*		155,349	17,617	76,924	63,315
Broker commission, dealing charges and stamp duty		4,926	520	1,880	2,600
Audit fee		10,929	500	9,000	1,500
Total expenses		1,833,898	75,755	1,120,190	648,734
Total Expense Ratio**			1.33%	1.05%	1.19%
Total Cost Ratio***			0.01%	0.00%	0.00%

* The Administration expenses includes £8,098 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 2020

9. Operating Expenses (continued)

A detailed view of transaction costs is shown below.

	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
	£	€	£	£
Period ended 31 March 2020				
Purchase Transaction costs by asset class				
Treasury Gilts				
Deal charges	300	—	20	280
As a percentage of purchase cost	0.01%	—	0.00%	0.01%
Bonds				
Deal charges	1,620	200	700	720
As a percentage of purchase cost	0.02%	0.01%	0.00%	0.00%
Cost of investments purchased before transaction costs	62,631,275	1,497,972	40,382,321	20,750,982
Cost of investments purchased after transaction costs	62,633,195	1,498,172	40,383,041	20,751,982
Sale Transaction costs by asset class				
Treasury Gilts				
Deal charges	400	—	20	380
As a percentage of sale cost	0.00%	—	0.00%	0.00%
Bonds				
Deal charges	2,680	320	1,140	1,220
As a percentage of sale cost	0.02%	0.02%	0.00%	0.01%
Proceeds from investments sold before transaction costs	74,573,579	2,238,513	46,843,838	25,491,228
Proceeds from investments sold after transaction costs	74,576,659	2,238,833	46,844,998	25,492,828

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

9. Operating Expenses (continued)

	Note	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2019					
Payable to the Manager:					
Annual management fees	10	1,380,768	55,146	949,990	382,430
Registrar fees	10	90,439	5,096	32,113	53,858
Payable to the Custodian:					
Custodian fees	11	90,169	6,302	58,648	25,996
Safe custody fees	11	27,082	1,316	17,290	8,638
Other expenses:					
Administration expenses*		118,801	10,952	65,425	43,774
Broker commission, dealing charges and stamp duty		9,248	420	2,100	6,780
Audit fee		10,138	500	9,000	700
Total expenses		1,726,645	79,732	1,134,566	522,176
Total Expense Ratio**			1.26%	1.04%	1.19%
Total Cost Ratio ***			0.01%	0.00%	0.02%

* The Administration expenses includes £8,098 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 2020

9. Operating Expenses (continued)

	Company	Euro High Income Fund	High Income Fund	Sterling Bond Fund
	£	€	£	£
Period ended 31 March 2019				
Purchases Transaction costs by asset class				
Treasury Gilts				
Deal charges	580	—	80	500
As a percentage of purchase cost	0.01%	—	0.00%	0.00%
Bonds				
Deal charges	5,329	80	900	4,360
As a percentage of purchase cost	0.07%	0.01%	0.05%	0.01%
Cost of investments purchased before transaction costs	193,140,898	565,891	18,821,332	173,831,939
Cost of investments purchased after transaction costs	193,146,807	565,971	18,822,312	173,836,799
Sale Transaction costs by asset class				
Treasury Gilts				
Deal charges	1,200	—	180	1,020
As a percentage of sale proceeds	0.00%	—	0.00%	0.00%
Bonds				
Deal charges	2,133	340	940	900
As a percentage of sale proceeds	0.02%	0.02%	0.00%	0.00%
Proceeds from investments sold before transaction costs	119,241,322	565,971	31,676,869	87,076,757
Proceeds from investments sold after transaction costs	119,244,293	565,891	31,677,989	87,078,677

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

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, Schroder Investment Management Limited.
- Lloyds Bank International 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 page 13.

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

	31 March 2020	30 September 2019
Euro High Income Fund	8,135	7,986
High Income Fund	6,997	7,010
Sterling Bond Fund	4,933	5,003
	20,065	19,999

(a) Management and Registrar fees

The Manager of the Company, Lloyds Investment Fund Managers Limited, is part of the Lloyds Banking Group of companies. The Manager is entitled to a daily fee equal to 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.

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 period. 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 2020 are employees of Lloyds Banking Group: I.M.J. Hardy, B.C. James, B. Lysiak and R.D. Willcox.

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

Geoffrey Cook was appointed as a Director of the Company on 3 July 2019. Geoffrey Cook is a Director of Lloyds Bank (International Services) Limited, a Director of Apex Financial Services (Jersey) Limited and a Consultant to Mourant Ozannes, Jersey.

(d) Directors' Fees

Directors who are employees of the Lloyds Banking Group do not receive Directors' fees. All other Directors receive a fee of £12,500 per annum (2019: £8,098).

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

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

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 2020

14. Share Capital

	31 March 2020		30 September 2019	
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	<u>1,000</u>		<u>1,000</u>	
Nominal shares:				
Balance brought forward	292,003		1,870,535	
Creations	162,857		408,926	
Redemptions	(64,522)		(1,987,458)	
Balance carried forward	<u>390,338</u>		<u>292,003</u>	
Participating Shares:				
Balance brought forward	3,182,051		2,903,519	
Creations	64,522		687,458	
Redemptions	(162,857)		(408,926)	
Balance carried forward	<u>3,083,716</u>		<u>3,182,051</u>	
Fund	Shares	£	Shares	£
High Income Fund	235,827,775	2,358,278	242,584,996	2,425,850
Sterling Bond Fund	66,080,771	660,808	68,512,761	685,128
Total Sterling Funds	<u>301,908,545</u>	<u>3,019,086</u>	<u>311,097,757</u>	<u>3,110,978</u>
Fund	Shares	€	Shares	€
Euro High Income Fund	6,462,514	108,885	7,106,764	115,328
	Shares	£	Shares	£
Total Company (Sterling equivalent)	<u>308,371,060</u>	<u>3,083,716</u>	<u>318,204,521</u>	<u>3,182,051</u>

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

15. Share Premium

	31 March 2020	30 September 2019
Fund	£	£
High Income Fund	255,297,009	261,001,324
Sterling Bond Fund	96,532,623	100,321,589
Total Sterling Funds	351,829,632	361,322,913
Fund	€	€
Euro High Income Fund	11,518,461	12,506,889
	£	£
Total Company (Sterling equivalent)	359,001,556	369,347,546
	£	£
Balance brought forward	369,347,546	311,267,441
Premium on creations	5,838,752	97,750,431
Premium on redemptions	(16,184,742)	(39,670,326)
Transfer from capital reserve	—	—
Balance carried forward	359,001,556	369,347,546

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

16. Capital Reserves

	Note	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Net realised (losses) / gains on investments b/fwd		5,636,927	263,346	2,672,859	2,803,808
Net realised gains for the period	7	6,499,040	(121,451)	5,212,163	1,391,044
Net realised gains / (losses) on investments c/fwd		12,135,967	141,895	7,885,022	4,194,852
Net unrealised movement on investment b/fwd		25,503,418	1,061,541	17,633,344	6,984,791
Net unrealised movement in the period	7	(27,388,896)	(685,644)	(18,049,253)	(8,751,574)
Net unrealised movement on investment c/fwd		(1,885,478)	375,897	(415,909)	(1,766,783)
Total realised / unrealised movement		10,250,489	517,792	7,469,113	2,428,069
Distributions unclaimed over 10 years old b/fwd		20,797	664	14,620	5,612
Net movement in the period		27,759	793	1,207	25,872
Distributions unclaimed over 10 years old c/fwd		48,556	1,457	15,827	31,484
Deposits held at broker b/fw		—	—	—	—
Deposit movement in the period		27,999	—	—	27,999
Deposits held at broker c/fw		27,999	—	—	27,999
Fees charged to Capital b/fwd*		(45,871,351)	(1,755,714)	(44,406,164)	(22,096)
Net movement in the period		(999,611)	(50,294)	(953,874)	(2,600)
Fees charged to Capital c/fwd*		(46,870,962)	(1,806,008)	(45,360,038)	(24,696)
As at 31 March 2020		(36,543,918)	(1,286,759)	(37,875,098)	2,462,856

* 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 2020

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

	Note	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2020					
Share capital	14	3,083,716	108,885	2,358,278	660,808
Share premium	15	359,001,556	11,518,461	255,297,009	96,532,623
Capital reserves	16	(36,543,918)	(1,286,759)	(37,875,098)	2,462,856
Dilution levies		316,778	30,772	218,071	71,476
Undistributed income*		(31,131,581)	(1,025,453)	(27,308,062)	(2,916,079)
Movement in currency translation		3,045,678	—	—	—
As at 31 March 2020		297,772,229	9,345,906	192,690,198	96,811,684
		Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Year ended 30 September 2019					
Share capital	14	3,182,051	115,328	2,425,850	685,128
Share premium	15	369,347,546	12,506,889	261,001,324	100,321,589
Capital reserves	16	(14,710,209)	(430,163)	(24,085,341)	9,772,115
Dilution levies		316,770	30,772	218,071	71,476
Undistributed income*		(29,883,427)	(939,618)	(26,504,696)	(2,547,468)
Movement in currency translation		3,087,364	—	—	—
As at 30 September 2019		331,340,095	11,283,208	213,055,208	108,302,840

* 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 2020 amounts to £10,969 (30 September 2019 amounts to £119,483).

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

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 2020	30 September 2019
Foreign tax on income for the period	£1,885	—

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. The Funds are now required to submit an income tax return annually under Article 16 of the Income Tax (Jersey) Law 1961. The income tax return for the year of assessment 2019 is required to be delivered by 31 December 2020. 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. 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 futures, 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, derivatives and cash, dependent on each Fund's investment policy. The Fund is exposed to bond price risk and derivative price risk. 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 16 to 28.

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 2020. 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.

Following the UK formally leaving the EU on 31 January 2020 there will be a period of negotiation ("the implementation period") in which the UK and EU will discuss trade deals. During this 11 month period to 31 December 2020 the UK will continue to follow all the EU's rules and it's trading relationship will remain the same. As a result the directors consider the impact of Brexit on the Fund Company to be minimal. The directors will review impact to the Fund Company on a regular basis. Due to the effects of the COVID pandemic on the economic climate the market values of the funds initially decreased, however, we have now seen the value of assets starting to rise again

More information can be found in the Report of the Investment Manager on pages 8 and 9.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

19. Financial risk management (continued)

Market risk (continued)

End of year	Fund	Value (base currency)	Bonds 5% Movement in bond index	Cash 1% Movement in interest rate
31.03.20	Euro High Income	9,345,906	453,343	2,503
30.09.19	Euro High Income	11,283,208	534,424	5,042
31.03.20	High Income	192,690,198	9,324,874	37,006
30.09.19	High Income	213,055,208	10,327,416	88,052
31.03.20	Sterling Bond	96,811,684	4,740,632	13,978
30.09.19	Sterling Bond	108,302,840	5,360,373	19,699

Price risk

The Fund is exposed to debt securities price risk and derivative price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments – for example, debt securities – are denominated in currencies other than euro, the price initially expressed in foreign currency and then converted into euro will also fluctuate because of changes in foreign exchange rates. Refer to Foreign currency risk below.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Board of Directors. The majority of the net assets attributable to holders of redeemable shares is expected to be invested in debt securities and related derivatives.

The Fund's policy also limits individual bond securities to no more than 5% of net assets attributable to holders of redeemable shares. The maximum that can be held in any individual Government or Public security is 35% of net assets attributable to holders of redeemable shares.

The majority of the Fund's debt securities and derivatives are publicly traded and are included on regulated securities and regulated derivatives markets. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund's Investment Manager and is reviewed on a quarterly basis by the Board of Directors.

At 31 March 2020, the fair value of bonds and related derivatives exposed to price risk were as follows:

	31 March 2020	30 September 2019
Bonds market value	293,351,461	323,211,677
Bond related derivative assets market value	(1,093,520)	—
Bond related derivative liabilities market value	1,075,600	—
Total market value	293,333,541	323,211,677

The Fund also manages its exposure to price risk by benchmarking the portfolio to that of the IBOXX Sterling Corporate and Collateralised Index. Changes in duration within the benchmark are matched within the portfolio at each month end with the use of Gilt futures.

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 currently holds no currency hedging instruments and has no foreign currency exposure. 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.

Following the UK formally leaving the EU on 31 January 2020 there will be a period of negotiation ("the implementation period") in which the UK and EU will discuss trade deals. During this 11 month period to 31 December 2020 the UK will continue to follow all the EU's rules and its trading relationship will remain the same. As a result the directors consider the impact of Brexit on the Fund Company to be minimal. The directors will review impact to the Fund Company on a regular basis.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

19. Financial risk management (continued)

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.

Following the UK formally leaving the EU on 31 January 2020 there will be a period of negotiation ("the implementation period") in which the UK and EU will discuss trade deals. During this 11 month period to 31 December 2020 the UK will continue to follow all the EU's rules and its trading relationship will remain the same. As a result the directors consider the impact of Brexit on the Fund Company to be minimal. There is a limited amount of floating rate instruments within the portfolios however the directors do not believe any rate fluctuations will have a material impact. The directors will review impact to the Fund Company on a regular basis.

The interest rate profile of each Fund's financial assets at 31 March 2020 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	9,346	7,887	1,180	378	99
High Income	Sterling	192,690	169,506	16,992	7,198	1,005
Sterling Bond	Sterling	96,812	89,416	5,397	3,023	1,024

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	3.93	2.00	19.51
High Income	Sterling	5.40	3.06	17.54
Sterling Bond	Sterling	4.38	3.14	15.69

The interest rate profile of each Fund's financial assets at 30 September 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	11,283	9,148	1,541	703	108
High Income	Sterling	213,055	187,959	18,589	11,925	5,418
Sterling Bond	Sterling	108,303	107,207	—	3,529	2,434

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	4.13	1.02	19.55
High Income	Sterling	5.07	2.55	18.58
Sterling Bond	Sterling	4.41	2.25	16.14

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

19. Financial risk management (continued)

Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on trading derivative products, cash and cash equivalents, amounts due from brokers and other receivable balances. Impairment provisions would be provided for losses that have been incurred by the statement of financial position date. As at 31 March 2020 no impairment provisions were required and there was no money overdue.

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.

The Fund also restricts its exposure to credit losses on trading derivative instruments it holds by entering into these transactions solely through the Investment Manager Schroder Investment Management Limited. Gilt futures are centrally cleared and traded on an exchange. The exchange and clearing house therefore act as an intermediary for both sides entering into the contract and the payment of the initial margin and variation margin. There is therefore a negligible counterparty risk. All of the derivative assets and liabilities of the Fund are held with this counterparty and the margin balance maintained by the Fund is for the purpose of providing collateral on derivative positions. The value of the margin balance at 31 March 2020 is £28,000. The derivative asset is (£1,093,250) and the liability is £1,075,600.

At the Statement of Financial Position date the Funds held the following percentages in non investment grade assets:

	31 March 2020	30 September 2019
Euro High Income Fund	1.30%	3.56%
High Income Fund	3.38%	8.25%
Sterling Bond Fund	1.66%	—

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 period did not exceed the 10% limit.

Following the UK formally leaving the EU on 31 January 2020 there will be a period of negotiation ("the implementation period") in which the UK and EU will discuss trade deals. During this 11 month period to 31 December 2020 the UK will continue to follow all the EU's rules and it's trading relationship will remain the same. As a result the directors believe that there will be no material impact upon credit risk as a result of Brexit. The directors will review impact to the Fund Company on a regular basis.

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. The effect of the COVID pandemic on credit risk is, as yet, unknown, however to date no positions have defaulted.

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.

Following the UK formally leaving the EU on 31 January 2020 there will be a period of negotiation ("the implementation period") in which the UK and EU will discuss trade deals. During this 11 month period to 31 December 2020 the UK will continue to follow all the EU's rules and it's trading relationship will remain the same. As a result the directors consider the impact of Brexit on the Fund Company to be minimal. The directors will review impact to the Fund Company on a regular basis. Since the change of Investment Manager to Schroder Investment Management Limited in November 2019 Sterling Bond Fund has entered into exchange traded derivatives in order to reduce the risk in market fluctuations.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

19. Financial risk management (continued)

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.

There has been no significant movements in the fair value of any holdings since the period end date. Following the UK formally leaving the EU on 31 January 2020 there will be a period of negotiation ("the implementation period") in which the UK and

EU will discuss trade deals. During this 11 month period to 31 December 2020 the UK will continue to follow all the EU's rules and it's trading relationship will remain the same. As a result the directors consider the impact of Brexit on the Fund Company to be minimal. The directors will review impact to the Fund Company on a regular basis.

Sterling Bond Fund has entered into exchange traded derivatives in order to reduce the risk in market fluctuations.

Due to the effects of the COVID pandemic on the economic climate the market values of the funds initially decreased, however, we have now seen the value of assets starting to rise again

More information on the future outlook can be found in the Report of the Investment Manager on pages 8 and 9.

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).

Financial assets at fair value through profit and loss

31 March 2020

Fund	Level 1 £	Level 2 £	Level 3 £	Totals £
High Income Fund	186,497,480	—	—	186,497,480
Sterling Bond Fund	94,830,560	—	—	94,830,560

Fund	Level 1 €	Level 2 €	Level 3 €	Totals €
Euro High Income Fund	9,066,867	—	—	9,066,867

30 September 2019

Fund	Level 1 £	Level 2 £	Level 3 £	Totals £
High Income Fund	206,548,310	—	—	206,548,310
Sterling Bond Fund	107,207,466	—	—	107,207,466

Fund	Level 1 €	Level 2 €	Level 3 €	Totals €
Euro High Income Fund	10,688,478	—	—	10,688,478

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

19. Financial risk management (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.

There have been no transfers between levels. The financial assets at fair value through profit or loss of the Company, including derivatives are all quoted in active markets and therefore fall under level 1 as previously defined. The fair value hierarchy table is shown below.

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 including the management of duration risk. 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.

As at 31 March 2020 only Sterling Bond fund held derivatives.

The Fund held Gilt futures and bought short, the initial margin on -8 contracts of long Gilts is £27,120 and the variation margin is (£17,920) and is classified as Financial liabilities at fair value through profit or loss.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Company is exposed to daily cash redemptions of Participating Shares which are redeemed on demand at the holder's option, and also to the settlement of margin calls on derivatives. 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 2020 the percentage of the assets within the portfolios which are subject to special arrangements arising from their illiquid nature is Nil (2019: Nil). 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 Investment Manager monitors each Fund's liquidity position on a daily basis, and the Board of Directors review it on a quarterly basis.

Following the UK formally leaving the EU on 31 January 2020 there will be a period of negotiation ("the implementation period") in which the UK and EU will discuss trade deals. During this 11 month period to 31 December 2020 the UK will continue to follow all the EU's rules and it's trading relationship will remain the same. As a result the directors do not foresee any impact on the liquidity of the Fund Company as a result of Brexit. The directors will review impact to the Fund Company on a regular basis.

Due to the effects of the COVID pandemic on the economic climate the funds did see an increase in the number of redemptions, these were all paid in accordance with the terms as detailed in the prospectus.

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 2020

19. Financial risk management (continued)

Liquidity risk (continued)

The table below analyses the Fund's non-derivative financial liabilities based on the remaining period at the statement of financial position date to the contractual maturity date.

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Period ended 31 March 2020				
Net assets attributable to Holders of Participating Redeemable Preference Shares				
(less than 1 month)	298,163,567	9,345,906	192,690,198	96,811,684
Cancellation payable				
(less than 1 month)	—	—	—	—
Investment purchase payable				
(less than 1 month)	141,000	—	—	141,000
Proposed dividend				
(less than 1 month)	695,686	—	695,686	—
(1 month to 3 months)	690,674	71,088	—	627,767
Accrued expenses and other payables				
(less than 1 month)	151,999	—	63,662	88,337
(1 month to 3 months)	437,238	28,066	245,435	166,967
Total financial liabilities (excluding derivatives)	300,280,164	9,445,060	193,694,981	97,835,755

	Company £	Euro High Income Fund €	High Income Fund £	Sterling Bond Fund £
Year ended 30 September 2019				
Net assets attributable to Holders of Participating Redeemable Preference Shares				
(less than 1 month)	331,633,098	11,283,208	213,055,208	108,302,840
Cancellation payable				
(less than 1 month)	104,332	—	46,969	57,363
Investment purchase payable				
(less than 1 month)	5,803,337	—	4,360,505	1,442,832
Proposed dividend				
(less than 1 month)	727,749	—	727,749	—
(1 month to 3 months)	794,830	85,281	—	719,383
Accrued expenses and other payables				
(less than 1 month)	132,513	—	58,015	74,498
(1 month to 3 months)	384,813	23,065	224,783	139,625
Total financial liabilities (excluding derivatives)	339,580,672	11,391,554	218,473,229	110,736,541

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.

The net profit / (loss) on the derivative financial instruments are settled on a daily basis.

Notes to the Financial Statements (continued)

For the six month period ended 31 March 2020

20. Events after period end date

Christopher Howland was appointed as a Non-Executive Director of the Company with effect from 26 May 2020.

Change in Net Asset Value per Share

For the six month period ended 31 March 2020

Year	Net Asset Value of Fund	Number of Shares in Issue	Opening net asset value per share	Return before operating charges
Euro High Income Fund				
30.09.18	€13,139,571	8,547,064	160.55	(1.86)
30.09.19	€11,283,208	7,106,764	153.57	9.83
31.03.20	€9,345,906	6,462,514	158.77	(12.29)
High Income Fund				
30.09.18	£226,054,139	270,022,634	88.13	(0.56)
30.09.19	£213,055,208	242,584,996	83.04	7.95
31.03.20	£192,690,198	235,827,775	87.83	(4.43)
Sterling Bond Fund				
30.09.18	£17,470,726	11,781,645	153.96	(1.45)
30.09.19	£108,302,840	68,512,761	146.94	14.39
31.03.20	£96,811,684	66,080,771	158.08	(9.78)

Change in Net Asset Value per Share (continued)

For the six month period ended 31 March 2020

Operating charges	Return after operating charges	Distributions on shares	Appreciation / (Depreciation) on capital assets	Closing net asset value per share	Retained income per share
(2.11)	(3.97)	(5.00)	1.99	153.57	0.08
(2.14)	7.69	(4.77)	2.28	158.77	0.03
(1.17)	(13.46)	(2.25)	1.56	144.62	(0.15)
(0.97)	(1.53)	(4.10)	0.54	83.04	0.06
(0.94)	7.01	(3.76)	1.54	87.83	0.03
(0.48)	(4.90)	(1.75)	0.53	81.71	0.01
(1.86)	(3.31)	(0.04)	(3.67)	146.94	0.26
(1.76)	12.63	(0.04)	(1.45)	158.08	—
(0.98)	(11.14)	(0.02)	10.35	146.51	—

Distribution Tables

For the six month period ended 31 March 2020

Euro High Income Fund	Gross income	Equalisation payable	Distribution paid current year (cents)	Distribution paid prior year (cents)
1st Quarter				
Group 1	1.100	0.349	1.100	1.100
Group 2	0.751	—	1.100	1.100
2nd Quarter				
Group 1	1.100	0.709	1.100	1.100
Group 2	0.391	—	1.100	1.100

1st Quarter

Group 1 : Shares purchased prior to 1 October 2019

Group 2 : Shares purchased between 1 October 2019 and 31 December 2019

2nd Quarter

Group 1 : Shares purchased prior to 1 January 2020

Group 2 : Shares purchased between 1 January 2020 and 31 March 2020

High Income Fund	Gross income	Equalisation payable	Distribution paid current year (pence)	Distribution paid prior year (pence)
31 October 2019				
Group 1	0.290	0.177	0.290	0.330
Group 2	0.133	—	0.290	0.330
30 November 2019				
Group 1	0.280	0.172	0.280	0.330
Group 2	0.108	—	0.280	0.330
31 December 2019				
Group 1	0.280	0.208	0.280	0.330
Group 2	0.072	—	0.280	0.330
31 January 2020				
Group 1	0.290	0.141	0.290	0.330
Group 2	0.149	—	0.290	0.330
28 February 2020				
Group 1	0.290	0.274	0.290	0.330
Group 2	0.016	—	0.290	0.330
31 March 2020				
Group 1	0.295	0.243	0.295	0.330
Group 2	0.052	—	0.295	0.330

31 October 2019

Group 1 : Shares purchased prior to 1 October 2019

Group 2 : Shares purchased between 1 October 2019 and 31 October 2019

30 November 2019

Group 1 : Shares purchased prior to 1 November 2019

Group 2 : Shares purchased between 1 November 2019 and 30 November 2019

31 December 2019

Group 1 : Shares purchased prior to 1 December 2019

Group 2 : Shares purchased between 1 December 2019 and 31 December 2019

31 January 2020

Group 1 : Shares purchased prior to 1 January 2020

Group 2 : Shares purchased between 1 January 2020 and 31 January 2020

28 February 2020

Group 1 : Shares purchased prior to 1 February 2020

Group 2 : Shares purchased between 1 February 2020 and 28 February 2020

31 March 2020

Group 1 : Shares purchased prior to 1 March 2020

Group 2 : Shares purchased between 1 March 2020 and 31 March 2020

Distribution Tables (continued)

For the six month period ended 31 March 2020

Sterling Bond Fund	Gross income	Equalisation payable	Distribution paid current year (pence)	Distribution paid prior year (pence)
1st Quarter				
Group 1	0.900	0.602	0.900	0.900
Group 2	0.298	—	0.900	0.900
2nd Quarter				
Group 1	0.950	0.593	0.950	0.900
Group 2	0.357	—	0.950	0.900

1st Quarter

Group 1 : Shares purchased prior to 1 October 2019

Group 2 : Shares purchased between 1 October 2019 and 31 December 2019

2nd Quarter

Group 1 : Shares purchased prior to 1 January 2020

Group 2 : Shares purchased between 1 January 2020 and 31 March 2020

Performance Record

For the six month period ended 31 March 2020

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 €
2011	156.60	140.60	5.73	39.06
2012	167.40	144.60	7.71	52.52
2013	169.10	161.70	7.45	50.78
2014	170.30	161.70	6.51	44.38
2015	173.50	159.70	4.94	33.67
2016	163.90	158.10	4.70	32.04
2017	163.00	159.90	4.96	33.81
2018	160.80	154.40	4.80	32.72
2019	161.30	149.30	4.50	30.67
31.03.20	158.90	143.90	1.10	7.50

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 £
2011	85.30	79.70	3.89	47.47
2012	89.19	81.20	5.25	64.00
2013	91.66	85.23	4.82	58.82
2014	89.56	85.55	4.78	58.33
2015	92.53	85.86	4.59	55.95
2016	86.21	83.74	4.37	53.33
2017	90.65	87.58	3.13	38.19
2018	88.86	83.68	3.79	46.25
2019	88.90	82.21	3.60	43.93
31.03.20	89.20	78.42	0.88	10.74

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 £
2011	136.80	128.60	6.41	48.05
2012	147.00	131.20	6.27	47.00
2013	151.60	140.10	5.91	44.30
2014	151.30	140.20	5.78	43.33
2015	156.80	144.70	5.40	40.48
2016	147.50	142.20	5.50	41.23
2017	158.90	150.90	4.50	33.73
2018	156.10	148.60	4.00	29.99
2019	160.60	146.20	3.85	28.86
31.03.20	162.30	139.70	0.95	7.12

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

