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Lloyds Investment Funds Limited (the "Company")

We are writing to you to advise you on the reportable income and distributed income for the year ended 30 September 2017. A requirement of the reportable fund regulations is to provide you with details of both the Reportable Income and the Distributed Income for the Company's financial year which is shown on the table included with this letter.

What do I need to declare on my tax return (UK resident tax payers only)?

If you are invested in the UK, International or Sterling Bond Fund you may have an additional liability to UK income tax. You should include on your tax return the actual cash amounts received by way of dividends as detailed on your dividend vouchers and your proportionate share of reportable income in excess of any distributions made in relation to the profits for the year ended 30 September 2017. The proportionate share of the reportable income is calculated as your total number of shares held at 30 September 2017 multiplied by the excess reportable income per share figure.

As the remaining Funds Reportable Income for the financial year ended 30 September 2017 is less than the Distributed Income, you should declare in the relevant tax return the actual cash amounts received by way of dividends as detailed on your quarterly dividend vouchers. However, please refer to the "important notes" below.

Important notes

If you have bought shares during the period, your taxable income will be based on the dividends received, adjusted to reflect any equalisation amounts shown on your first tax voucher.

If you have sold shares during the period, your taxable income will be based on the dividends received, adjusted to reflect any equalisation amounts shown on your final contract note.

Throughout the accounting period the Euro High Income, High Income and Sterling Bond Funds held over 60% of their assets in interest bearing or economically similar instruments.

All Funds remain within the Reporting Fund Regime as at the date of this report.

Should you require any further information please do not hesitate to call our customer services team on the telephone number at the top of this letter.

The information contained in this letter is not tax advice. If you require tax advice you should consult your tax adviser.

Director

Reportable Income and Distributed Income calculation for the year ended 30 September 2017

Lloyds Investment Funds Limited – Monthly and Quarterly distributing Funds

	Euro High Income	High Income	Sterling Bond
	€	£	£
SEDOL	0871756	0870076	3072619
ISIN	GB0008717562	GB0001094027	GB0030726193
UK Reportable Income	308,333	10,439,507	645,578
Less Distributions	447,734	12,901,372	624,360
UK Excess Reportable Income for the period	Nil	Nil	21,218
Number of shares outstanding as at 30 September 2017	9,087,364	299,731,464	12,715,595
Excess Reportable Income per share	Nil	Nil	0.00167
Funds that held over 60% of assets in interest bearing or economically similar instruments	Yes	Yes	Yes

Date cash dividend declared	Date dividend paid	Rate paid	Rate paid	Rate paid
31 October 2016	22 November 2016		0.00360	
30 November 2016	21 December 2016		0.00360	
31 December 2016	20 January 2017		0.00360	
31 December 2016	22 February 2017	0.01190		0.01300
31 January 2017	22 February 2017		0.00350	
28 February 2017	22 March 2017		0.00350	
31 March 2017	21 April 2017		0.00350	
31 March 2017	22 May 2017	0.01270		0.01200
30 April 2017	22 May 2017		0.00350	
31 May 2017	22 June 2017		0.00350	
30 June 2017	21 July 2017		0.00350	
30 June 2017	22 August 2017	0.01230		0.01100
31 July 2017	22 August 2017		0.00350	
31 August 2017	22 September 2017		0.00340	
30 September 2017	20 October 2017		0.00330	
30 September 2017	22 November 2017	0.01240		0.01100
Total distributed for the reporting period		0.04930	0.04200	0.04700

Reportable Income and Distributed Income calculation for the year ended 30 September 2017

Lloyds Investment Funds Limited – Annually distributing Funds	European	International	North American	UK
	£	£	£	£
SEDOL	0871790	0871778	0871808	0871767
ISIN	GB0008717901	GB0008717786	GB0008718081	GB0008717679
UK Reportable Income	12,788	34,824	(57,311)	200,793
Less Distributions	128,767	Nil	Nil	197,085
UK Excess Reportable Income for the period.	Nil	34,824	Nil	3,708
Number of shares outstanding as at 30 September 2017	1,483,673	4,110,547	505,348	1,991,766
Excess Reportable Income per share	Nil	0.00847	Nil	0.00186
Funds that held over 60% of assets in interest bearing or economically similar instruments.	No	No	No	No
Cash dividend declared 30 September 2017, paid 22 November 2017	0.08679	Nil	Nil	0.09895