

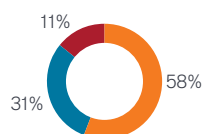
# ANNUAL REPORT & ACCOUNTS

For the year ended 15 April 2023

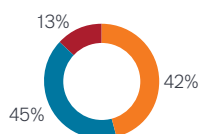


# Who are Janus Henderson Investors?

## Global Strength



**£251.1bn**  
Assets under management



Over **340**  
investment professionals



More than **2,000**  
employees



**24**  
Offices worldwide



**4,000**  
company engagements  
by our investment teams  
in 2022

■ North America ■ EMEA & LatAm ■ Asia Pacific

Source: Janus Henderson Investors, Staff and assets under management (AUM) data as at 31 March 2023. AUM data excludes Exchange-Traded Note (ETN) assets.

## Who we are

At Janus Henderson our mission is to help clients define and achieve superior financial outcomes through differentiated insights, disciplined investments, and world-class service. This means being ever mindful of the futures of the millions of lives that our thinking and our investments help shape. Our diverse client base and robust balance sheet allow us to offer financial strength and stability with which to help investors achieve their objectives.

The human connection matters in all that we do. Teams across Janus Henderson come together every day to deliver outcomes for our clients – and their clients – that make a difference. We are proud of this responsibility as we fulfil our purpose of 'Investing in a brighter future together'. The goals we set, the strategy we create, and the way that we work are all shaped with this ultimate objective in mind.

## Why us

Choosing Janus Henderson means benefitting from:

### Differentiated insights

- We are proud of our deep-rooted research culture, which has underpinned our 89-year track record of investing.
- Janus Henderson's investment teams meet thousands of companies each year. Insight from these meetings combined with proprietary analysis results in original views that shape our investment positioning.
- With 340 investment professionals around the world, we benefit from a range of perspectives that we test and share as we seek to differentiate between the winners and losers on behalf of our clients.

### Disciplined investments

- Our investment teams set clearly defined objectives and processes to deliver long-term risk-adjusted returns. We value the trust clients place in us and are disciplined in staying true to our investment style through all market conditions.
- We apply robust controls to ensure that risk taken is in accordance with client expectations and investment manager expectations. We have more than 150 experts in our risk and compliance teams.

### World class service

- We offer global reach with our broad network of investment and client service specialists. This is combined with the responsiveness, tailored solutions, and personal touch of a local partner.
- Understanding the challenges our clients – and their clients – face globally, and working in partnership, means we can provide support as we blend our best ideas and capabilities to define appropriate tailored outcomes.
- We seek to contribute to clients' understanding and decision-making – we share knowledge through published insights, at events, and by actively participating in debate on the future of investing.

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\* These collectively comprise the Authorised Fund Manager's Report.

## Authorised Fund Manager's report for the year ended 15 April 2023

We are pleased to present the Annual Report & Accounts for Janus Henderson Sterling Bond Unit Trust (the 'fund') for the year ended 15 April 2023.

### Authorised status

The fund is an authorised unit trust scheme and is a United Kingdom Undertakings for Collective Investment in Transferable Securities (UK UCITS) scheme complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the scheme is governed by the Trust Deed, COLL and Prospectus.

The fund was established by a Trust Deed on 5 April 1988 and authorised by the Financial Conduct Authority (FCA) on 7 April 1988.

Unitholders are not liable for the debts of the fund.

### Value assessment

The board of Janus Henderson Fund Management UK Limited (JHFMUKL) present the value assessment report for the period to 31 December 2022, made available on our website [www.janushenderson.com](http://www.janushenderson.com).

Access by this link (<https://www.janushenderson.com/en-gb/investor/notice/value-assessment-report>).

The FCA, the UK's financial services regulator, requires all fund management groups to perform a detailed assessment of whether funds are providing value to investors, and publish an annual statement summarising the outcome of this process, known as the value assessment. Our report is published by JHFMUKL, the Board of the Authorised Fund Manager (AFM) (the body responsible for an investment fund) and summarises the period to 31 December 2022.

The value assessment considers a minimum of seven criteria set by the FCA. While investment performance and quality of service are clearly important factors, costs and charges paid by investors are also key considerations. At Janus Henderson, ensuring value is delivered to investors has always been central to our process and therefore the value assessment is an extension to the existing ongoing monitoring processes that provide oversight of how the funds are managed.

The report contains an overview of the process that Janus Henderson undertook to perform this assessment along with the conclusions.

### Macro risks

Janus Henderson continues to monitor closely macro risks, including geopolitical risks, such as the impact of the Russia/Ukraine conflict, and market risks, such as stresses in the banking sector. We have established processes to be able to respond timely to changes. We have well-established and tested business continuity and crisis management processes in place, which cover a large number of disruptive scenarios, including cyber threats and market events. Janus Henderson also has embedded market risk monitoring processes, including modelling potential stressed market scenarios, to help inform our investment decisions.

## Authorised Fund Manager's report (continued)

### Service providers

	Name	Address	Regulator
<b>Authorised Fund Manager</b>	<b>Janus Henderson Fund Management UK Limited</b> Member of the Investment Association  The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Enquiries – 0800 832 832	Authorised and regulated by the Financial Conduct Authority
<b>Directors of the Authorised Fund Manager</b>	R Chaudhuri G Foggin (to 30.06.22) G Fogo S Hillenbrand JR Lowry (from 07.07.22) W Lucken (from 29.06.22) H J de Sausmarez (to 30.06.22) P Shea* F Smith* R Weallans (from 30.09.22) *Independent		
<b>Investment Adviser</b>	<b>Janus Henderson Investors UK Limited</b> The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
<b>Unitholder Administrator</b>	<b>SS&amp;C Financial Services International Limited and SS&amp;C Financial Services Europe Limited</b>	SS&C House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>Trustee and Depositary</b>	<b>NatWest Trustee and Depositary Services Limited</b> The ultimate holding company is the Royal Bank of Scotland Group plc	250 Bishopsgate London EC2M 4AA	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority
<b>Independent Auditors</b>	<b>PricewaterhouseCoopers LLP</b>	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
<b>Legal Adviser</b>	<b>Eversheds Sutherland (International) LLP</b>	One Wood Street London EC2V 7WS	The Law Society

## Authorised Fund Manager's report (continued)

### Investment Fund Managers

James Briggs and Tim Winstone

Please note that as of 30 April 2022 Philip Payne no longer manages this fund. Tim Winstone now co-manages this fund.

### Investment objective and policy

The fund aims to provide a sustainable level of income (via a consistent level of distribution) with the potential for capital growth over the long term.

Performance target: To outperform the Markit iBoxx GBP Non-Gilts all maturities Index by 1.25% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in sterling-denominated corporate bonds of investment grade, issued by companies or any other type of issuer. The fund may also hold other assets including bonds of other types from any issuer, Collective Investment Schemes (CIS) (including those managed by Janus Henderson), cash and money market instruments.

The Investment Manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the Markit iBoxx GBP Non-Gilts all maturities Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

### Strategy

The Investment Manager looks to achieve a consistent level of income by investing in primarily sterling denominated investment grade corporate bonds and other fixed interest securities, including preference shares. The strategy combines asset allocation views with rigorous fundamentally driven security selection to seek out investment opportunities.

### Performance summary

#### Cumulative performance

	One year	Three years	Five years	Since inception
	15 Apr 22 - 15 Apr 23	15 Apr 20 - 15 Apr 23	15 Apr 18 - 15 Apr 23	22 Apr 88 - 15 Apr 23
	%	%	%	%
<b>Class I accumulation (Net)</b>	(9.3)	(12.7)	(3.6)	514.7
<b>Markit iBoxx GBP Non-Gilts all maturities Index</b>	(8.8)	(12.3)	(3.9)	-*
<b>IA Sterling Corporate Bond Sector</b>	(7.8)	(8.6)	(1.2)	362.4
<b>Class I accumulation (Gross)</b>	(8.7)	(10.8)	(0.3)	666.6
<b>Markit iBoxx GBP Non-Gilts all maturities Index + 1.25%</b>	(7.7)	(8.9)	2.3	-*

Performance/performance target related data will display only when relevant to the fund/unit class inception date and the annualised target time period.

#### Discrete performance

	15 Apr 22 - 15 Apr 23	15 Apr 21 - 15 Apr 22	15 Apr 20 - 15 Apr 21	15 Apr 19 - 15 Apr 20	15 Apr 18 - 15 Apr 19
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	(9.3)	(7.7)	4.4	6.6	3.5
<b>Markit iBoxx GBP Non-Gilts all maturities Index</b>	(8.8)	(7.8)	4.3	6.0	3.4
<b>IA Sterling Corporate Bond Sector</b>	(7.8)	(6.3)	5.8	5.1	2.9
<b>Class I accumulation (Gross)</b>	(8.7)	(7.0)	5.1	7.3	4.2
<b>Markit iBoxx GBP Non-Gilts all maturities Index + 1.25%</b>	(7.7)	(6.6)	5.6	7.3	4.7

Please note that the performance target is to be achieved over a specific annualised time period. Refer to the investment objective and policy above.

\* Benchmark return is not quoted as the fund inception date is earlier than the benchmark inception date.

## Authorised Fund Manager's report (continued)

### Performance summary (continued)

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are as at close of business.

Class I accumulation is disclosed as it is the representative unit class.

### Benchmark usage:

Index: Markit iBoxx GBP Non-Gilts all maturities Index

Index usage: Target

Index description: The Markit iBoxx Non-Gilts all maturities Index is a measure of the combined performance of investment grade corporate bonds issued in pounds sterling. It forms the basis of the fund's performance target.

Peer group: IA Sterling Corporate Bond Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

## Significant portfolio changes for the year ended 15 April 2023

Largest purchases	£000	Largest sales/maturities	£000
UK Treasury 4.25% 07/06/2032	12,135	UK Treasury 4.25% 07/06/2032	11,995
UK Treasury 1.625% 22/10/2028	4,448	UK Treasury 1.75% 07/09/2037	6,617
UK Treasury 4.50% 07/12/2042	4,152	UK Treasury 0.625% 22/10/2050	3,800
UK Treasury 1.75% 07/09/2037	3,820	UK Treasury 4.50% 07/12/2042	3,730
UK Treasury 0.50% 31/01/2029	3,720	Wells Fargo 5.25% 01/08/2023	3,708
UK Treasury 4.25% 07/12/2046	3,597	Heathrow Funding 6.75% 03/12/2026	3,169
Crédit Agricole 4.875% 23/10/2029	3,476	Kreditanstalt fuer Wiederaufbau 0.875% 18/07/2024	3,137
Kreditanstalt fuer Wiederaufbau 1.00% 15/12/2022	3,120	Kreditanstalt fuer Wiederaufbau 1.00% 15/12/2022	3,128
UK Treasury 4.25% 07/12/2040	2,978	UK Treasury 1.50% 22/07/2047	2,705
Church Commissioners for England 3.25% 14/07/2032	2,691	Cadent Finance 2.125% 22/09/2028	2,673
<b>Total purchases</b>	<b>191,609</b>	<b>Total sales/maturities</b>	<b>220,509</b>



### Investment review

The fund fell 9.3% (Net), 8.7% (Gross) based on Class I accumulation over the year under review, compared with a fall of 8.8% in the Markit iBoxx GBP Non-Gilts all maturities Index, a fall of 7.7% in the Target Index + 1.25% and a fall of 7.8% in the IA Sterling Corporate Bond Sector peer group benchmark.

Sterling investment-grade corporate debt delivered a negative total return during the reporting year. Excess returns (versus government equivalents) were also negative. Sterling investment-grade corporate bond spreads widened and endured significant volatility. The principal drivers of the volatility were the impact of energy supply and price disruption in Europe that arose from Russia's invasion of Ukraine and the supply chain and global growth implications of China's slow exit from COVID-19 lockdowns. While energy prices in Europe retreated substantially and China dismantled lockdown restrictions more abruptly and completely than anticipated, inflation remained 'sticky' in major economies and the growth outlook uncertain. In September, spreads moved sharply wider in response to the UK government's mini-budget and the ensuing liability-driven investment crisis. Spreads then tightened in October after the Bank of England (BoE) restored calm by initiating a £65bn emergency package. Meanwhile, central banks maintained aggressive tightening policies as inflation continued to rise in major economies. Towards the end of the year, the implications on bond prices of the prolonged rate-tightening cycle became evident in segments of the US banking sector with the collapse of two mid-sized lenders (Silicon Valley Bank and Silvergate) and UBS' emergency takeover of Credit Suisse in Europe.

The BoE accelerated the pace of monetary tightening with a 50-basis-point (bps) hike in August and a 75 bps increase in November, before reducing the size to 25 bps in March. At the time of writing, the bank rate stood at 4.25%. The 10-year UK gilt yield finished at 3.67%, up from 1.89% at the start of the reporting year.

The fund's underweight positioning in credit beta (credit market sensitivity) benefited relative returns, given the volatility in spreads. Allocations to problematic sectors, notably utilities, and security selection within them, in the case of banks and real estate, helped the fund achieve a performance in line with a negative and volatile benchmark.

At the individual issuer level, an exposure to Credit Suisse senior holding company bonds (the fund held no AT1 exposure), which sit in the higher part of the capital structure, detracted from performance. We sold the position after the outbreak of the crisis, albeit prior to the UBS takeover. We were invested in Credit Suisse because it was a well-capitalised bank with a high liquidity coverage ratio and was trading at what we saw as an attractive relative valuation. However, deposit outflows in recent quarters, coupled with negative headlines and uncertainty about the execution of its strategic plan, made it susceptible to the bank bond sell-off. More positively, allocations to Co-operative, TenneT and Rentokil Initial contributed to performance.

In terms of positioning, we remained cautious and continued to reduce the fund's exposure to cyclical and higher beta sectors. We began to reduce the underweight positions in utilities and telecommunications into stronger supply in the first months of 2023. At the end of the reporting year, the fund was positioned moderately underweight credit relative to the benchmark. March's banking turmoil has increased the risk of recession, particularly in the US, where we expect credit standards to tighten. Credit spreads have widened, although they could deteriorate with further evidence of fragile corporate health, which we believe would present better entry points to move to an overweight credit beta position. The market has priced in the start of interest rate cuts in June due to a weaker economic outlook and the view that high inflation concerns are fading. We, therefore, have maintained an overweight position in interest rate duration relative to the benchmark.

We acknowledge that easing inflationary pressures will accrue from the fall in energy prices, although public sector strikes signal a poor environment for labour cost inflation and secondary effects. We see an environment of policy divergence driving supply/demand imbalances and cross-border volatility, which will need to be navigated. While the effects of the US bank failures and Credit Suisse takeover have been minor in UK markets, the stresses of asset liability re-pricing arising from rapid policy rate hikes have been brought to attention.

The fund has moved close to neutral on banks, with a focus on senior segments of the capital structure and national champions. While we believe that banks' fundamentals have been solid overall and valuations have been attractive relative to industrials, we have reduced the fund's overweight position to acknowledge the additional volatility surrounding the banking sector. An escalation of systemic risk into a full banking crisis is unlikely, as banks are well capitalised and no significant asset quality issues have been identified.

We expect markets to remain volatile over the medium term, and in this uncertain macroeconomic environment, we continue to tilt our investment-grade holdings towards high-quality, non-cyclical companies with strong liquidity and fundamentally robust balance sheets. We expect weaker consumer spending and margin contraction across economies to pressure corporate cash flows and create greater dispersion between winners and losers. Security selection will be an important factor in relative returns. As we navigate these uncertainties, we continue to adhere to our research-driven investment process, taking appropriate risk throughout the economic cycle.

## Comparative tables for the year ended 15 April 2023

	2023 (pence per unit)	Accumulation 2022 (pence per unit)	2021 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	226.72	248.34	238.23
Return before operating charges*	(20.01)	(18.45)	13.32
Operating charges	(2.49)	(3.17)	(3.21)
Return after operating charges*	(22.50)	(21.62)	10.11
Distributions on accumulation units	(3.80)	(2.72)	(2.97)
Retained distributions on accumulation units	3.80	2.72	2.97
Closing net asset value per unit	204.22	226.72	248.34
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(9.92%)	(8.71%)	4.24%
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### Other information

Closing net asset value (£000s)	50,369	64,444	79,384
Closing number of units	24,663,407	28,424,233	31,965,690
Operating charges	1.19%	1.29%	1.29%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest unit price (pence)	226.60	254.50	258.50
Lowest unit price (pence)	184.70	227.70	238.80

	2023 (pence per unit)	Income 2022 (pence per unit)	2021 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	62.73	69.49	67.46
Return before operating charges*	(5.55)	(5.12)	3.76
Operating charges	(0.68)	(0.88)	(0.90)
Return after operating charges*	(6.23)	(6.00)	2.86
Distributions on income units	(1.04)	(0.76)	(0.83)
Closing net asset value per unit	55.46	62.73	69.49
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(9.93%)	(8.63%)	4.24%
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### Other information

Closing net asset value (£000s)	10,837	14,036	17,841
Closing number of units	19,540,939	22,374,090	25,673,695
Operating charges	1.19%	1.29%	1.29%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest unit price (pence)	62.70	71.01	72.74
Lowest unit price (pence)	50.92	63.19	67.61

## Comparative tables (continued)

	Class E accumulation		
	2023 (pence per unit)	2022 (pence per unit)	2021 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	229.94	250.61	239.20
Return before operating charges*	(20.31)	(18.71)	13.40
Operating charges	(1.46)	(1.96)	(1.99)
Return after operating charges*	(21.77)	(20.67)	11.41
Distributions on accumulation units	(4.93)	(3.99)	(4.26)
Retained distributions on accumulation units	4.93	3.99	4.26
Closing net asset value per unit	208.17	229.94	250.61
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(9.47%)	(8.25%)	4.77%
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### Other information

Closing net asset value (£000s)	38,065	44,653	51,421
Closing number of units	18,285,516	19,418,930	20,517,954
Operating charges	0.69%	0.79%	0.79%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest unit price (pence)	229.90	257.20	260.50
Lowest unit price (pence)	187.80	230.90	239.80

	Class E income		
	2023 (pence per unit)	2022 (pence per unit)	2021 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	62.73	69.50	67.46
Return before operating charges*	(5.55)	(5.13)	3.79
Operating charges	(0.40)	(0.54)	(0.56)
Return after operating charges*	(5.95)	(5.67)	3.23
Distributions on income units	(1.33)	(1.10)	(1.19)
Closing net asset value per unit	55.45	62.73	69.50
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(9.49%)	(8.16%)	4.79%
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### Other information

Closing net asset value (£000s)	21,890	27,086	32,054
Closing number of units	39,476,362	43,179,437	46,123,721
Operating charges	0.69%	0.79%	0.79%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest unit price (pence)	62.71	71.04	72.82
Lowest unit price (pence)	50.98	63.27	67.62

## Comparative tables (continued)

	Class I accumulation		
	2023 (pence per unit)	2022 (pence per unit)	2021 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	138.64	150.99	144.01
Return before operating charges*	(12.24)	(11.28)	8.05
Operating charges	(0.78)	(1.07)	(1.07)
Return after operating charges*	(13.02)	(12.35)	6.98
Distributions on accumulation units	(3.07)	(2.53)	(2.68)
Retained distributions on accumulation units	3.07	2.53	2.68
Closing net asset value per unit	125.62	138.64	150.99
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(9.39%)	(8.18%)	4.85%
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### Other information

Closing net asset value (£000s)	65,114	88,537	124,467
Closing number of units	51,836,288	63,859,375	82,434,968
Operating charges	0.61%	0.71%	0.71%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest unit price (pence)	138.60	155.00	156.90
Lowest unit price (pence)	113.30	139.20	144.30

	Class I income		
	2023 (pence per unit)	2022 (pence per unit)	2021 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	107.86	119.49	116.00
Return before operating charges*	(9.55)	(8.80)	6.50
Operating charges	(0.60)	(0.84)	(0.86)
Return after operating charges*	(10.15)	(9.64)	5.64
Distributions on income units	(2.37)	(1.99)	(2.15)
Closing net asset value per unit	95.34	107.86	119.49
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(9.41%)	(8.07%)	4.86%
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### Other information

Closing net asset value (£000s)	18,745	25,485	33,741
Closing number of units	19,661,099	23,629,034	28,236,828
Operating charges	0.61%	0.71%	0.71%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest unit price (pence)	107.80	122.20	125.20
Lowest unit price (pence)	87.66	108.80	116.30

## Comparative tables (continued)

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### **Operating charges**

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the unit class.

### **Unit class launches and closures**

There were no unit classes launched or closed during the year.

## Ongoing charge figure

The annualised ongoing charge figure (OCF) of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the year, except for expenses that are explicitly excluded by regulation.

	2023 %	2022 %	Estimated OCF from 3 May 2022 <sup>1</sup> %
<b>Accumulation</b>	1.19 <sup>2</sup>	1.29	1.19
<b>Income</b>	1.19 <sup>2</sup>	1.29	1.19
<b>Class E accumulation</b>	0.69 <sup>3</sup>	0.79	0.69
<b>Class E income</b>	0.69 <sup>3</sup>	0.79	0.69
<b>Class I accumulation</b>	0.61 <sup>3</sup>	0.71	0.61
<b>Class I income</b>	0.61 <sup>3</sup>	0.71	0.61

The OCF is calculated in accordance with guidelines issued by the European Securities and Markets Authority (ESMA).

The ongoing charge includes fees payable to Distributors. In some cases where the fund's outperformance target (before the deduction of charges) relative to the benchmark has been achieved, the return for an individual class may ultimately be below the benchmark return if its ongoing charge exceeds the outperformance.

<sup>1</sup> The estimated ongoing charge is based on the new Annual Management Charge (AMC) rates from 3 May 2022.

<sup>2</sup> The AMC on Accumulation and Income, decreased from 1.10% to 1.00% on 3 May 2022 and therefore the rate applied is not consistent throughout the year.

<sup>3</sup> The AMC on Class E accumulation, Class E income, Class I accumulation and Class I income decreased from 0.60% to 0.50% on 3 May 2022 and therefore the rate applied is not consistent throughout the year.

## Risk and reward profile

The fund currently has 6 types of unit class in issue: Accumulation units, Income units, E accumulation, E income, I accumulation and I income.

Each unit class has the same risk and reward profile which is as follows:



The unit classes appear at 4 out of 7. Units in higher categories have shown greater and/or more frequent variations in Net Asset Value in the past five years than those in lower categories. The lowest category does not mean risk free.

The Synthetic Risk and Reward Indicator (SRRI) is calculated based on historical volatility over a rolling five\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your units they may be worth less than you paid for them.

The rating above is based on the historic volatility of the unit classes. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

The full list of the fund's risks are contained in the 'Risk Warnings' section of the fund's prospectus.

The risk rating for all the unit classes increased from 3 to 4 during the year. The ratings may change over time as a fund takes on more or less risky investments or where market conditions become more or less volatile. At unit class level the ratings may differ dependent on the class currency and may be influenced by currency movements and the impact of inflows and outflows.

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class E accumulation and Class E income launched on 24 June 2019. As these unit classes do not have a five year history, a synthetic history has been created using the Accumulation and Income unit classes, respectively.

## Portfolio statement as at 15 April 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Bonds 95.24% (2022: 98.50%)</b>		
	<b>Australia 0.00% (2022: 0.93%)</b>		
	<b>Variable Rate Bond 0.00% (2022: 0.93%)</b>		
	<b>Belgium 1.71% (2022: 0.99%)</b>		
	<b>Fixed Rate Bond 0.27% (2022: 0.36%)</b>		
EUR 900,000	VGP 2.25% 17/01/2030	544	0.27
	<b>Variable Rate Bond 1.44% (2022: 0.63%)</b>		
GBP 1,800,000	KBC 1.25% 21/09/2027	1,561	0.76
GBP 1,400,000	KBC 5.50% 20/09/2028	1,389	0.68
		2,950	1.44
	<b>Denmark 1.43% (2022: 0.25%)</b>		
	<b>Fixed Rate Bond 0.72% (2022: 0.00%)</b>		
GBP 1,500,000	Orsted 4.875% 12/01/2032	1,472	0.72
	<b>Variable Rate Bond 0.71% (2022: 0.25%)</b>		
GBP 1,490,000	Danske Bank 4.625% 13/04/2027	1,463	0.71
	<b>Finland 0.56% (2022: 0.48%)</b>		
	<b>Variable Rate Bond 0.56% (2022: 0.48%)</b>		
GBP 1,410,000	Nordea Bank 1.625% 09/12/2032	1,148	0.56
	<b>France 8.71% (2022: 6.56%)</b>		
	<b>Fixed Rate Bond 7.88% (2022: 4.83%)</b>		
GBP 1,400,000	Banque Fédérative du Crédit Mutuel 1.00% 16/07/2026	1,232	0.60
GBP 1,800,000	Banque Fédérative du Crédit Mutuel 5.00% 19/01/2026	1,789	0.87
GBP 1,200,000	BNP Paribas 2.875% 24/02/2029	1,040	0.51
GBP 1,800,000	BNP Paribas 5.75% 13/06/2032	1,822	0.89
GBP 3,500,000	Crédit Agricole 4.875% 23/10/2029	3,455	1.68
GBP 2,300,000	Electricité de France 5.50% 25/01/2035	2,167	1.06
GBP 2,700,000	Electricité de France 5.625% 25/01/2053	2,403	1.17
GBP 1,200,000	Engie 5.625% 03/04/2053	1,176	0.57
GBP 1,000,000	Engie 7.00% 30/10/2028	1,083	0.53
		16,167	7.88
	<b>Variable Rate Bond 0.83% (2022: 1.73%)</b>		
GBP 500,000	BPCE 2.50% 30/11/2032	414	0.20
GBP 1,300,000	Crédit Agricole 5.75% 29/11/2027	1,293	0.63
		1,707	0.83
	<b>Germany 2.07% (2022: 4.29%)</b>		
	<b>Fixed Rate Bond 1.56% (2022: 3.56%)</b>		
GBP 600,000	Aroundtown 3.00% 16/10/2029	374	0.18
GBP 950,000	E.ON Finance 6.125% 06/07/2039	982	0.48
GBP 783,000	Kreditanstalt fuer Wiederaufbau 0.875% 18/07/2024	746	0.37
GBP 1,100,000	Siemens Financieringsmaatschappij 0.875% 05/06/2023	1,094	0.53
		3,196	1.56



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Variable Rate Bond 0.51% (2022: 0.73%)</b>		
GBP 1,100,000	Deutsche Bank 6.125% 12/12/2030	1,055	0.51
	<b>Iceland 0.00% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 0.00% (2022: 0.00%)</b>		
GBP 1,625,000	Kaupthing Singer & Friedlander 7.50% 13/11/2019 <sup>1</sup>	-	-
	<b>Ireland 0.00% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 0.00% (2022: 0.00%)</b>		
GBP 3,350,000	Lambay Capital Securities 6.25% Perpetual <sup>2</sup>	-	-
	<b>Italy 0.89% (2022: 1.72%)</b>		
	<b>Fixed Rate Bond 0.89% (2022: 1.72%)</b>		
GBP 1,200,000	Enel Finance International 2.875% 11/04/2029	1,044	0.51
GBP 800,000	Enel Finance International 5.75% 14/09/2040	791	0.38
		1,835	0.89
	<b>Japan 1.48% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 1.48% (2022: 0.00%)</b>		
GBP 2,000,000	East Japan Railway 1.162% 15/09/2028	1,654	0.81
GBP 1,380,000	Toyota Motor Finance Netherlands 4.625% 08/06/2026	1,372	0.67
		3,026	1.48
	<b>Luxembourg 0.00% (2022: 0.85%)</b>		
	<b>Fixed Rate Bond 0.00% (2022: 0.85%)</b>		
	<b>Netherlands 1.45% (2022: 0.79%)</b>		
	<b>Fixed Rate Bond 1.45% (2022: 0.79%)</b>		
GBP 1,300,000	ING 3.00% 18/02/2026	1,223	0.60
GBP 920,000	Shell International Finance 1.00% 10/12/2030	702	0.34
EUR 1,090,000	TenneT 4.75% 28/10/2042	1,047	0.51
		2,972	1.45
	<b>Norway 1.02% (2022: 0.55%)</b>		
	<b>Variable Rate Bond 1.02% (2022: 0.55%)</b>		
GBP 2,190,000	DNB Bank 4.00% 17/08/2027	2,089	1.02
	<b>Spain 2.10% (2022: 0.51%)</b>		
	<b>Fixed Rate Bond 1.29% (2022: 0.51%)</b>		
GBP 1,400,000	Banco Santander 5.125% 25/01/2030	1,370	0.67
GBP 1,250,000	Iberdrola Finanzas 7.375% 29/01/2024	1,268	0.62
		2,638	1.29
	<b>Variable Rate Bond 0.81% (2022: 0.00%)</b>		
GBP 1,700,000	Banco Santander 4.75% 30/08/2028	1,653	0.81

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Supranational 4.49% (2022: 2.98%)</b>		
	<b>Fixed Rate Bond 4.49% (2022: 2.98%)</b>		
GBP 3,550,000	European Investment Bank 1.375% 07/03/2025	3,356	1.64
GBP 2,250,000	European Investment Bank 5.625% 07/06/2032	2,540	1.24
GBP 1,200,000	International Bank for Reconstruction & Development 0.875% 13/12/2024	1,127	0.55
GBP 2,200,000	International Finance 4.125% 28/11/2025	2,183	1.06
		<u>9,206</u>	<u>4.49</u>
	<b>Sweden 0.00% (2022: 0.50%)</b>		
	<b>Variable Rate Bond 0.00% (2022: 0.50%)</b>		
	<b>Switzerland 1.65% (2022: 3.04%)</b>		
	<b>Fixed Rate Bond 0.18% (2022: 1.14%)</b>		
GBP 369,000	Nestlé 2.25% 30/11/2023	<u>363</u>	<u>0.18</u>
	<b>Variable Rate Bond 1.47% (2022: 1.90%)</b>		
GBP 2,400,000	Credit Suisse 2.25% 09/06/2028	2,026	0.99
GBP 1,100,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	<u>996</u>	<u>0.48</u>
		<u>3,022</u>	<u>1.47</u>
	<b>United Kingdom 51.05% (2022: 58.70%)</b>		
	<b>Fixed Rate Bond 45.00% (2022: 50.73%)</b>		
GBP 740,000	Accent Capital 2.625% 18/07/2049	485	0.24
GBP 1,100,000	Affordable Housing Finance 2.893% 11/08/2043	880	0.43
GBP 1,100,000	Anchor Hanover 2.00% 21/07/2051	603	0.29
GBP 1,140,000	Annington Funding 2.308% 06/10/2032	823	0.40
GBP 1,040,000	Annington Funding 4.75% 09/08/2033	912	0.45
GBP 900,000	Barclays 3.00% 08/05/2026	832	0.41
GBP 460,000	BAT International Finance 2.25% 26/06/2028	377	0.18
GBP 1,330,000	Blend Funding 'B' 3.459% 21/09/2047	1,021	0.50
GBP 700,000	BPHA Finance 4.816% 11/04/2044	663	0.32
GBP 1,680,000	British Telecommunications 5.75% 13/02/2041	1,622	0.79
GBP 1,300,000	Cadent Finance 2.125% 22/09/2028	1,102	0.54
GBP 1,500,000	Cadent Finance 2.25% 10/10/2035	1,046	0.51
GBP 600,000	Cadent Finance 2.625% 22/09/2038	409	0.20
GBP 2,700,000	Church Commissioners for England 3.25% 14/07/2032	2,437	1.19
GBP 2,700,000	Diageo Finance 2.375% 08/06/2028	2,434	1.19
GBP 650,000	Dwr Cymru Financing 2.375% 31/03/2034	479	0.23
GBP 1,260,000	ENW Finance 4.893% 24/11/2032	1,225	0.60
GBP 1,700,000	Experian Finance 2.125% 27/09/2024	1,627	0.79
GBP 2,100,000	GlaxoSmithKline Capital 1.25% 12/10/2028	1,770	0.86
GBP 1,230,000	GlaxoSmithKline Capital 1.625% 12/05/2035	877	0.43
GBP 540,000	GreenSquareAccord 5.25% 30/11/2047	515	0.25
EUR 780,000	GSK Capital 3.125% 28/11/2032	670	0.33
GBP 500,000	HSBC 6.00% 29/03/2040	455	0.22
GBP 1,710,000	Jersey International 2.875% 06/05/2052	1,189	0.58
GBP 1,450,000	Land Securities Capital Markets 2.375% 29/03/2027	1,308	0.64
GBP 2,300,000	Logicor 1.875% 17/11/2026	2,026	0.99
GBP 750,000	London Power Networks 2.625% 01/03/2029	655	0.32
GBP 1,400,000	London Stock Exchange 1.625% 06/04/2030	1,140	0.56
GBP 1,750,000	Motability Operations 4.875% 17/01/2043	1,707	0.83
GBP 1,780,000	National Grid Electricity Transmission 1.125% 07/07/2028	1,460	0.71

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond</b> (continued)			
GBP 1,200,000	National Grid Electricity Transmission 2.75% 06/02/2035	918	0.45
GBP 1,030,000	NATS En Route 1.375% 31/03/2031	878	0.43
GBP 520,000	NATS En Route 1.75% 30/09/2033	381	0.19
GBP 1,130,000	NatWest Markets 6.375% 08/11/2027	1,176	0.57
GBP 610,000	NIE Finance 5.875% 01/12/2032	638	0.31
GBP 420,000	Northern Powergrid (Northeast) 3.25% 01/04/2052	304	0.15
GBP 400,000	Northern Powergrid (Yorkshire) 5.125% 04/05/2035	396	0.19
GBP 870,000	Northumbrian Water Finance 4.50% 14/02/2031	820	0.40
GBP 1,200,000	Notting Hill Genesis 2.875% 31/01/2029	1,063	0.52
GBP 800,000	Paradigm 2.25% 20/05/2051	474	0.23
GBP 900,000	Peabody Capital No.2 2.75% 02/03/2034	724	0.35
GBP 2,900,000	PRS Finance 1.50% 24/08/2034	2,151	1.05
GBP 756,815	PRS Finance 1.75% 24/11/2026	691	0.34
GBP 1,100,000	RAC Bond 4.565% 06/05/2023	1,098	0.54
GBP 1,100,000	RAC Bond 4.87% 06/05/2026	1,014	0.49
GBP 1,540,000	Rentokil Initial 5.00% 27/06/2032	1,493	0.73
GBP 1,550,000	Sage 2.875% 08/02/2034	1,233	0.60
GBP 560,000	Sanctuary Capital 2.375% 14/04/2050	335	0.16
GBP 1,820,000	Severn Trent Utilities Finance 4.625% 30/11/2034	1,712	0.85
GBP 530,000	Severn Trent Utilities Finance 5.25% 04/04/2036	526	0.26
GBP 1,400,000	SSE 8.375% 20/11/2028	1,605	0.78
GBP 1,580,000	Stonewater 1.625% 10/09/2036	1,065	0.52
GBP 1,460,000	Telereal Securitisation 3.5625% 10/12/2031	1,291	0.63
GBP 1,840,000	Tesco Corporate Treasury Services 5.50% 27/02/2035	1,791	0.87
GBP 600,000	Thames Water Utilities Finance 2.375% 22/04/2040	379	0.18
GBP 1,200,000	Thames Water Utilities Finance 2.625% 24/01/2032	968	0.47
GBP 1,400,000	Thames Water Utilities Finance 4.00% 19/06/2025	1,368	0.67
GBP 800,000	TP ICAP Finance 2.625% 18/11/2028	618	0.30
GBP 4,400,000	UK Treasury 0.50% 31/01/2029	3,688	1.80
GBP 110,000	UK Treasury 0.625% 22/10/2050	49	0.02
GBP 2,848,953	UK Treasury 1.25% 22/10/2041	1,838	0.90
GBP 960,000	UK Treasury 1.25% 31/07/2051	520	0.25
GBP 2,702,000	UK Treasury 1.50% 22/07/2047	1,658	0.81
GBP 2,900,000	UK Treasury 1.625% 22/10/2028	2,632	1.28
GBP 1,645,000	UK Treasury 1.75% 07/09/2037	1,260	0.61
GBP 3,017,029	UK Treasury 3.25% 22/01/2044	2,688	1.31
GBP 1,000,000	UK Treasury 3.25% 31/01/2033	968	0.47
GBP 1,000,000	UK Treasury 3.75% 22/07/2052	960	0.47
GBP 830,000	UK Treasury 4.25% 07/12/2040	859	0.42
GBP 2,280,000	UK Treasury 4.25% 07/12/2046	2,359	1.15
GBP 1,270,000	UK Treasury 4.25% 07/12/2055	1,341	0.65
GBP 1,590,000	Unilever 1.875% 15/09/2029	1,360	0.66
GBP 820,000	United Utilities Water Finance 5.125% 06/10/2038	808	0.39
GBP 1,860,000	University of Oxford 2.544% 08/12/2017	994	0.49
GBP 2,600,000	Vodafone 5.125% 02/12/2052	2,388	1.17
GBP 710,000	Wellcome Trust Finance 4.625% 25/07/2036	723	0.35
GBP 1,016,000	Wessex Water Services Finance 1.50% 17/09/2029	798	0.39
GBP 620,000	Wessex Water Services Finance 5.125% 31/10/2032	604	0.30
GBP 1,280,000	Westfield Stratford City Finance 1.642% 04/08/2026	1,117	0.54
GBP 2,140,000	Whitbread 2.375% 31/05/2027	1,843	0.90
GBP 600,000	WPP Finance 2013 2.875% 14/09/2046	360	0.18

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond (continued)</b>			
GBP 930,000	Wrekin Housing 2.50% 22/10/2048	575	0.28
		92,249	45.00
<b>Variable Rate Bond 6.05% (2022: 7.97%)</b>			
GBP 2,350,000	Aviva 6.125% 14/11/2036	2,340	1.14
GBP 1,240,000	BUFA Finance 4.00% Perpetual	795	0.39
GBP 2,000,000	HSBC 5.844% Perpetual	2,046	1.00
GBP 1,070,000	HSBC 8.201% 16/11/2034	1,140	0.56
GBP 1,170,000	Lloyds Bank 6.625% 02/06/2033	1,179	0.58
GBP 1,250,000	NatWest 2.105% 28/11/2031	1,068	0.52
GBP 1,140,000	NatWest 3.619% 29/03/2029	1,034	0.50
GBP 1,700,000	Santander UK 2.92% 08/05/2026	1,585	0.77
GBP 1,180,000	Santander UK 7.098% 16/11/2027	1,212	0.59
		12,399	6.05
<b>United States 16.63% (2022: 15.36%)</b>			
<b>Fixed Rate Bond 12.45% (2022: 13.58%)</b>			
GBP 1,700,000	Amgen 4.00% 13/09/2029	1,596	0.78
GBP 800,000	Apple 3.60% 31/07/2042	700	0.34
GBP 1,700,000	AT&T 4.375% 14/09/2029	1,611	0.79
GBP 1,450,000	AT&T 7.00% 30/04/2040	1,624	0.79
GBP 1,500,000	Bank of America 2.30% 25/07/2025	1,419	0.69
GBP 886,000	GE Capital UK Funding 5.875% 18/01/2033	906	0.44
GBP 1,250,000	International Business Machines 4.875% 06/02/2038	1,193	0.58
EUR 570,000	Medtronic Global 3.125% 15/10/2031	487	0.24
GBP 1,350,000	Metropolitan Life Global Funding I 4.125% 02/09/2025	1,318	0.64
GBP 1,220,000	Metropolitan Life Global Funding I 5.00% 10/01/2030	1,212	0.59
GBP 1,280,000	Nestlé 2.50% 04/04/2032	1,090	0.53
GBP 1,460,000	New York Life Global Funding 0.75% 14/12/2028	1,175	0.57
GBP 1,600,000	New York Life Global Funding 4.35% 16/09/2025	1,574	0.77
GBP 1,550,000	Pacific Life Global Funding II 5.00% 12/01/2028	1,544	0.75
GBP 2,200,000	PepsiCo 3.20% 22/07/2029	2,031	0.99
GBP 1,085,000	Pfizer 2.735% 15/06/2043	784	0.38
GBP 1,230,000	Procter & Gamble 6.25% 31/01/2030	1,353	0.66
GBP 600,000	Time Warner Cable 5.75% 02/06/2031	573	0.28
GBP 850,000	Walmart 5.625% 27/03/2034	930	0.46
GBP 1,200,000	Walmart 5.75% 19/12/2030	1,305	0.64
GBP 1,300,000	Wells Fargo 2.50% 02/05/2029	1,104	0.54
		25,529	12.45
<b>Variable Rate Bond 4.18% (2022: 1.78%)</b>			
GBP 1,610,000	Bank of America 3.584% 27/04/2031	1,439	0.70
GBP 2,230,000	Goldman Sachs 3.625% 29/10/2029	2,020	0.99
GBP 1,700,000	JPMorgan Chase 0.991% 28/04/2026	1,558	0.76
GBP 2,100,000	JPMorgan Chase 1.895% 28/04/2033	1,622	0.79
GBP 1,900,000	Morgan Stanley 5.789% 18/11/2033	1,936	0.94
		8,575	4.18

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Derivatives (0.15%) (2022: 0.05%)</b>		
	<b>Futures (0.04%) (2022: 0.04%)</b>		
3	EUX Euro Bund June 2023	(2)	-
(34)	EUX Euro Bobl June 2023	(61)	(0.03)
(5)	EUX Euro Buxl 30 Year Bond June 2023	(23)	(0.01)
(6)	ICE Long Gilt June 2023	5	-
		<u>(81)</u>	<u>(0.04)</u>
	<b>Swaps (0.11%) (2022: (0.01%))<sup>3</sup></b>		
	<b>Credit Default Index Swaps (0.11%) (2022: (0.00%))<sup>3</sup></b>		
6,900,000	CDX 5.00% 20/06/2028 iTraxx-Crossover Pay EUR	(177)	(0.09)
1,700,000	CDX 5.00% 20/06/2028 iTraxx-Crossover Pay EUR	(43)	(0.02)
		<u>(220)</u>	<u>(0.11)</u>
	<b>Credit Default Swaps (0.00%) (2022: (0.01%))<sup>3</sup></b>		
	<b>Forward Foreign Exchange Contracts 0.00% (2022: 0.02%)<sup>3</sup></b>		
	Buy EUR 736,834 : Sell GBP 650,783 April 2023	1	-
	Buy EUR 78,003 : Sell GBP 68,894 April 2023 <sup>4</sup>	-	-
	Buy EUR 1,379,942 : Sell GBP 1,218,786 April 2023	2	-
	Buy EUR 37,761 : Sell GBP 33,305 April 2023 <sup>4</sup>	-	-
	Buy EUR 327,971 : Sell GBP 289,265 April 2023	1	-
	Buy EUR 34,583 : Sell GBP 30,469 April 2023 <sup>4</sup>	-	-
	Buy EUR 422,412 : Sell GBP 371,930 April 2023	2	-
	Buy EUR 3,437,595 : Sell GBP 3,023,706 April 2023	17	0.01
	Buy EUR 35,118 : Sell GBP 30,873 April 2023 <sup>4</sup>	-	-
	Buy EUR 53,947 : Sell GBP 47,401 April 2023	1	-
	Buy EUR 3,704 : Sell GBP 3,251 April 2023 <sup>4</sup>	-	-
	Buy EUR 57,096 : Sell GBP 50,077 April 2023	1	-
	Buy EUR 25,101 : Sell GBP 22,011 April 2023 <sup>4</sup>	-	-
	Buy EUR 37,764 : Sell GBP 33,103 April 2023 <sup>4</sup>	-	-
	Buy GBP 51,184 : Sell EUR 57,902 April 2023 <sup>4</sup>	-	-
	Buy GBP 4,906,542 : Sell EUR 5,552,829 April 2023	(6)	-
	Buy GBP 28,357 : Sell EUR 32,248 April 2023 <sup>4</sup>	-	-
	Buy GBP 34,935 : Sell EUR 39,738 April 2023 <sup>4</sup>	-	-
	Buy GBP 49,127 : Sell EUR 55,906 April 2023 <sup>4</sup>	-	-
	Buy GBP 34,564 : Sell EUR 39,374 April 2023 <sup>4</sup>	-	-
	Buy GBP 646,529 : Sell EUR 736,707 April 2023	(5)	-
	Buy GBP 45,703 : Sell EUR 52,078 April 2023	(1)	-
	Buy GBP 88,480 : Sell EUR 101,050 April 2023	(1)	-
	Buy GBP 31,018 : Sell EUR 35,026 May 2023 <sup>4</sup>	-	-
	Buy GBP 49,936 : Sell EUR 56,626 May 2023 <sup>4</sup>	-	-
	Buy GBP 3,027,265 : Sell EUR 3,437,595 May 2023	(18)	(0.01)
		<u>(6)</u>	<u>-</u>
	<b>Investment assets including investment liabilities</b>	<b>194,951</b>	<b>95.09</b>
	Other net assets	10,069	4.91
	<b>Total net assets</b>	<b>205,020</b>	<b>100.00</b>

<sup>1</sup> Defaulted

<sup>2</sup> Manually priced securities

<sup>3</sup> Not listed on an official stock exchange

<sup>4</sup> Due to rounding to nearest £1,000

All investments are listed on recognised stock exchanges or are 'approved securities' within the meaning of FCA rules unless otherwise stated.

## Statement of Authorised Fund Manager's responsibilities for the year ended 15 April 2023

The FCA's COLL requires the AFM to prepare financial statements for each annual accounting year which give a true and fair view, in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 and amended in June 2017, UK Generally Accepted Accounting Practice (UK GAAP) (UK Accounting Standards, comprising the Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland), of the financial affairs of the fund and of its revenue/expenditure for the year. In preparing the financial statements the AFM is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the SORP for Authorised Funds issued by the IMA in May 2014 and amended in June 2017;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared by JHFMUKL, comply with the above requirements;
- make best judgements and estimates that are reasonable; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue in operation for the foreseeable future.

The AFM is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and the Regulations. The AFM is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement of the Trustee's responsibilities and report of the Trustee to the unitholders of Janus Henderson Sterling Bond Unit Trust (the 'Scheme') for the year ended 15 April 2023

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Trustee must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units in the Scheme is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the AFM are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Scheme, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Schemes income in accordance with the Regulations and the Scheme documents, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Natwest Trustee and Depositary Services Limited  
London  
10 July 2023

# Independent Auditors' report to the unitholders of Janus Henderson Sterling Bond Unit Trust

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Janus Henderson Sterling Bond Unit Trust (the 'fund'):

- give a true and fair view of the financial position of the fund as at 15 April 2023 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the Balance sheet as at 15 April 2023; the Statement of total return and the Statement of change in net assets attributable to unitholders for the year then ended; the Distribution tables; the Accounting policies; and the Notes to the financial statements.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the fund's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the fund's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Fund Manager with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

### Authorised Fund Manager's Report

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# Independent Auditors' report to the unitholders of Janus Henderson Sterling Bond Unit Trust (continued)

## Responsibilities for the financial statements and the audit

### Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of Authorised Fund Manager's responsibilities, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intends to wind up or terminate the fund, or has no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the fund/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the fund. Audit procedures performed included:

- Discussions with the Authorised Fund Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Fund Manager's board of directors;
- Identifying and testing journal entries, specifically manual journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# Independent Auditors' report to the unitholders of Janus Henderson Sterling Bond Unit Trust (continued)

## Other required reporting

### Opinion on matter required by the Collective Investment Schemes sourcebook

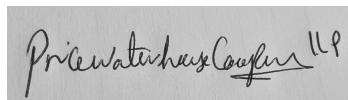
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

### Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, reading "PricewaterhouseCoopers LLP", is written over a grey rectangular background.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
10 July 2023

## Statement of total return for the year ended 15 April 2023

	Note	2023		2022	
		£000	£000	£000	£000
Income					
Net capital losses	4		(29,520)		(29,125)
Revenue	5	6,799		7,409	
Expenses	6	(1,833)		(2,776)	
Interest payable and similar charges	7	-		(1)	
Net revenue before taxation		4,966		4,632	
Taxation	8	-		-	
Net revenue after taxation			4,966		4,632
Total return before distributions			(24,554)		(24,493)
Distributions	9		(4,966)		(4,631)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(29,520)</b>		<b>(29,124)</b>

## Statement of change in net assets attributable to unitholders for the year ended 15 April 2023

	2023		2022	
	£000	£000	£000	£000
<b>Opening net assets attributable to unitholders</b>		<b>264,241</b>		<b>338,908</b>
Amounts receivable on issue of units	2,172		4,375	
Amounts payable on cancellation of units	(35,501)		(53,309)	
		(33,329)		(48,934)
Change in net assets attributable to unitholders from investment activities		(29,520)		(29,124)
Retained distributions on accumulation units		3,617		3,380
Unclaimed distributions		11		11
<b>Closing net assets attributable to unitholders</b>		<b>205,020</b>		<b>264,241</b>

## Balance sheet

as at 15 April 2023

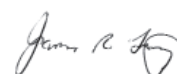
	Note	2023 £000	2022 £000
<b>Assets:</b>			
Investments		195,288	260,759
Current assets:			
Debtors	10	2,872	3,237
Cash and bank balances	11	8,329	2,031
<b>Total assets</b>		<b>206,489</b>	<b>266,027</b>
<b>Liabilities:</b>			
Investment liabilities		337	349
Creditors:			
Amounts held at derivative clearing houses and brokers		8	379
Distributions payable		356	272
Other creditors	12	768	786
<b>Total liabilities</b>		<b>1,469</b>	<b>1,786</b>
<b>Net assets attributable to unitholders</b>		<b>205,020</b>	<b>264,241</b>

## Directors' statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority. We hereby certify the investment review and financial statements on behalf of the Directors of Janus Henderson Fund Management UK Limited.



R Chaudhuri  
(Director)



JR Lowry  
(Director)

10 July 2023

## **1 Accounting policies**

### **(a) Basis of preparation**

The financial statements of Janus Henderson Sterling Bond Unit Trust (the 'fund') have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the SORP for UK Authorised Funds issued by the IMA in May 2014 and amended in June 2017, FRS 102, the FCA's COLL, Trust Deed and Prospectus.

The financial statements have been prepared on a going concern basis.

### **(b) Basis of valuation of investments**

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last working day of the accounting year (14 April 2023) in accordance with the provisions of the scheme particulars.

The AFM reviews and approves fair value pricing decisions on a regular basis with the support of the Janus Henderson EMEA Pricing Committee (EPC). The Committee reports to the Board of Directors on suspended, defaulted, delisted, unquoted or manually priced securities, taking into consideration where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

The realised and unrealised gains and losses derived from investments in Non-derivative securities are included in Net capital losses in the Statement of total return.

Derivative assets and liabilities are valued at the fair value price to close out the contract at the Balance sheet date, using available market prices or an assessment of fair value based on counterparty valuations and appropriate pricing models.

### **(c) Revenue recognition**

Dividends receivable from quoted equity and non equity shares are credited to revenue, when the security is quoted ex-dividend. Dividends on unquoted stocks are credited to revenue when the dividend is announced.

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment. The effective yield is a calculation that amortises any discount or premium on the purchase of an investment over its remaining life based on estimated cash flows.

Bank interest and revenue earned from derivatives are recognised on an accruals basis.

Stock lending revenue is accounted for on an accruals basis, net of bank charges, agent fees and any withholding tax deducted.

Where a Bond future is deemed to be tracking the total return, including dividend/coupon yield, on an underlying instrument, a future bifurcation adjustment is manually calculated and transferred from capital to revenue to be accounted for within derivative revenue. The adjustment for the total return of each position considers the difference between the yield of the underlying index of each future and the cost of borrowing based on risk free rates over the reporting period.

If any revenue receivable at the Balance sheet date is not considered recoverable, a provision is made for the relevant amount.

### **(d) Treatment of expenses (including AFM expenses)**

All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

### **Annual Management Charge**

In payment for carrying out its duties and responsibilities the AFM is entitled to take an annual fee out of the fund's property, calculated as a percentage of the relevant value of the property of each class of the fund. The AMC is accrued on a daily basis by reference to the net asset value of each unit class on the previous dealing day and the amount due for each month is payable on the last working day of the month.

### **General Administration Charge**

All fees with the exception of the AMC, Trustee and safe custody fees have been replaced by a single ad valorem charge, the General Administration Charge (GAC). The AFM believes that this creates more efficiency around the charging process than more traditional methods. The GAC is calculated as a percentage of the scheme property and the amount each unit class in the fund will pay will depend on that unit class' proportionate interest in the property of the fund. The GAC accrues on a daily basis and is payable to the AFM by each unit class monthly.

### **Allocation of revenue and expenses to multiple unit classes**

With the exception of the AMC and the GAC, which are directly attributable to individual unit classes, all revenue and expenses are allocated to unit classes pro rata to the value of the net assets of the relevant unit class on the day that the revenue or expense is incurred.

### **(e) Exchange rates**

Foreign currency transactions are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies at the end of the accounting year are translated into sterling at the exchange rates prevailing at close of business on the last valuation day of the accounting year.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (f) Taxation

Provision is made for tax at the current rates on the excess of taxable revenue over allowable expenses, with relief for overseas taxation taken where appropriate.

Corporation tax is charged at 20% of the revenue liable to corporation tax less expenses.

Deferred tax is provided on all timing differences that have originated but not reversed at the Balance sheet date other than those recorded as permanent differences. Deferred tax is provided at the standard rate of 20%. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent it is regarded as more likely than not that there will be taxable profits against which the future reversal of underlying timing differences can be offset.

#### (g) Cash flow statement

The fund is not required to produce a cash flow statement as it meets the exemption criteria set out in FRS 102 7.1A as the fund's investments are highly liquid, are carried at market value and a Statement of change in net assets attributable to unitholders is provided for the fund.

#### (h) Treatment of derivatives

Derivative transactions are accounted for on a trade date basis. Where such transactions are used to protect or enhance revenue and the circumstances support it, the revenue and expenses derived there from are included in Revenue in the Statement of total return on an accruals basis. Where such transactions are used to protect or enhance capital and the circumstances support it, the gains and losses derived there from are included in Net capital gains/(losses) in the Statement of total return.

In pursuing its investment objectives, the fund may hold a number of financial instruments.

#### Swaps

Open credit default swaps (CDS) and credit default index swaps (CDX) are shown in the Portfolio statement at fair value and the net capital gains/(losses) are reflected within Derivative securities in Net capital gains/(losses). Premiums receivable or payable on CDS and CDX are included in the Revenue account on an accruals basis.

#### Forward foreign currency contracts

Open forward currency contracts are shown in the Portfolio statement at fair value and the net gains/(losses) are reflected in Forward currency contracts in Net capital gains/(losses).

#### Bond futures contracts

The unrealised gain/(loss) on open future contracts is disclosed in the Portfolio statement. The margins paid on these contracts are included in amounts held at derivative clearing houses and brokers. The net gains/(losses) are apportioned between the revenue account and derivative securities in Net capital gains/(losses), reflecting the nature of the total return. The basis of the apportionment is typically made by reference to the yield on the underlying security or index or other appropriate source.

#### (i) Dilution adjustment

The fund is priced on a single swinging price basis. The AFM has the discretion to charge a dilution adjustment when there is a large volume of deals and, in accordance with the FCA regulations, to pay this amount into the fund by swinging the price of the units purchased or sold. In particular the AFM reserves the right to make such an adjustment in the following circumstances:

- On a fund experiencing large levels of net purchases (i.e. purchases less redemptions), relative to its size;
- On a fund experiencing large levels of net redemptions (i.e. redemptions less purchases), relative to its size;
- In any other case where the AFM is of the opinion that the interests of existing or continuing unitholders and potential investors require the imposition of a dilution adjustment.

### 2 Distribution policy

The distribution policy of the fund is to distribute/accumulate all available revenue, after the deduction of expenses properly chargeable against revenue, subject to any expense which may currently be transferred to capital. The fund pays interest distributions.

Revenue attributed to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

Gains and losses on investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

When the revenue from investments exceeds the expenses, a distribution will be made. Should expenses exceed revenue there will be no distribution and the shortfall will be transferred from capital at the year end.

The fund makes quarterly distributions (15 June, 15 September, 15 December and 15 March) to unitholders.

In the event that the income yielded is low (generally less than 1% p.a.) the AFM has the discretion not to make an income allocation in respect of a particular interim income allocation date and instead to hold over that payment until the final income allocation date.

### 2 Distribution policy (continued)

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the fund.

#### Equalisation

Income equalisation applies to the fund.

Equalisation applies only to units purchased during the distributions period (group 2 units). It is the average amount of revenue included in the purchase price of group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

### 3 Risk

In pursuing its investment objective the fund holds a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors arising from the fund's operations. The fund may also enter into derivatives and forward transactions for the purposes of efficient portfolio management (EPM).

The AFM employs a risk management process that identifies the risks to which the fund might be exposed and how such risks are assessed, monitored and managed, ensuring compliance with relevant regulation. This enables it to monitor and measure at any time the risk of the portfolio positions including derivative instruments and their contribution to the overall risk profile of the fund.

The risk management policy and process for the fund is designed to satisfy the regulatory requirements for a UK UCITS; associated regulatory technical standards and guidelines; and local regulations. The framework for risk controls and limits for the fund is documented within the AFM's Risk Management Policy and Process document, which outlines for each main risk category the controls and risk measures in place, including stress tests for assessing sensitivity to the most relevant risks. This risk framework includes setting of limits and monitoring against those limits.

In the normal course of the business, the fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the fund, reference should be made to the Prospectus; investors and prospective investors are recommended to discuss all potential risks with their own legal, tax and financial advisors.

The risk management systems to which the Janus Henderson Risk, Compliance and Operations teams have access for independent monitoring and risk measurement purposes include:

- Charles River system's Compliance module for investment restrictions monitoring;
- Nasdaq BWide operational risk database;
- RiskMetrics, UBS Delta, Style Analytics and Barra for market risk measurement; and
- Bloomberg for market data and price checking.

These are supplemented by an in-house developed system, the Janus Henderson Derivatives Risk and Compliance database.

#### (a) Market risk

Market risk is the risk of loss resulting from fluctuations in the market value of positions in the fund attributable to changes in market variables such as interest rates, foreign exchange rates or an issuer's creditworthiness.

The fund will invest principally in sterling denominated fixed interest securities including preference shares. The fund may also invest in securities acquired on the conversion of convertible securities held within the portfolio, derivatives and forward transactions, warrants originally acquired with fixed interest investments, or under a scheme of reconstruction affecting securities in the fund, money-market instruments and deposits. The fund concentrates on investment grade corporate bonds.

The investments of the fund are subject to normal market fluctuations, which are monitored by the AFM, in pursuance of the investment objective and policies.

There can be no assurance that any appreciation in the value of investments will occur. There is no certainty that the investment objective of the fund will actually be achieved and no warranty or representation is given to this effect.

The fund may use derivatives and forward transactions for the purposes of EPM and in order to meet its investment objective. As a result, the net asset value of the fund may at times be volatile, but it is not intended that the use of derivatives will alter the risk profile of the fund.

Unlike income from an individual bond, the level of income from the fund is not fixed and may fluctuate. The fund will invest in high yielding corporate bonds. The underlying investments of fixed interest and bond funds are subject to two types of risk, market (interest) risk and credit risk. The value of these bonds, and therefore the value of the units in the fund, will be impacted by fluctuations in interest rates and the perceived credit risk of an issuer. An increase in long-term interest rates is likely to reduce the unit price of the fund and vice versa. In addition, the unit price is likely to be reduced by the default or perceived increase in credit risk of an issuer of an underlying investment.

## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (a) Market risk (continued)

In general, the higher the rate of interest, the higher the perceived credit risk of the issuer. The fund will invest in sub-investment grade bonds. These bonds have a lower credit rating and carry a higher degree of risk of default on repayment. Further details on the nature of the fund's investment in bonds and associated risks is set out in the Prospectus.

#### Currency risk

Currency risk is the risk that the value of the fund's investments will fluctuate as a result of changes in foreign currency exchange rates. The fund's exposure to currency risk is considered insignificant. This is consistent with the exposure in the prior year.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Some securities such as bonds are directly impacted by interest rate movements but others are indirectly affected.

The fund invests in debt securities. The revenue of the fund may be affected by changes to the interest rates relevant to particular securities or as a result of the AFM being unable to secure similar returns on the expiry of contracts or sale of securities. The value of debt securities may be affected by interest rate movements or the expectation of such movements in the future. The fund can invest in interest rate swaps and credit default swaps to adjust the interest rate risk profile of the fund across the entire yield curve quickly and efficiently.

The exposure at the Balance sheet date of financial assets and liabilities to interest rate risk is shown by reference to:

- floating interest rates: when the interest rate is due to be re-set; and
- fixed interest rates; when the financial instrument is due for repayment. These dates are shown in the Portfolio statement.

The fund's exposure to interest rate risk is considered significant. The interest rate risk profile of the fund's financial assets and financial liabilities at the year end is set out in the following table:

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
<b>2023</b>				
Euro	548	2,748	73	3,369
UK sterling	43,843	156,448	2,829	203,120
<b>Total</b>	<b>44,391</b>	<b>159,196</b>	<b>2,902</b>	<b>206,489</b>
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
<b>2022</b>				
Euro	1,476	8,353	588	10,417
UK sterling	45,280	205,150	3,103	253,533
US dollar	1,352	689	36	2,077
<b>Total</b>	<b>48,108</b>	<b>214,192</b>	<b>3,727</b>	<b>266,027</b>



## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (a) Market risk (continued)

##### Interest rate risk (continued)

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
<b>2023</b>				
Euro	3	220	144	367
UK sterling	5	-	1,097	1,102
<b>Total</b>	<b>8</b>	<b>220</b>	<b>1,241</b>	<b>1,469</b>
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
<b>2022</b>				
Euro	379	27	31	437
UK sterling	-	-	1,320	1,320
US dollar	-	-	29	29
<b>Total</b>	<b>379</b>	<b>27</b>	<b>1,380</b>	<b>1,786</b>

##### Other market price risk

Other market price risk is the risk that the value of the fund's investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. The risk arises mainly from uncertainty about future prices of financial instruments the fund might hold. It represents the potential loss the fund might suffer through holding market positions in the face of price movements.

Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the government's fiscal position, short-term interest rates and international market comparisons.

The returns from bonds are fixed at the time of purchase. The fixed coupon payment is known, as are the final redemption proceeds. This means that if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond, the yield (and hence market price) at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase level and a profit or loss may be incurred.

The fund's investment portfolio is exposed to market price fluctuations, which are monitored by the AFM in pursuance of the investment objective and policy.

An increase or decrease in market values will have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

The Russia/Ukraine conflict and market risks, such as stresses in the banking sector are closely monitored and assessed by various business units which has not required activation of the business continuity plans or a change from regular business processes. The fund did not have any direct exposure to Russia or Ukraine. The secondary market impact resulting in an increase in overall market volatility influences risk levels of the fund. The fund continues to be managed according to its investment objective through this period of uncertainty with currently no areas of concern identified. Fund valuations are carried out without any necessary deviation from the valuation policy, the fund's risk profile remains within pre-defined ranges and redemptions and subscriptions continue to be met in the normal course of business.

##### Global exposure

The global risk exposure of the fund is calculated by using the Value-at-Risk (VaR) approach by reference to its risk profile. VaR is a mathematical-statistical concept and is commonly used as a standard measure of risk in the financial sector.

The VaR approach is used, in general, for funds using derivative instruments or techniques within their investment strategies to generate additional leverage or market risk exposure.

## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (a) Market risk (continued)

##### Global exposure (continued)

The maximum potential loss that the fund could suffer in normal market conditions within a given time horizon and a certain degree of confidence is estimated. In these calculations all positions in the investment portfolio are taken into consideration including those undertaken for EPM purposes. For the purpose of calculating global exposure by VaR either a relative VaR approach or absolute VaR approach can be used; as there is no appropriate reference portfolio for the fund an absolute VaR is calculated on all of the investment portfolio's positions. Absolute monthly VaR on the fund is not to exceed a regulatory maximum threshold of 20%.

VaR has been calculated using a Monte Carlo simulation approach. As a control mechanism, Monte Carlo results are compared to the parametric model for validation purposes within the daily monitoring process.

The following parameters are applied as a minimum: a one-tailed 99% confidence interval, a holding period equivalent to one month (20 business days), effective observation period (history) of risk factors of at least 1 year (250 business days), quarterly data set updates and daily calculation.

#### Sensitivity analysis

The actual VaR results, limits and utilisation of limits are summarised in the table below:

VaR Results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2023	2.55	6.60	4.20	20	12.76	32.99	21.01
2022	2.80	5.84	4.45	20	14.00	29.20	22.25

#### Leverage

The level of leverage arising from the use of derivative instruments is disclosed in the table below as a percentage of the fund's total Net Asset Value. The calculation is based on the sum of notional exposures of financial derivative instruments in the investment portfolio including those held for risk reduction purposes.

Please note this level of leverage is explicitly not an investment limit for the fund and will vary over time under differing market conditions to ensure that the fund meets its investment objective.

	Minimum	Maximum	Average
	%	%	%
2023	8.85	22.57	13.22
2022	6.24	26.59	11.53

#### (b) Credit and counterparty risk

Credit and counterparty risk is the risk of loss resulting from the possibility that the counterparty to a transaction may default on its obligations prior to the settlement of the transaction's cash flow.

In order to manage credit risk the fund is subject to investment limits for issuers of securities as outlined in the Prospectus. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the fund may only buy and sell investments through brokers which have been approved by the AFM as acceptable counterparties and limits are set and monitored to cover the exposure to any individual broker. Changes in brokers financial ratings are periodically reviewed by the Janus Henderson Counterparty Risk Committee along with set limits and new counterparty approval.

The fund's assets that are held with the banks could be exposed to credit and counterparty risk. The banks used by the fund and the AFM are subject to regular reviews. Only counterparties that have been approved by the Janus Henderson Counterparty Risk Committee are used for derivative and stock lending transactions.

The fund will invest in what are considered riskier bonds (below investment grade). This brings the potential for increased risk of default and could affect both the revenue and the capital value of the fund. Further details can be found in the fund's Portfolio statement.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the FCA's COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (b) Credit and counterparty risk (continued)

##### Credit ratings

	Market value £000	Percentage of total net assets %
<b>2023</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	194,190	94.72
Below investment grade (BB and below)	1,068	0.52
<b>Total debt securities</b>	<b>195,258</b>	<b>95.24</b>
Derivatives	(307)	(0.15)
<b>Investment assets including investment liabilities</b>	<b>194,951</b>	<b>95.09</b>
Other net assets	10,069	4.91
<b>Total net assets</b>	<b>205,020</b>	<b>100.00</b>

	Market value £000	Percentage of total net assets %
<b>2022</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	241,811	91.51
Below investment grade (BB and below)	18,304	6.93
Unrated	154	0.06
<b>Total debt securities</b>	<b>260,269</b>	<b>98.50</b>
Derivatives	141	0.05
<b>Investment assets including investment liabilities</b>	<b>260,410</b>	<b>98.55</b>
Other net assets	3,831	1.45
<b>Total net assets</b>	<b>264,241</b>	<b>100.00</b>

##### (c) Operational risk

Failure of Janus Henderson systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. Janus Henderson has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption or major disaster.

##### (d) Liquidity risk

Liquidity risk is the risk that a position in the fund's portfolio cannot be sold, liquidated or closed out at limited cost in an adequately short timeframe and that the ability of the fund to meet its settlement obligations is thereby compromised.

The fund is generally able to realise cash quickly to meet its liabilities. The main liquidity requirements of the fund includes the redemption of any units that the unitholder wishes to sell. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of units.

The AFM manages the fund's cash position to ensure it can meet its liabilities. The AFM receives daily reports of subscriptions and redemptions enabling the AFM to raise cash from the fund's portfolio in order to meet redemption requests. In addition the AFM monitors the market liquidity of all securities, seeking to ensure the fund maintains sufficient liquidity to meet known and potential redemption activity. The fund's cash balances are monitored daily by the AFM and administrator. Where investments cannot be realised in time to meet any potential liability, the fund may borrow up to 10% of its property value to ensure settlement.

## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (d) Liquidity risk (continued)

The following table provides a maturity analysis of the fund's financial liabilities showing the remaining contractual maturities on an undiscounted basis:

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2023</b>				
Amounts held at derivatives clearing houses and brokers	8	-	-	-
Derivative financial liabilities	-	117	-	220
Distribution payable	-	356	-	-
Other creditors	-	768	-	-
<b>Total</b>	<b>8</b>	<b>1,241</b>	<b>-</b>	<b>220</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2022</b>				
Amounts held at derivatives clearing houses and brokers	379	-	-	-
Derivative financial liabilities	-	322	27	-
Distribution payable	-	272	-	-
Other creditors	-	786	-	-
<b>Total</b>	<b>379</b>	<b>1,380</b>	<b>27</b>	<b>-</b>

### 4 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Derivative securities	(562)	79
Forward currency contracts	(524)	424
Non-derivative securities	(28,476)	(29,669)
Other currency gains	45	43
Transaction costs	(3)	(2)
<b>Net capital losses</b>	<b>(29,520)</b>	<b>(29,125)</b>

### 5 Revenue

	2023 £000	2022 £000
Bank interest	149	2
Derivative revenue	(238)	(16)
Interest on debt securities	6,863	7,419
Interest on margin	14	-
Stock lending revenue	11	4
<b>Total revenue</b>	<b>6,799</b>	<b>7,409</b>

## Notes to the financial statements (continued)

### 6 Expenses

	2023 £000	2022 £000
<b>Payable to the AFM, associates of the AFM and agents of either of them:</b>		
Annual management charge	1,486	2,311
GAC*	310	416
	<u>1,796</u>	<u>2,727</u>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee fees	21	27
Safe custody fees	16	22
	<u>37</u>	<u>49</u>
<b>Total expenses</b>	<u><b>1,833</b></u>	<u><b>2,776</b></u>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £10,354 (2022: £9,393).

### 7 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	-	1
<b>Total interest payable and similar charges</b>	<u><b>-</b></u>	<u><b>1</b></u>

### 8 Taxation

#### a) Analysis of charge in the year

There is no tax charge for the current year (2022: nil).

#### b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for an authorised unit trust of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	<u>4,966</u>	<u>4,632</u>
Corporation tax at 20% (2022: 20%)	993	926
Effects of:		
Revenue being paid as interest distributions	<u>(993)</u>	<u>(926)</u>
<b>Tax charge for the year (note 8a)</b>	<u><b>-</b></u>	<u><b>-</b></u>

Unit trusts are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

#### c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2022: nil).

#### d) Factors that may affect future tax charges

There were no factors that may affect future tax charges at the current or prior year end.

## Notes to the financial statements (continued)

### 9 Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:

	2023 £000	2022 £000
Interim income	903	895
Interim accumulation	2,584	2,605
Final income	356	272
Final accumulation	1,033	775
	<u>4,876</u>	<u>4,547</u>
Amounts deducted on cancellation of units	96	98
Amounts received on issue of units	(6)	(14)
<b>Total distributions</b>	<u><b>4,966</b></u>	<u><b>4,631</b></u>

Net revenue after taxation	4,966	4,632
Equalisation on conversions	-	(1)
<b>Total distributions</b>	<u><b>4,966</b></u>	<u><b>4,631</b></u>

Details of the distribution per unit are set out in the Distribution tables on pages 40 to 43.

### 10 Debtors

	2023 £000	2022 £000
Accrued revenue	2,870	3,236
Amounts receivable for issue of units	2	1
<b>Total debtors</b>	<u><b>2,872</b></u>	<u><b>3,237</b></u>

### 11 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	1,054	606
Cash and bank balances	7,275	1,425
<b>Total cash and bank balances</b>	<u><b>8,329</b></u>	<u><b>2,031</b></u>

### 12 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	171	257
Accrued Trustee's fee	2	3
Accrued other expenses	38	50
Amounts payable for cancellation of units	530	475
Derivative revenue payable	27	1
<b>Total other creditors</b>	<u><b>768</b></u>	<u><b>786</b></u>

## Notes to the financial statements (continued)

### 13 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the current or prior year end.

### 14 Related party transactions

JHFMUKL as AFM to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the AFM are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to unitholders' and the 'Balance sheet' on pages 23 and 24 and notes 6, 9, 10 and 12 on pages 33 to 34 including all issues and cancellations where the AFM acted as principal.

Transactions with the AFM are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material unitholders at the year end (2022: nil).

### 15 Unitholders' funds

The fund currently has 4 unit classes available: Accumulation, Income, Class E (Retail) and Class I (Institutional). The annual management charge on each unit class is as follows:

	2023 %	2022 %
Accumulation	1.00 <sup>1</sup>	1.10
Income	1.00 <sup>1</sup>	1.10
Class E	0.50 <sup>2</sup>	0.60
Class I	0.50 <sup>2</sup>	0.60

<sup>1</sup> The AMC on Accumulation and Income decreased from 1.10% to 1.00% on 3 May 2022.

<sup>2</sup> The AMC on Class E accumulation, Class E income, Class I accumulation and Class I income decreased from 0.60% to 0.50% on 3 May 2022.

The net asset value of each unit class, the net asset value per unit and the number of units in each unit class are given in the Comparative tables on pages 6 to 9. The distribution per unit class is given in the Distribution tables on pages 40 to 43. All unit classes have the same rights on winding up.

### Units reconciliation as at 15 April 2023

	Accumulation	Income	Class E accumulation	Class E income
Opening number of units	28,424,233	22,374,090	19,418,930	43,179,437
Issues during the year	324,953	19,115	33,919	110,763
Cancellations during the year	(2,971,812)	(1,902,431)	(1,620,071)	(4,601,306)
Units converted during the year	(1,113,967)	(949,835)	452,738	787,468
<b>Closing units in issue</b>	<b>24,663,407</b>	<b>19,540,939</b>	<b>18,285,516</b>	<b>39,476,362</b>
	Class I accumulation	Class I income		
Opening number of units	63,859,375	23,629,034		
Issues during the year	904,611	220,939		
Cancellations during the year	(13,992,502)	(4,283,038)		
Units converted during the year	1,064,804	94,164		
<b>Closing units in issue</b>	<b>51,836,288</b>	<b>19,661,099</b>		

### 16 Financial derivatives

The fund may use financial derivatives, including total return swaps, swaps, options, contracts for difference and forward transactions for the purposes of efficient portfolio management and in order to meet the fund's investment objective.

Eligible collateral types are approved by the Investment Manager and agreed with the relevant counterparty.

## Notes to the financial statements (continued)

### 16 Financial derivatives (continued)

There was no collateral pledged or collateral held in respect of forward foreign exchange contracts as at 15 April 2023 (2022: nil). The fund had cash assets of £1,054,006 (2022: £605,800) and cash liabilities of £7,613 (2022: £378,557) held in margin accounts at derivative clearing houses and brokers as at 15 April 2023. These balances are held as collateral on the fund's futures contracts and swap contracts.

#### 2023

As at 15 April 2023 the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	25	-	25
UBS	-	5	5
	<b>25</b>	<b>5</b>	<b>30</b>

#### 2022

As at 15 April 2022 the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	111	-	111
UBS	-	379	379
	<b>111</b>	<b>379</b>	<b>490</b>

### 17 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

Stock lending revenue is disclosed under 'Revenue' in the Statement of total return.

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by an EU Member State, a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.



## Notes to the financial statements (continued)

### 17 Stock lending (continued)

2023

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Barclays	1,517	2,178	Government Bond
HSBC	202	213	Government Bond
	<b>1,719</b>	<b>2,391</b>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	12	1	11

2022

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Barclays	16,950	18,288	Government Bond
HSBC	1,881	2,006	Government Bond
JPMorgan Chase	1,260	1,330	Government Bond
Credit Suisse	369	389	Government Bond
	<b>20,460</b>	<b>22,013</b>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	4	-*	4

\* Due to rounding to the nearest thousand, stock lending commission is below the minimum reporting threshold.

### 18 Fair value disclosure

#### Fair value measurement

The intention of a fair value measurement is to estimate the price at which an asset or a liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

## Notes to the financial statements (continued)

### 18 Fair value disclosure (continued)

#### Fair value measurement (continued)

In accordance with FRS 102 the fund classifies fair value measurement under the following levels:

##### Level 1

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

##### Level 2

Inputs other than quoted prices included within level 1 that are either observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

##### Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

#### Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	30,032*	86	28,163*	264
Level 2	165,256	251	232,596	85
Level 3	-	-	-	-
	<u>195,288</u>	<u>337</u>	<u>260,759</u>	<u>349</u>

\* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £30,026,401 as at 15 April 2023 (2022: £27,784,434).

### 19 Direct transaction costs

	Purchases		Sales	
	2023 £000	2022 £000	2023 £000	2022 £000
<b>Trades in the year</b>				
Debt securities	191,609	147,561	220,509	182,079
<b>Trades in the year before transaction costs</b>	<u>191,609</u>	<u>147,561</u>	<u>220,509</u>	<u>182,079</u>
<b>Transaction costs</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
<b>Total commissions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Taxes</b>				
Debt securities	-	-	-	-
<b>Total taxes</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other expenses</b>				
Debt securities	-	-	-	-
<b>Total other expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total transaction costs</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total net trades in the year after transaction costs</b>	<u>191,609</u>	<u>147,561</u>	<u>220,509</u>	<u>182,079</u>

## Notes to the financial statements (continued)

### 19 Direct transaction costs (continued)

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
<b>Taxes</b>				
Debt securities	-	-	-	-
<b>Other expenses</b>				
Debt securities	-	-	-	-
	<b>2023</b>	<b>2022</b>		
	%	%		
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	-	-		
Taxes	-	-		
Other expenses	-	-		
<b>Total costs</b>	<b>-</b>	<b>-</b>		

There were no in specie transfers during the year (2022: nil). There were corporate actions during the year of £6,907,650 (2022: £4,117,324).

There were direct transaction costs associated with derivatives in the year of £584 (2022: £1,160) which is 0.00% of the average net asset value of the fund (2022: 0.00%).

Direct transaction costs are fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the fund. These exclude any differences between quoted bid and offer prices or internal administrative or holding costs.

Direct transaction costs related to bonds are not separately identifiable as with other financial instruments as the costs form part of the dealing spread and therefore are inherent within the purchase and sale prices of the trade.

The portfolio dealing spread as at 15 April 2023 was 0.54% (2022: 0.54%). The portfolio dealing spread is calculated at a 12 noon valuation point.

### 20 Events after the Balance sheet date

There were no material post Balance sheet events which require disclosure within these financial statements.

## Distribution tables for the year ended 15 April 2023 (in pence per unit)

### Interim interest distribution (accounting date 15 July 2022, paid on 15 September 2022)

Group 1: units purchased prior to 16 April 2022

Group 2: units purchased on or after 16 April 2022

	Distribution per unit	Equalisation	Total distribution per unit 15/09/22	Total distribution per unit 15/09/21
<b>Accumulation</b>				
Group 1	0.8030	-	0.8030	0.7182
Group 2	0.4663	0.3367	0.8030	0.7182
<b>Income</b>				
Group 1	0.2222	-	0.2222	0.2007
Group 2	0.0918	0.1304	0.2222	0.2007
<b>Class E accumulation</b>				
Group 1	1.0943	-	1.0943	1.0390
Group 2	0.5497	0.5446	1.0943	1.0390
<b>Class E income</b>				
Group 1	0.2986	-	0.2986	0.2881
Group 2	0.1335	0.1651	0.2986	0.2881
<b>Class I accumulation</b>				
Group 1	0.6866	-	0.6866	0.6560
Group 2	0.4360	0.2506	0.6866	0.6560
<b>Class I income</b>				
Group 1	0.5343	-	0.5343	0.5191
Group 2	0.3159	0.2184	0.5343	0.5191

## Distribution tables (continued)

### Interim interest distribution (accounting date 15 October 2022, paid on 15 December 2022)

Group 1: units purchased prior to 16 July 2022

Group 2: units purchased on or after 16 July 2022

	Distribution per unit	Equalisation	Total distribution per unit 15/12/22	Total distribution per unit 15/12/21
<b>Accumulation</b>				
Group 1	0.8326	-	0.8326	0.6667
Group 2	0.2905	0.5421	0.8326	0.6667
<b>Income</b>				
Group 1	0.2295	-	0.2295	0.1861
Group 2	0.0689	0.1606	0.2295	0.1861
<b>Class E accumulation</b>				
Group 1	1.1123	-	1.1123	0.9947
Group 2	0.5581	0.5542	1.1123	0.9947
<b>Class E income</b>				
Group 1	0.3019	-	0.3019	0.2748
Group 2	0.0793	0.2226	0.3019	0.2748
<b>Class I accumulation</b>				
Group 1	0.6964	-	0.6964	0.6302
Group 2	0.2246	0.4718	0.6964	0.6302
<b>Class I income</b>				
Group 1	0.5390	-	0.5390	0.4966
Group 2	0.2180	0.3210	0.5390	0.4966

## Distribution tables (continued)

### Interim interest distribution (accounting date 15 January 2023, paid on 15 March 2023)

Group 1: units purchased prior to 16 October 2022

Group 2: units purchased on or after 16 October 2022

	Distribution per unit	Equalisation	Total distribution per unit 15/03/23	Total distribution per unit 15/03/22
<b>Accumulation</b>				
Group 1	0.9765	-	0.9765	0.6587
Group 2	0.5735	0.4030	0.9765	0.6587
<b>Income</b>				
Group 1	0.2680	-	0.2680	0.1833
Group 2	0.1086	0.1594	0.2680	0.1833
<b>Class E accumulation</b>				
Group 1	1.2519	-	1.2519	0.9836
Group 2	0.6676	0.5843	1.2519	0.9836
<b>Class E income</b>				
Group 1	0.3379	-	0.3379	0.2705
Group 2	0.1853	0.1526	0.3379	0.2705
<b>Class I accumulation</b>				
Group 1	0.7800	-	0.7800	0.6232
Group 2	0.3909	0.3891	0.7800	0.6232
<b>Class I income</b>				
Group 1	0.6001	-	0.6001	0.4894
Group 2	0.2583	0.3418	0.6001	0.4894

## Distribution tables (continued)

### Final interest distribution (accounting date 15 April 2023, paid on 15 June 2023)

Group 1: units purchased prior to 16 January 2023

Group 2: units purchased on or after 16 January 2023

	Distribution per unit	Equalisation	Total distribution per unit 15/06/23	Total distribution per unit 15/06/22
<b>Accumulation</b>				
Group 1	1.1863	-	1.1863	0.6739
Group 2	0.6956	0.4907	1.1863	0.6739
<b>Income</b>				
Group 1	0.3242	-	0.3242	0.1870
Group 2	0.1397	0.1845	0.3242	0.1870
<b>Class E accumulation</b>				
Group 1	1.4682	-	1.4682	0.9767
Group 2	0.7938	0.6744	1.4682	0.9767
<b>Class E income</b>				
Group 1	0.3938	-	0.3938	0.2676
Group 2	0.1456	0.2482	0.3938	0.2676
<b>Class I accumulation</b>				
Group 1	0.9109	-	0.9109	0.6170
Group 2	0.4563	0.4546	0.9109	0.6170
<b>Class I income</b>				
Group 1	0.6964	-	0.6964	0.4822
Group 2	0.3099	0.3865	0.6964	0.4822

## Appendix - additional information (unaudited)

### Securities financing transactions

The fund engages in securities financing transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EUR Exit) Regulations 2019, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation (EU) 2015/2365, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EU Exit) Regulations 2019, the fund's involvement in and exposures related to securities lending for the year ended 15 April 2023 are detailed below.

### Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the fund's AUM as at 15 April 2023:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson Sterling Bond Unit Trust	1,719	0.88	0.84

### Concentration Data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for the fund as at 15 April 2023:

Issuer	Market value of collateral received £000
Government of France	1,361
Government of Germany	560
Government of Belgium	235
UK Treasury	165
Kingdom of Netherlands	44
Government of Austria	26

All collateral issuers have been included.

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for the fund as at 15 April 2023:

Counterparty	Market value of securities on loan £000	Settlement basis
Barclays	1,517	Triparty
HSBC	202	Triparty
	<b>1,719</b>	

All counterparties have been included.



## Appendix - additional information (unaudited) (continued)

### Securities financing transactions (continued)

#### Aggregate transaction data

The following table provides an analysis of the collateral received by the fund in respect of each type of SFTs as at 15 April 2023:

Counterparty	Counterparty country of origin	Type	Quality	Collateral currency	Settlement basis	Custodian	Market value of collateral received £000
Barclays	United Kingdom	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	2,178
HSBC	United Kingdom	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	213
							<b>2,391</b>

All collateral is held in segregated accounts.

The lending and collateral transactions are on an open basis and can be recalled on demand.

#### Re-use of collateral

Cash collateral may be reinvested during the loan transaction to generate additional returns for the benefit of the fund, however there was no collateral reinvested during the year.

#### Return and cost on securities lending activities

The following table details the fund's return and costs for each type of SFTs for the year ended 15 April 2023:

Fund	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return retained by the securities lending agent	% return retained by the fund
Janus Henderson Sterling Bond Unit Trust	12	1	11	8	92

## Appendix - additional information (unaudited) (continued)

### Remuneration policy

Following the implementation of the UK UCITS V in the UK from 18 March 2016, all authorised UK UCITS Management Companies are required to comply with the UK UCITS Remuneration Code (SYSC 19E). Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of JHFMUKL must make relevant remuneration disclosures.

The disclosures must split remuneration between fixed and variable remuneration and must break down remuneration for categories of UK UCITS Code Staff (defined as all staff whose professional activities have a material impact on the risk profiles of the funds it manages). The Janus Henderson Group plc Compensation Committee approves the list of UK UCITS Code Staff annually. In addition, identified UK UCITS Code Staff are notified of their status and the associated implications annually.

Janus Henderson Sterling Bond Unit Trust is managed by JHFMUKL, which is a subsidiary of Janus Henderson Group plc.

The Compensation Committee of Janus Henderson Group plc has established a Remuneration policy, one of the guiding principles of which is to ensure that the remuneration of its employees is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of each AFM and the funds they manage. This policy applies to JHFMUKL and Janus Henderson Sterling Bond Unit Trust.

Further information on the Janus Henderson Group plc Remuneration policy is available in the annual report as at 31 December 2022.

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson Sterling Bond Unit Trust</b>	2,205	492
<b>of which</b>		
Fixed Remuneration	2,205	222
Variable Remuneration	2,192	270
<b>Janus Henderson Sterling Bond Unit Trust Remuneration Code Staff</b>	47	64
<b>of which</b>		
Senior Management (4)	27	39
Other Code Staff (5)	20	25

1. This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson Sterling Bond Unit Trust – no attempt has been made to apportion the time spent specifically in support of Janus Henderson Sterling Bond Unit Trust, as this data is not captured as part of the Company's normal processes.
2. Please note that due to the employment structure and resourcing of the Janus Henderson Group plc, the staff indicated in this table may provide services to other companies in the Janus Henderson Group plc.
3. The remuneration disclosed is only in respect of the provision of services to Janus Henderson Sterling Bond Unit Trust for the year, rather than the total remuneration for the year – for this purpose, remuneration has been apportioned between the provision of services to Janus Henderson Sterling Bond Unit Trust and to other entities in the Janus Henderson Group plc, in respect of fixed pay and annual/long term incentive bonuses, as follows:
  - where fixed pay is directly attributable to Janus Henderson Sterling Bond Unit Trust (for example, fees for JHFMUKL Board members), 100% of those fees;
  - pro-rated using the average AUM of Janus Henderson Sterling Bond Unit Trust (as a proportion of the aggregate average AUM of Janus Henderson Group plc) as a proxy.
4. Senior Management includes the Janus Henderson Executive Committee and other Group Board members and the Board of JHFMUKL.
5. Other Code Staff includes all JHFMUKL Code Staff.
6. Please note that rounding off of values could lead to a mismatch of individual numbers and their sum.

## Further information

### Unitholder enquiries

If you have any queries about your fund holding, either contact your professional adviser or telephone us on the number below:

For all enquiries please telephone at local rate: **0800 832 832**

or you can contact us via e-mail at **[support@janushenderson.com](mailto:support@janushenderson.com)**

We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

## Important Information

Janus Henderson Investors is the name under which investment products and services are provided by Janus Henderson Investors International Limited (reg. no. 3594615), Janus Henderson Investors UK Limited (reg. no. 906355), Janus Henderson Fund Management UK Limited (reg. no. 2678531), Henderson Equity Partners Limited (reg. no. 2606646), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Janus Henderson Investors Europe S.A. (reg. no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

**We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.**

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