# STERLING BOND UNIT TRUST

E Acc ISIN GB00BJ0LGG33

## Investment objective

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.

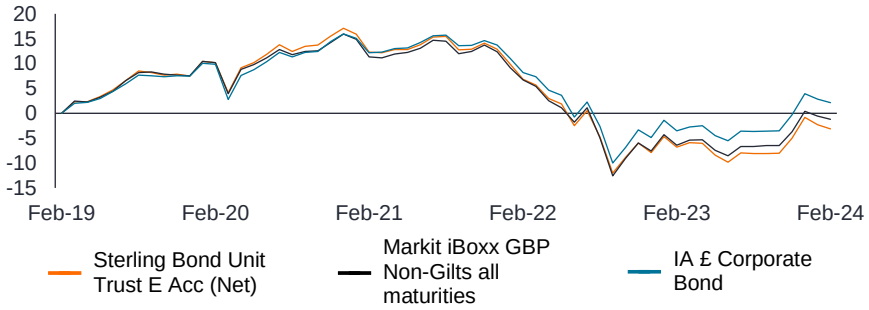
For the fund's investment policy, refer to the Additional fund information on page 3.
**Past performance does not predict future returns.**

## Performance (%)

| | Cumulative | | | | Annualised | | | |
|---|---|---|---|---|---|---|---|---|
| **Returns** | **1 Month** | **3 Month** | **YTD** | **1 Year** | **3 Year** | **5 Year** | **10 Year** | **Since inception (16/04/91)** |
| E Acc (Net) | -0.88 | 1.94 | -2.32 | 3.92 | -4.80 | -0.64 | 1.59 | 5.63 |
| Index | -0.66 | 2.64 | -1.57 | 5.56 | -3.90 | -0.24 | 2.30 | — |
| Peer Group | -0.68 | 2.48 | -1.71 | 5.87 | -3.07 | 0.43 | 2.22 | 4.91 |
| E Acc (Gross) | — | — | — | — | — | 0.20 | 2.70 | 6.93 |
| Target | — | — | — | — | — | 1.01 | 3.58 | — |

### Cumulative growth - GBP

28 Feb 2019 — 29 Feb 2024




| **12 month rolling** | **Dec 2022-Dec 2023** | **Dec 2021-Dec 2022** | **Dec 2020-Dec 2021** | **Dec 2019-Dec 2020** | **Dec 2018-Dec 2019** |
|---|---|---|---|---|---|
| E Acc (Net) | 7.63 | -18.40 | -3.58 | 8.93 | 9.59 |
| Index | 8.60 | -17.72 | -3.09 | 7.80 | 9.27 |
| Peer Group | 9.26 | -16.36 | -1.94 | 7.87 | 9.52 |

Performance is on a net of fees basis, with gross income reinvested. Source: at 29/02/24. © 2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance does not predict future returns.** Performance/performance target related data will display only where relevant to the share class inception date and annualised target time period. **The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.** Source for target returns (where applicable) - Janus Henderson Investors. The E Acc share class was launched on 24 June 2019. Performance prior to that date is past performance based on the Acc share class of the same fund, which has a different fee structure.

## Fund details

| | |
|---|---|
| **Inception date** | 22 April 1988 |
| **Total net assets** | 183.00m |
| **Asset class** | Fixed Income |
| **Domicile** | United Kingdom |
| **Structure** | Unit Trust |
| **Base currency** | GBP |
| **Index** | Markit iBoxx GBP Non-Gilts all maturities Index |
| **Peer group** | IA Sterling Corporate Bond |

For benchmark/usage description, refer to Additional fund information on page 3.

## Share class information

| | |
|---|---|
| **Inception date** | 24 June 2019 |
| **Distribution type** | Accumulation |
| **Distribution frequency** | Quarterly |
| **Distribution yield** | 4.10% |
| **Underlying yield** | 4.10% |
| **Currency** | GBP |
| **Minimum initial investment** | 1,000 |

The Distribution and Underlying Yields are based on a snapshot of the portfolio on that day. The yield does not include any preliminary charge and investors may be subject to tax on distributions.

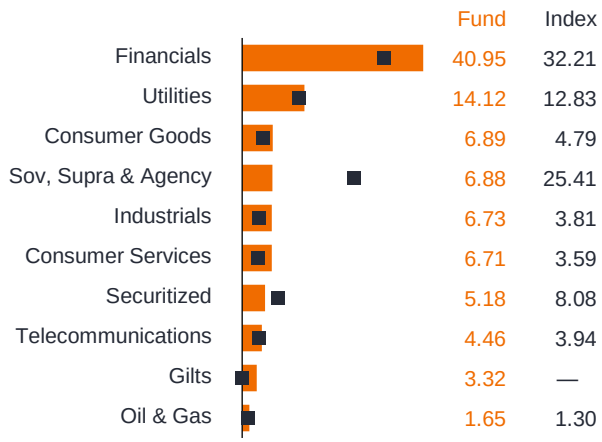
## Portfolio management

| | |
|---|---|
| **James Briggs, ACA, CFA** | Manager since 2019 |
| **Tim Winstone, CFA** | Manager since 2022 |

## Characteristics

| | |
|---|---|
| Number of holdings: Debt issues | 187 |
| Duration (years) | 6.07 |
| Weighted average life (years) | 8.57 |
| Yield to worst (%) | 5.19 |

## Top sectors (%)




## Credit quality of fixed income holdings (%)

| | Fund | Index |
|---|---|---|
| AAA | 5.65 | 20.77 |
| AA | 21.43 | 13.25 |
| A | 34.41 | 29.03 |
| BBB | 36.19 | 36.83 |
| BB | 0.42 | 0.05 |
| Not Rated | 0.54 | 0.06 |

Bond credit quality ratings provided by Janus Henderson Investors is based on the average of ratings from Moody's, Standard & Poor's and Fitch where all three agencies have provided a rating. If only two agencies rate a security, the average is on those. If only one agency rates a security, that rating is used. Ratings are measured on a scale that ranges from AAA (highest) to CCC (lowest). Swaps, Options, Cash and Bond Futures are separately grouped.

## Top holdings (%)

| | Fund |
|---|---|
| European Investment Bank 5.625% 2032 | 2.23 |
| Church Commissioners for England 3.25% 2032 | 1.32 |
| Logicor 2019-1 UK 1.875% 2026 | 1.14 |
| BG Energy Capital 5.00% 2036 | 1.13 |
| Verizon Communications 1.875% 2030 | 1.04 |
| United Kingdom Gilt 4.25% 2039 | 1.03 |
| Prs Finance 1.50% 2034 | 1.03 |
| BNP Paribas 5.75% 2032 | 1.03 |
| HSBC Bank Capital Funding Sterling 1 5.844% 2172 | 1.03 |
| Nationwide Building Society 6.125% 2028 | 1.02 |

References made to individual securities should not constitute or form part of any offer or solicitation to issue, securities mentioned in the report.

## Codes

| | |
|---|---|
| **ISIN** | GB00BJ0LGG33 |
| **SEDOL** | BJ0LGG3 |

## Fees & charges (%)

| | |
|---|---|
| **Annual management charge (AMC)** | 0.45 |
| **Ongoing charge (OCF)** | 0.68 |

All ongoing charges stated are as per latest published report and accounts.

Fund charges will impact the value of your investment. In particular, the ongoing charges applicable to each fund will dilute investment performance, particularly over time. For further explanation of charges please visit our Fund Charges page at www.janushenderson.com.

Under some circumstances initial charges may apply. Please refer to the Prospectus for more details.

# Additional fund information

Tax assumptions and reliefs depend upon an investor's particular circumstances and may be subject to change. Please note the performance target is to be achieved over a specific annualised time period. Refer to the performance target wording within the objective. Fund size at 12pm on last business day of month. Please note: due to rounding the figures in the holdings breakdowns may not add up to 100%. Performance for the share class is calculated at 12pm and performance of the index is calculated as at close of business. Note that any differences among portfolio securities currencies, share class currencies and costs to be paid or represented in currencies other than your home currency will expose you to currency risk. Costs and returns may increase or decrease as a result of currency and exchange rate fluctuations. Credit rating breakdown source: Composite Moody's, S&P, Bloomberg. Unless otherwise indicated all figures sourced from Morningstar, Datastream, BNP Paribas and Janus Henderson Investors. The month-end duration of the fund (in years) is shown on page 2. Duration measures the sensitivity of a bond fund to interest rate changes; the larger the figure, the more sensitive is the bond fund to a movement in interest rates. Investment into the fund will acquire units/shares of the fund itself and not the underlying assets owned by the fund. Cash balances and exposures are based on settled and unsettled trades as at the reporting date.
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 and provides a useful comparison against which the Fund's performance can be assessed over time.
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.

## Investment policy

The Fund invests at least 80% of its assets in Sterling-denominated bonds of investment grade, issued by governments, companies or any other type of issuer. The Fund may also hold other assets including bonds of other types from any issuer, cash and money market instruments. The Investment Adviser 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 Adviser has discretion to choose investments for the Fund with weightings different to the index or not in the index. As an additional means of assessing the performance of the Fund, the IA Sterling Corporate Bond sector average, which is based on a peer group of broadly similar funds, may also provide a useful comparator.

## Investment strategy

The Investment Adviser 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.

## Fund specific risks

The Fund could lose money if a counterparty with which the Fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider. An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the Fund. If this happens or the market perceives this may happen, the value of the bond will fall. When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise (or are expected to rise). This risk is typically greater the longer the maturity of a bond investment. If a Fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a Fund which is more broadly diversified. The Fund may use derivatives to help achieve its investment objective. This can result in leverage (higher levels of debt), which can magnify an investment outcome. Gains or losses to the Fund may therefore be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations. Securities within the Fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

## Source for fund ratings/awards

Overall Morningstar Rating™ is shown for Janus Henderson share classes achieving a rating of 4 or 5.

# Glossary

**Discount**
When the market price of a security is thought to be less than its underlying value, it is said to be 'trading at a discount'. Within investment trusts, this is the amount by which the price per share of an investment trust is lower than the value of its underlying net asset value. The opposite of trading at a premium.

**Distribution Yield**
The Distribution Yield reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the mid-market share price of the fund at the date shown.

**Duration**
How far a fixed income security or portfolio is sensitive to a change in interest rates, measured in terms of the weighted average of all the security/portfolio's remaining cash flows (both coupons and principal). It is expressed as a number of years. The larger the figure, the more sensitive it is to a movement in interest rates. 'Going short duration' refers to reducing the average duration of a portfolio. Alternatively, 'going long duration' refers to extending a portfolio's average duration.

**Future**
A contract between two parties to buy or sell a tradable asset, such as shares, bonds, commodities or currencies, at a specified future date at a price agreed today. A future is a form of derivative.

**Option**
A derivative instrument where one party pays/receives the total return of the underlying asset or market index, in exchange for payments typically linked to LIBOR.

**Tracking error**
This measures how far a portfolio's actual performance differs from its benchmark index. The lower the number, the more closely it resembles the index.

**Underlying Yield**
The Underlying Yield reflects the annualised income net of expenses of the fund (calculated in accordance with relevant accounting standards) as a percentage of the mid-market share price of the fund at the date shown.

**Weighted Average Life (WAL)**
The average time taken (in years) for the principal to be repaid for securitised assets, or the probable time to maturity for non-securitised assets. Securitised assets, also known as 'asset backed' securities, represent a pool of other interest bearing assets such as loans and mortgages. The value is based on the cash flows of the underlying assets.

**Yield to worst**

If a bond has special features, such as a call (ie, the issuer can call the bond back at a date specified in advance), the yield to worst is the lowest yield the bond can achieve provided the issuer does not default.

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