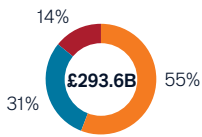


ANNUAL REPORT & ACCOUNTS

For the year ended 15 April 2021

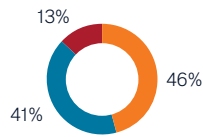
Who are Janus Henderson Investors?

Global Strength



Assets under management

■ North America ■ EMEA & LatAm ■ Asia Pacific



Over **340** Investment professionals



More than **2,000** employees



25 Offices worldwide



Over **4,300** companies met by investment teams in 2020

Source: Janus Henderson Investors, Staff and assets under management (AUM) data as at 31 March 2021. AUM data excludes Exchange-Traded Note (ETN) assets.

Who we are

Janus Henderson Investors ('Janus Henderson') is a global asset manager offering a full suite of actively managed investment products across asset classes.

As a company, we believe the notion of 'connecting' is powerful – it has shaped our evolution and our world today. At Janus Henderson, we seek to benefit clients through the connections we make. Connections enable strong relationships based on trust and insight as well as the flow of ideas among our investment teams and our engagement with companies. These connections are central to our values, to what active management stands for and to the long-term outperformance we seek to deliver.

Our commitment to active management offers clients the opportunity to outperform passive strategies over the course of market cycles. Through times of both market calm and growing uncertainty, our managers apply their experience weighing risk versus reward potential – seeking to ensure clients are on the right side of change.

Why Janus Henderson Investors

At Janus Henderson, we believe in linking our world-class investment teams and experienced global distribution professionals with our clients around the world.

Active because active matters

We selectively invest in what we believe are the most compelling opportunities. Our investment teams are free to form their own views and seek to actively position portfolios to connect clients with their financial goals.

Global strength to deliver local solutions

We offer true global reach with a presence in all major markets, combined with the responsiveness, tailored solutions and personal touch you would expect from a local partner.

Empowering clients through Knowledge Shared

We connect our clients with insights and knowledge that empower them to make better investment and business decisions.

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

Authorised Fund Manager's report for the year ended 15 April 2021

We are pleased to present the Annual Report and Accounts for Janus Henderson Sterling Bond Unit Trust (the 'fund') for the year ended 15 April 2021.

Authorised status

The fund 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.

Other information

With effect from 5 May 2020 the fund's investment objective and policy changed.

JPMorgan Chase Bank, National Association (London Branch) was appointed as the Securities Lending Agent of the Company with effect from 10 March 2021, in replacement of BNP Paribas Securities Services, London Branch.

Brexit update

With effect from 1 January 2021, UK domiciled investment funds that had previously operated under the UCITS regulations ceased to be classed as UCITS and were reclassified as 'UK UCITS'. The way in which the funds are managed was not impacted by this change.

Value assessment

The board of Henderson Investment Funds Limited (HIFL) present the value assessment report for the period to 31 December 2020, made available on our website 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 HIFL, the Board of the Authorised Fund Manager (AFM) (the body responsible for an investment fund) and summarises the period to 31 December 2020.

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 on your behalf.

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

COVID-19

The outbreak of the novel coronavirus ('COVID-19') and subsequent global pandemic began impacting financial markets and economies during the first quarter of 2020. The worldwide spread of the virus led to uncertainty on an unprecedented scale. The impact of COVID-19 has been taken into account in the measurement of the assets and liabilities in the primary statements for the year to 15 April 2021.

Authorised Fund Manager's report (continued)

Service providers

	Name	Address	Regulator
Authorised Fund Manager	Henderson Investment Funds Limited 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 Dealing – 0845 608 8703 Enquiries – 0800 832 832	Authorised and regulated by the Financial Conduct Authority
Directors of the Authorised Fund Manager	R Chaudhuri A Crooke G Foggin G Fogo S Hillenbrand H J de Sausmarez P Shea* F Smith* *Independent		
Investment Adviser	Henderson Global Investors Limited The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
Unitholder Administrator	SS&C Financial Services International Limited and SS&C Financial Services Europe Limited	SS&C House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
Trustee and Depositary	NatWest Trustee and Depositary Services Limited 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
Independent Auditors	PricewaterhouseCoopers LLP	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
Legal Adviser	Eversheds Sutherland (International) LLP	One Wood Street London EC2V 7WS	The Law Society

Authorised Fund Manager's report (continued)

Investment Fund Managers

Philip Payne and James Briggs

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 bonds of any quality, issued by governments, companies or any other type of issuer.

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.

Performance summary

Cumulative performance

	One year 15 Apr 20 - 15 Apr 21 %	Three years 15 Apr 18 - 15 Apr 21 %	Five years 15 Apr 16 - 15 Apr 21 %	Since inception 22 Apr 88 - 15 Apr 21 %
Class I accumulation (Net)	4.4	15.1	28.4	634.4
Markit iBoxx GBP Non-Gilts all maturities Index	4.3	14.3	25.3	-*
IA Sterling Corporate Bond Sector	5.8	14.4	25.8	435.4
Class I accumulation (Gross)	5.1	17.5	32.9	803.3
Markit iBoxx GBP Non-Gilts all maturities Index + 1.25%	5.6	18.6	33.4	-*

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

Discrete performance	15 Apr 20 - 15 Apr 21 %	15 Apr 19 - 15 Apr 20 %	15 Apr 18 - 15 Apr 19 %	15 Apr 17 - 15 Apr 18 %	15 Apr 16 - 15 Apr 17 %
Class I accumulation (Net)	4.4	6.6	3.5	1.0	10.4
Markit iBoxx GBP Non-Gilts all maturities Index	4.3	6.0	3.4	0.3	9.3
IA Sterling Corporate Bond Sector	5.8	5.1	2.9	0.9	8.9
Class I accumulation (Gross)	5.1	7.3	4.2	1.7	11.2
Markit iBoxx GBP Non-Gilts all maturities Index + 1.25%	5.6	7.3	4.7	1.6	10.7

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

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

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.

Authorised Fund Manager's report (continued)

Performance summary (continued)

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.

Please remember that past performance is not a guide to future performance. 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 2021

Largest purchases	£000	Largest sales/maturities	£000
UK Treasury 1.75% 07/09/2037	10,462	UK Treasury 1.75% 07/09/2037	9,294
UK Treasury 0.625% 22/10/2050	6,099	UK Treasury 4.25% 07/12/2040	7,623
UK Treasury 1.25% 22/10/2041	5,543	UK Treasury 1.50% 22/07/2047	5,604
Credit Suisse 2.25% 09/06/2028	4,129	ABN AMRO Bank 1.375% 16/01/2025	3,685
UK Treasury 1.50% 22/07/2026	3,631	UK Treasury 4.50% 07/12/2042	3,489
GlaxoSmithKline Capital 1.25% 12/10/2028	3,483	GlaxoSmithKline Capital 5.25% 19/12/2033	3,220
Aviva 6.125% 14/11/2036	3,283	Aviva 6.125% Perpetual	2,871
HSBC 3.00% 22/07/2028	3,227	UK Treasury 1.50% 22/01/2021	2,726
BP Capital Markets 4.25% Perpetual	3,064	E.ON Finance 6.25% 03/06/2030	2,718
UK Treasury 4.25% 07/12/2040	2,923	Equinor 2.875% 06/04/2025	2,379
Total purchases	222,438	Total sales/maturities	228,753

Investment review

The fund returned 4.4% (Net), 5.1% (Gross) based on Class I accumulation over the year under review, compared with a return of 4.3% in the Market iBoxx GBP Non-Gilts all maturities Index, a return of 5.6% in the Target Index + 1.25% and a return of 5.8% in the IA Sterling Corporate Bond Sector peer group benchmark.

COVID-19 coupled with the roll-out of vaccines, the response of global governments and central banks to the pandemic, and interest rate volatility dominated the reporting year.

The sterling investment-grade corporate bond market delivered a positive total return over the year. Excess returns (versus government equivalents) were also positive, with sterling investment-grade credit spreads (the additional yield over an equivalent government bond) seeing strong spread compression to end at the tightest (narrowest) levels in 10 years.

Bank of England (BoE) corporate bond purchases and investors' search for yield supported sterling investment-grade credit. The start of the COVID-19 vaccine roll-outs coupled with the removal of political risks such as the US presidential election and Brexit spurred further optimism. In 2021, vaccine distribution and further US fiscal stimulus heightened economic growth expectations and a reflation mindset took hold. Yields on UK 10-year gilts fell (prices rose, reflecting their inverse relationship) to new lows of 0.07% in early August 2020 before increasing by 0.50% in February 2021 to end at 0.84%. Sterling issuance amounted to £56.1bn of gross and £26.8bn of net supply during the year.

Both asset allocation and security selection were positive for performance, in addition to off-benchmark opportunities in high-yield and non-sterling investment-grade corporate issues. On a sector basis, an overweight exposure to utilities was the most noteworthy contributor, with the sector supported by BoE buying and demand from institutional 'buy-and-maintain' investors. Utility valuations subsequently became less attractive and we reduced the overweight holding, rotating to UK airports, which looked more attractive on a relative value basis. Security selection within real estate also benefited returns, with an overweight exposure to Aroundtown the largest single name contributor. Real estate previously lagged the credit rally in other sectors and there was a strong comeback towards the end of 2020.

The overall overweight exposure to credit beta added value. Having increased risk in early November in the wake of the US election and positive vaccine news, we captured the substantial spread tightening towards the end of 2020. Underweight positions in housing associations, including Clarion Housing Association and London & Quadrant Housing Trust, weighed on performance given the broader spread compression theme. The underweight holdings in agency and supranational issuers and a lack of exposure to cyclical sectors (eg, automotive and basic materials) also detracted from relative performance, as these experienced a strong comeback in line with the recovery rally.

The fund was active in the primary market, adding exposure through new deals such as credit referencing agency Experian Finance, UK pharmaceutical company GlaxoSmithKline Capital and US financial services company Wells Fargo.

In the first quarter of 2021, the key theme was the rise in interest rates. The fund was positioned with a small short duration stance relative to the benchmark through the quarter. However, this had a minimal impact on performance, given that the magnitude and speed of the move with respect to rising gilt yields in February was larger than expected.

The fund is positioned with a small overweight risk stance versus the benchmark, reflecting our expectation that the positive growth and earnings trajectory will support credit spreads in the near term. The fund's credit beta overweight position is expressed through an exposure to high yield, specifically BB rated issuers, focused on companies with a possible transition to investment-grade credit. Investment-grade corporate bond spreads are now trading at post-crisis 'tights' (ie, credit spreads are back near to the low levels they have reached historically) and have priced in much of the constructive outlook, thus we expect spread compression going forward to be moderate relative to high yield.

The emergence of COVID-19 variants or delays in rolling out vaccines pose threats to performance alongside further interest rate volatility. Nevertheless, we believe a positive fundamental landscape and supportive market technical conditions should benefit market liquidity and suppress default rates in 2021. Furthermore, if we were to see weakness in credit spreads going forward, we would expect the low beta, less cyclical structural nature of the sterling corporate bond market to provide some resilience relative to other areas. While we expect central banks to remain accommodative in the near term, we will closely monitor their reactions to strong economic growth and increasing inflation.

Despite our outlook, the past year has reminded us to remain vigilant for risks that may arise. As a result, we will be alert to any developments that may delay an earnings recovery or the necessary repair of corporate balance sheets. Activity from this juncture is likely to evolve depending on the balance between the trend in COVID-19 cases, the speed of vaccination campaigns and their success in enabling economies to reopen, and central bank policy support. We continue to use our off-benchmark flexibility to source alpha opportunities, specifically in high yield where we have identified rising star candidates and non-sterling investment-grade corporates (on a currency hedged basis) that offer attractive relative value opportunities to sterling investment-grade corporates. We continue to like corporate hybrids and see opportunities in the real estate sector where valuations still look attractive on a relative value basis, in our view.

Comparative tables for the year ended 15 April 2021

	2021 (pence per unit)	Accumulation 2020 (pence per unit)	2019 (pence per unit)
Change in net assets per unit			
Opening net asset value per unit	238.23	225.33	219.77
Return before operating charges*	13.32	15.87	8.34
Operating charges	(3.21)	(2.97)	(2.78)
Return after operating charges*	10.11	12.90	5.56
Distributions on accumulation units	(2.97)	(3.89)	(4.51)
Retained distributions on accumulation units	2.97	3.89	4.51
Closing net asset value per unit	248.34	238.23	225.33
* after direct transaction costs of:	-	-	-

Performance

Return after charges	4.24%	5.72%	2.53%
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Other information

Closing net asset value (£000s)	79,384	102,450	140,664
Closing number of units	31,965,690	43,004,098	62,425,332
Operating charges	1.29%	1.26%	1.26%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price (pence)	258.50	247.30	230.87
Lowest unit price (pence)	238.80	218.60	216.87

	2021 (pence per unit)	Income 2020 (pence per unit)	2019 (pence per unit)
Change in net assets per unit			
Opening net asset value per unit	67.46	64.86	64.61
Return before operating charges*	3.76	4.56	2.37
Operating charges	(0.90)	(0.85)	(0.81)
Return after operating charges*	2.86	3.71	1.56
Distributions on income units	(0.83)	(1.11)	(1.31)
Closing net asset value per unit	69.49	67.46	64.86
* after direct transaction costs of:	-	-	-

Performance

Return after charges	4.24%	5.72%	2.41%
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Other information

Closing net asset value (£000s)	17,841	31,642	55,533
Closing number of units	25,673,695	46,904,695	85,620,399
Operating charges	1.29%	1.26%	1.26%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price (pence)	72.74	70.27	67.87
Lowest unit price (pence)	67.61	62.12	63.09

Comparative tables (continued)

	Class E accumulation	
	2021	24/06/19 - 15/04/20
	(pence per unit)	(pence per unit)
Change in net assets per unit		
Opening net asset value per unit	239.20	232.63 ¹
Return before operating charges*	13.40	8.03
Operating charges	(1.99)	(1.46)
Return after operating charges*	11.41	6.57
Distributions on accumulation units	(4.26)	(4.86)
Retained distributions on accumulation units	4.26	4.86
Closing net asset value per unit	250.61	239.20
* after direct transaction costs of:	-	-
Performance		
Return after charges	4.77%	2.82%
Other information		
Closing net asset value (£000s)	51,421	33,916
Closing number of units	20,517,954	14,178,984
Operating charges	0.79%	0.76%
Direct transaction costs	0.00%	0.00%
Prices		
Highest unit price (pence)	260.50	248.20
Lowest unit price (pence)	239.80	219.40

¹ Class E accumulation launched on 24 June 2019 and this is the first published price.

	Class E income	
	2021	24/06/19 - 15/04/20
	(pence per unit)	(pence per unit)
Change in net assets per unit		
Opening net asset value per unit	67.46	66.96 ²
Return before operating charges*	3.79	2.31
Operating charges	(0.56)	(0.42)
Return after operating charges*	3.23	1.89
Distributions on income units	(1.19)	(1.39)
Closing net asset value per unit	69.50	67.46
* after direct transaction costs of:	-	-
Performance		
Return after charges	4.79%	2.82%
Other information		
Closing net asset value (£000s)	32,054	20,920
Closing number of units	46,123,721	31,010,632
Operating charges	0.79%	0.76%
Direct transaction costs	0.00%	0.00%
Prices		
Highest unit price (pence)	72.82	70.33
Lowest unit price (pence)	67.62	62.17

² Class E income launched on 24 June 2019 and this is the first published price.

Comparative tables (continued)

	Class I accumulation		
	2021 (pence per unit)	2020 (pence per unit)	2019 (pence per unit)
Change in net assets per unit			
Opening net asset value per unit	144.01	135.44	131.29
Return before operating charges*	8.05	9.55	5.06
Operating charges	(1.07)	(0.98)	(0.91)
Return after operating charges*	6.98	8.57	4.15
Distributions on accumulation units	(2.68)	(3.15)	(3.45)
Retained distributions on accumulation units	2.68	3.15	3.45
Closing net asset value per unit	150.99	144.01	135.44
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	4.85%	6.33%	3.16%
Other information			
Closing net asset value (£000s)	124,467	120,458	172,048
Closing number of units	82,434,968	83,646,057	127,024,100
Operating charges	0.71%	0.69%	0.69%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest unit price (pence)	156.90	149.40	136.70
Lowest unit price (pence)	144.30	132.10	130.06
	Class I income		
	2021 (pence per unit)	2020 (pence per unit)	2019 (pence per unit)
Change in net assets per unit			
Opening net asset value per unit	116.00	111.52	111.32
Return before operating charges*	6.50	7.85	3.85
Operating charges	(0.86)	(0.80)	(0.76)
Return after operating charges*	5.64	7.05	3.09
Distributions on income units	(2.15)	(2.57)	(2.89)
Closing net asset value per unit	119.49	116.00	111.52
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	4.86%	6.32%	2.78%
Other information			
Closing net asset value (£000s)	33,741	35,252	41,294
Closing number of units	28,236,828	30,390,534	37,028,563
Operating charges	0.71%	0.69%	0.69%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest unit price (pence)	125.20	120.90	113.30
Lowest unit price (pence)	116.30	106.90	108.67

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.

	2021 %	2020 %	Estimated OCF from 5 May 2020¹ %
Accumulation	1.29 ²	1.26	1.29
Income	1.29 ²	1.26	1.29
Class E accumulation³	0.79 ²	0.76	0.79
Class E income³	0.79 ²	0.76	0.79
Class I accumulation	0.71 ⁴	0.69	0.71
Class I income	0.71 ⁴	0.69	0.71

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

The ongoing charges includes fees payable to Distributors. Where the ongoing charges exceed the target outperformance relative to the benchmark the return is likely to be below the benchmark return, even when the Fund's outperformance target (before the deduction of charges) has been achieved.

¹ The estimated ongoing charge is based on the new General Administration Charge (GAC) rates to the year ended 15 April 2021.

² The GAC on Accumulation, Income, Class E accumulation and Class E income increased from 0.14% to 0.17% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

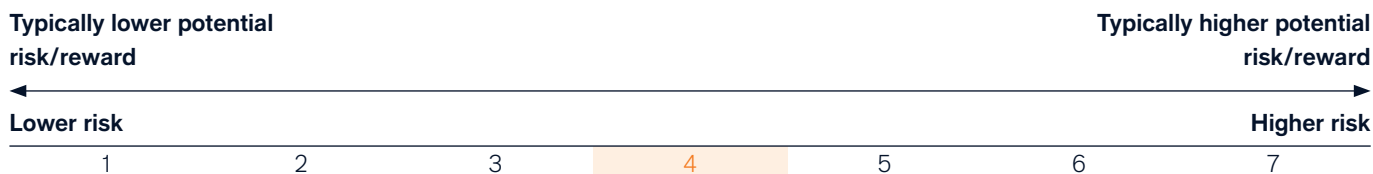
³ Class E accumulation and Class E income launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

⁴ The GAC on Class I accumulation and Class I income increased from 0.075% to 0.09% on 5 May 2020 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. Classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 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 5* 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 risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

The risk ratings 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 were launched on 24 June 2019. As these unit classes do not have a 5 year history, a synthetic history has been created using the Accumulation and Income unit classes respectively.

Portfolio statement as at 15 April 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 0.00% (2020: 0.08%)		
	United Kingdom 0.00% (2020: 0.08%)		
	Financials 0.00% (2020: 0.08%)		
	Bonds 97.36% (2020: 96.21%)		
	Australia 0.32% (2020: 0.30%)		
	Variable Rate Bond 0.32% (2020: 0.30%)		
GBP 1,000,000	BHP Billiton Finance VAR 22/10/2077	1,076	0.32
	Belgium 0.00% (2020: 0.40%)		
	Zero / Discount Rate Bond 0.00% (2020: 0.40%)		
	Canada 0.00% (2020: 0.22%)		
	Fixed Rate Bond 0.00% (2020: 0.22%)		
	Czech Republic 0.75% (2020: 0.31%)		
	Fixed Rate Bond 0.75% (2020: 0.31%)		
EUR 800,000	CPI Property B 4.875% Perpetual	731	0.22
EUR 740,000	CPI Property 1.50% 27/01/2031	625	0.18
GBP 1,160,000	CPI Property 2.75% 22/01/2028	1,177	0.35
		<u>2,533</u>	<u>0.75</u>
	Denmark 1.12% (2020: 1.15%)		
	Fixed Rate Bond 1.12% (2020: 1.15%)		
GBP 920,000	Danske Bank 2.25% 14/01/2028	946	0.28
GBP 740,000	Orsted 2.125% 17/05/2027	776	0.23
GBP 1,200,000	Orsted 2.50% 16/05/2033	1,295	0.38
GBP 780,000	Orsted 2.50% 18/02/2067	775	0.23
		<u>3,792</u>	<u>1.12</u>
	France 5.96% (2020: 7.99%)		
	Fixed Rate Bond 4.74% (2020: 6.47%)		
GBP 500,000	Banque Fédérative du Crédit Mutuel 1.25% 05/12/2025	505	0.15
GBP 1,900,000	BNP Paribas 1.25% 13/07/2031	1,780	0.52
GBP 1,300,000	Crédit Agricole 1.25% 02/10/2024	1,319	0.39
GBP 400,000	Électricité de France 5.125% 22/09/2050	618	0.18
GBP 500,000	Électricité de France 5.50% 17/10/2041	744	0.22
GBP 900,000	Électricité de France 5.50% 27/03/2037	1,284	0.38
GBP 700,000	Électricité de France 6.00% 23/01/2114	1,234	0.36
GBP 1,200,000	Électricité de France 6.125% 02/06/2034	1,754	0.52
GBP 1,400,000	LVMH 1.125% 11/02/2027	1,396	0.41
GBP 800,000	Orange 3.25% 15/01/2032	912	0.27
GBP 2,000,000	Société Générale 1.875% 03/10/2024	2,050	0.60
GBP 1,690,000	Total Capital International 1.75% 07/07/2025	1,754	0.52
GBP 700,000	Vinci 2.25% 15/03/2027	744	0.22
		<u>16,094</u>	<u>4.74</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Variable Rate Bond 1.22% (2020: 1.52%)		
GBP 270,000	AXA 5.625% 16/01/2054	344	0.10
GBP 1,300,000	Électricité de France 6.00% Perpetual	1,465	0.43
GBP 2,139,000	Orange 5.75% Perpetual	2,309	0.69
		<u>4,118</u>	<u>1.22</u>
	Germany 3.77% (2020: 5.43%)		
	Fixed Rate Bond 3.77% (2020: 5.43%)		
EUR 1,000,000	Adler 2.25% 14/01/2029	846	0.25
EUR 1,000,000	Adler 2.75% 13/11/2026	893	0.26
GBP 1,100,000	Aroundtown 3.25% 18/07/2027	1,184	0.35
GBP 600,000	Aroundtown 3.625% 10/04/2031	661	0.20
GBP 2,000,000	Aroundtown 4.75% Perpetual	2,112	0.63
GBP 600,000	Deutsche Bank FRN 22/12/2028	591	0.17
GBP 900,000	E.ON International Finance 4.75% 31/01/2034	1,150	0.34
EUR 1,130,000	Peach Property Finance 4.375% 15/11/2025	1,026	0.30
GBP 1,400,000	Volkswagen Financial Services 1.875% 07/09/2021	1,406	0.41
GBP 1,800,000	Volkswagen Financial Services 2.75% 10/07/2023	1,874	0.56
GBP 1,000,000	Volkswagen Financial Services 1.625% 10/02/2024	1,017	0.30
		<u>12,760</u>	<u>3.77</u>
	Iceland 0.00% (2020: 0.00%)		
	Asset Backed 0.00% (2020: 0.00%)		
GBP 1,625,000	Kaupthing Singer & Friedlander 7.50% 13/11/2019 ¹	-	-
	Ireland 0.00% (2020: 0.01%)		
	Fixed Rate Bond 0.00% (2020: 0.01%)		
GBP 3,350,000	Lambay Capital Securities 6.25% Perpetual ²	8	-
	Italy 1.21% (2020: 0.84%)		
	Fixed Rate Bond 1.21% (2020: 0.52%)		
GBP 1,280,000	Enel Finance International 1.00% 20/10/2027	1,256	0.37
GBP 850,000	Enel Finance International 5.75% 14/09/2040	1,273	0.38
GBP 400,000	Enel 5.75% 22/06/2037	577	0.17
GBP 1,000,000	Intesa Sanpaolo 2.625% 11/03/2036	994	0.29
		<u>4,100</u>	<u>1.21</u>
	Variable Rate Bond 0.00% (2020: 0.32%)		
	Japan 0.48% (2020: 0.00%)		
	Fixed Rate Bond 0.48% (2020: 0.00%)		
EUR 1,780,000	Takeda Pharmaceutical 1.375% 09/07/2032	1,616	0.48
	Luxembourg 0.61% (2020: 0.78%)		
	Fixed Rate Bond 0.61% (2020: 0.78%)		
GBP 2,000,000	B&M European Value Retail 3.625% 15/07/2025	2,064	0.61

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Netherlands 0.80% (2020: 1.27%)		
	Fixed Rate Bond 0.68% (2020: 1.27%)		
GBP 1,300,000	ING 3.00% 18/02/2026	1,409	0.42
GBP 920,000	Shell International Finance 1.00% 10/12/2030	871	0.26
		<u>2,280</u>	<u>0.68</u>
	Variable Rate Bond 0.12% (2020: 0.00%)		
EUR 368,800	Rabobank 6.50% Perpetual	419	0.12
	Norway 0.00% (2020: 1.26%)		
	Fixed Rate Bond 0.00% (2020: 1.26%)		
	Spain 0.44% (2020: 0.80%)		
	Fixed Rate Bond 0.44% (2020: 0.80%)		
GBP 1,250,000	Iberdrola Finanzas 7.375% 29/01/2024	1,477	0.44
	Sweden 0.79% (2020: 0.00%)		
	Fixed Rate Bond 0.79% (2020: 0.00%)		
EUR 1,200,000	Heimstaden Bostad 2.625% Perpetual	1,036	0.31
EUR 1,800,000	Heimstaden Bostad 3.375% Perpetual	1,628	0.48
		<u>2,664</u>	<u>0.79</u>
	Switzerland 2.43% (2020: 1.07%)		
	Fixed Rate Bond 1.64% (2020: 0.31%)		
GBP 4,070,000	Credit Suisse 2.25% 09/06/2028	4,155	1.23
GBP 1,380,000	UBS London 0.625% 18/12/2023	1,381	0.41
		<u>5,536</u>	<u>1.64</u>
	Variable Rate Bond 0.79% (2020: 0.76%)		
GBP 2,500,000	Zurich Finance UK 6.625% Perpetual	2,689	0.79
	United Kingdom 64.57% (2020: 58.97%)		
	Asset Backed 2.41% (2020: 2.30%)		
GBP 1,550,707	Longstone Finance 4.791% 19/04/2036	1,791	0.53
GBP 848,235	TC Dudgeon OFTO 3.158% 12/11/2038	956	0.28
GBP 550,000	Telereal Securitisation 1.365% 10/12/2031	554	0.16
GBP 561,132	Tesco Property Finance 5.4111% 13/07/2044	725	0.21
GBP 1,281,438	Tesco Property Finance 5.744% 13/04/2040	1,698	0.50
GBP 1,853,295	Tesco Property Finance 6.0517% 13/10/2039	2,448	0.73
		<u>8,172</u>	<u>2.41</u>
	Fixed Rate Bond 59.28% (2020: 54.25%)		
GBP 740,000	Accent Capital 2.625% 18/07/2049	835	0.25
GBP 2,100,000	Annington Funding 2.646% 12/07/2025	2,213	0.65
GBP 500,000	Annington Funding 3.184% 12/07/2029	542	0.16
GBP 790,000	Assura Financing 1.50% 15/09/2030	785	0.23
GBP 710,000	Aster Treasury 1.405% 27/01/2036	678	0.20
GBP 400,000	Aviva 4.00% 03/06/2055	444	0.13
GBP 1,300,000	A2Dominion Housing 3.50% 15/11/2028	1,426	0.42
GBP 1,800,000	Barclays 2.375% 06/10/2023	1,843	0.54
GBP 1,200,000	Barclays 3.00% 08/05/2026	1,289	0.38

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond (continued)		
GBP 1,227,000	Barclays 9.50% 07/08/2021	1,258	0.37
GBP 460,000	BAT International Finance 2.25% 26/06/2028	462	0.14
GBP 2,400,000	BAT International Finance 4.00% 04/09/2026	2,677	0.79
GBP 2,200,000	Bazalgette Finance 2.375% 29/11/2027	2,343	0.69
GBP 1,700,000	Bellis Acquisition 3.25% 16/02/2026	1,709	0.50
GBP 1,640,000	Blend Funding 3.459% 21/09/2047	1,995	0.59
GBP 2,700,000	BNP Paribas 3.375% 23/01/2026	2,956	0.87
GBP 2,400,000	BP Capital Markets 4.25% Perpetual	2,553	0.75
GBP 700,000	BPHA Finance 4.816% 11/04/2044	1,021	0.30
GBP 1,300,000	British Telecommunications 3.125% 21/11/2031	1,417	0.42
GBP 880,000	Bunzl Finance 1.50% 30/10/2030	858	0.25
GBP 1,800,000	Bunzl Finance 2.25% 11/06/2025	1,889	0.56
GBP 1,200,000	BUPA Finance 5.00% 08/12/2026	1,399	0.41
GBP 1,285,000	BUPA Finance 5.00% 25/04/2023	1,388	0.41
GBP 1,120,000	Burberry 1.125% 21/09/2025	1,111	0.33
GBP 3,000,000	Cadent Finance 2.125% 22/09/2028	3,117	0.92
GBP 600,000	Cadent Finance 2.625% 22/09/2038	623	0.18
GBP 2,250,000	Canary Wharf 2.625% 23/04/2025	2,255	0.67
GBP 800,000	Centrica 7.00% 19/09/2033	1,228	0.36
GBP 1,930,000	Co-operative 5.125% 17/05/2024	2,071	0.61
GBP 1,680,000	Coventry Building Society 1.50% 23/01/2023	1,703	0.50
GBP 2,570,000	Coventry Building Society 5.875% 28/09/2022	2,761	0.81
GBP 1,758,892	Delamare Finance 5.5457% 19/02/2029	2,025	0.60
GBP 820,000	Diageo Finance 1.75% 12/10/2026	851	0.25
GBP 600,000	Diageo Finance 2.875% 27/03/2029	668	0.20
GBP 2,370,000	Direct Line Insurance 4.00% 05/06/2032	2,667	0.79
GBP 800,000	Dwr Cymru Financing 1.375% 31/03/2033	786	0.23
GBP 2,400,000	Dwr Cymru Financing 1.625% 31/03/2026	2,432	0.72
GBP 650,000	Dwr Cymru Financing 2.375% 31/03/2034	665	0.20
GBP 1,137,000	Dwr Cymru Financing 6.015% 31/03/2028	1,491	0.44
GBP 1,310,000	Eversholt Funding 2.742% 30/06/2040	1,353	0.40
GBP 1,700,000	Experian Finance 2.125% 27/09/2024	1,768	0.52
GBP 1,340,000	Experian Finance 3.25% 07/04/2032	1,518	0.45
GBP 680,000	Folio Residential Finance 1.246% 31/10/2027	680	0.20
GBP 450,000	Gatwick Funding 2.50% 15/04/2030	449	0.13
GBP 900,000	Gatwick Funding 3.125% 28/09/2039	916	0.27
GBP 300,000	Gatwick Funding 4.625% 27/03/2034	358	0.11
GBP 600,000	Gatwick Funding 6.125% 02/03/2026	720	0.21
GBP 3,500,000	GlaxoSmithKline Capital 1.25% 12/10/2028	3,475	1.03
GBP 1,230,000	GlaxoSmithKline Capital 1.625% 12/05/2035	1,188	0.35
GBP 600,000	GlaxoSmithKline Capital 5.25% 10/04/2042	927	0.27
GBP 1,270,000	Grainger 3.00% 03/07/2030	1,335	0.39
GBP 675,000	Heathrow Funding 2.75% Perpetual	663	0.20
GBP 1,390,000	Heathrow Funding 2.75% 13/10/2029	1,441	0.43
GBP 300,000	Heathrow Funding 4.625% 31/10/2046	390	0.11
GBP 3,000,000	Heathrow Funding 6.75% 03/12/2026	3,789	1.13
GBP 400,000	HSBC 3.00% 29/05/2030	432	0.13
GBP 900,000	HSBC 4.75% 24/03/2046	1,221	0.36
GBP 1,700,000	HSBC 6.00% 29/03/2040	2,415	0.71
GBP 690,000	Hyde Housing Association 1.75% 18/08/2055	610	0.18

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond (continued)		
GBP 1,000,000	Imperial Brands Finance 5.50% 28/09/2026	1,196	0.35
GBP 2,200,000	Imperial Brands Finance 9.00% 17/02/2022	2,352	0.69
GBP 1,280,000	InterContinental Hotels 3.375% 08/10/2028	1,369	0.40
GBP 530,000	Karbon Homes 3.375% 15/11/2047	675	0.20
GBP 1,450,000	Land Securities Capital Markets 2.375% 29/03/2027	1,522	0.45
GBP 1,810,000	Leeds Building Society 1.50% 16/03/2027	1,805	0.53
GBP 1,000,000	Legal & General 5.125% 14/11/2048	1,175	0.35
GBP 650,000	Lloyds Bank Corporate Markets 1.50% 23/06/2023	662	0.20
GBP 900,000	Lloyds Bank 7.5% 15/04/2024	1,078	0.32
GBP 3,300,000	Logicor 1.875% 17/11/2026	3,430	1.01
GBP 580,000	London & Quadrant Housing 2.00% 20/10/2038	573	0.17
GBP 750,000	London Power Networks 2.625% 01/03/2029	809	0.24
GBP 1,400,000	London Stock Exchange 1.625% 06/04/2030	1,405	0.41
GBP 390,000	Manchester Airport Funding 2.875% 30/09/2044	388	0.11
GBP 300,000	Manchester Airport Funding 4.75% 31/03/2034	371	0.11
GBP 1,200,000	M&G 5.56% 20/07/2055	1,414	0.42
GBP 1,000,000	Motability Operations 1.50% 20/01/2041	931	0.27
GBP 300,000	Motability Operations 2.375% 03/07/2039	322	0.10
GBP 1,000,000	Motability Operations 3.625% 10/03/2036	1,236	0.36
GBP 1,380,000	National Grid Electricity Transmission 1.125% 07/07/2028	1,340	0.40
GBP 400,000	National Grid Electricity Transmission 2.00% 17/04/2040	384	0.11
GBP 1,200,000	National Grid Electricity Transmission 2.75% 06/02/2035	1,296	0.38
GBP 2,100,000	National Westminster Bank 6.50% 07/09/2021	2,146	0.63
GBP 2,290,000	Nationwide Building Society 1.00% 24/01/2023	2,310	0.68
GBP 3,600,000	NatWest 2.875% 19/09/2026	3,834	1.14
GBP 900,000	NatWest 5.125% Perpetual	955	0.28
GBP 900,000	Next 3.00% 26/08/2025	964	0.28
GBP 480,000	Northern Electric Finance 2.75% 24/05/2049	553	0.16
GBP 240,000	Northern Powergrid (Yorkshire) 2.25% 09/10/2059	252	0.07
GBP 400,000	Northern Powergrid (Yorkshire) 5.125% 04/05/2035	543	0.16
GBP 1,200,000	Notting Hill Genesis 2.875% 31/01/2029	1,304	0.38
GBP 400,000	Optivo Finance 2.857% 07/10/2035	445	0.13
GBP 500,000	Optivo Finance 3.283% 22/03/2048	597	0.18
GBP 400,000	Orbit Capital 2.00% 24/11/2038	394	0.12
GBP 680,000	Platform HG Finance 1.625% 10/08/2055	616	0.18
GBP 2,400,000	PRS Finance 1.50% 24/08/2034	2,423	0.71
GBP 600,000	Prudential 6.125% 19/12/2031	823	0.24
GBP 600,000	RAC Bond 4.565% 06/05/2023	621	0.18
GBP 200,000	RAC Bond 4.87% 06/05/2026	214	0.06
GBP 400,000	RL Finance Bonds No.4 4.875% 07/10/2049	456	0.13
GBP 820,000	Sanctuary Capital 2.375% 14/04/2050	860	0.25
GBP 2,600,000	Santander UK 2.92% 08/05/2026	2,765	0.82
GBP 2,360,000	Scottish Widows 5.50% 16/06/2023	2,581	0.76
GBP 600,000	Scottish Widows 7.00% 16/06/2043	885	0.26
GBP 600,000	SEGRO 2.375% 11/10/2029	644	0.19
GBP 1,400,000	Severn Trent Utilities Finance 3.625% 16/01/2026	1,569	0.46
GBP 1,050,000	South Eastern Power Networks 5.625% 30/09/2030	1,411	0.42
GBP 1,430,000	Sovereign Housing Capital 2.375% 04/11/2048	1,517	0.45
GBP 1,200,000	SP Manweb 4.875% 20/09/2027	1,458	0.43
GBP 1,060,000	SP Transmission 2.00% 13/11/2031	1,089	0.32

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,170,000	SSE 3.74% Perpetual	1,230	0.36
GBP 1,400,000	Thames Water Utilities Finance 2.375% 22/04/2040	1,400	0.41
GBP 1,200,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,266	0.37
GBP 500,000	Thames Water Utilities Finance 3.50% 25/02/2028	558	0.16
GBP 2,500,000	Thames Water Utilities Finance 4.00% 19/06/2025	2,810	0.83
GBP 600,000	Thames Water Utilities Finance 4.375% 03/07/2034	750	0.22
GBP 740,000	Travis Perkins 3.75% 17/02/2026	779	0.23
GBP 2,800,000	Tritax Big Box REIT 2.625% 14/12/2026	3,002	0.89
GBP 5,700,000	UK Treasury 0.625% 22/10/2050	4,815	1.43
GBP 3,055,000	UK Treasury 1.25% 22/10/2041	3,075	0.91
GBP 1,290,000	UK Treasury 1.50% 22/07/2026	1,368	0.40
GBP 4,480,000	UK Treasury 1.50% 22/07/2047	4,729	1.41
GBP 5,725,000	UK Treasury 1.75% 07/09/2037	6,262	1.86
GBP 1,587,029	UK Treasury 3.25% 22/01/2044	2,223	0.66
GBP 595,000	UK Treasury 4.25% 07/12/2040	917	0.27
GBP 2,180,000	UK Treasury 4.50% 07/12/2042	3,549	1.06
GBP 765,000	Unite USAF 3.374% 30/06/2023	798	0.24
GBP 1,200,000	United Utilities Water Finance 1.875% 03/06/2042	1,159	0.34
GBP 380,000	Virgin Money UK 5.125% 11/12/2030	420	0.12
GBP 600,000	Virgin Money 4.00% 25/09/2026	653	0.19
GBP 290,000	Virgin Money 9.25% Perpetual	331	0.10
GBP 1,400,000	Vodafone 3.00% 12/08/2056	1,485	0.44
GBP 1,600,000	Vodafone 4.875% 03/10/2078	1,735	0.51
GBP 1,700,000	Western Power Distribution East Midlands 5.25% 17/01/2023	1,837	0.54
GBP 1,280,000	Westfield Stratford City Finance 1.642% 04/08/2026	1,268	0.37
GBP 440,000	Whitbread 2.375% 31/05/2027	442	0.13
GBP 320,000	Whitbread 3.00% 31/05/2031	323	0.10
GBP 2,230,000	Workspace 2.25% 11/03/2028	2,207	0.65
GBP 600,000	WPP Finance 2013 2.875% 14/09/2046	583	0.17
GBP 930,000	Wrekin Housing 2.50% 22/10/2048	998	0.29
GBP 1,870,000	Yorkshire Water Finance 1.75% 26/11/2026	1,920	0.57
		200,936	59.28
Variable Rate Bond 2.88% (2020: 2.42%)			
GBP 270,000	Aviva 6.125% Perpetual	288	0.09
GBP 2,100,000	Aviva 6.125% 14/11/2036	2,560	0.76
GBP 3,000,000	HSBC 3.00% 22/07/2028	3,234	0.95
GBP 2,600,000	HSBC 5.844% Perpetual	3,677	1.08
		9,759	2.88
United States 14.11% (2020: 15.41%)			
Fixed Rate Bond 14.11% (2020: 15.41%)			
GBP 800,000	Apple 3.60% 31/07/2042	1,075	0.32
GBP 2,570,000	Athene Global Funding 1.75% 24/11/2027	2,580	0.76
GBP 1,900,000	AT&T 4.875% 01/06/2044	2,570	0.76
GBP 500,000	AT&T 7.00% 30/04/2040	816	0.24
GBP 2,000,000	Bank of America 2.30% 25/07/2025	2,117	0.62
GBP 1,000,000	Berkshire Hathaway Finance 2.375% 19/06/2039	1,072	0.32
GBP 270,000	Berkshire Hathaway Finance 2.625% 19/06/2059	312	0.09
GBP 2,540,000	Citigroup 1.75% 23/10/2026	2,597	0.77

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,500,000	Citigroup 2.75% 24/01/2024	1,578	0.47
GBP 810,000	Comcast 1.50% 20/02/2029	811	0.24
GBP 700,000	Comcast 1.875% 20/02/2036	692	0.20
GBP 1,200,000	Fidelity National Information Services 2.25% 03/12/2029	1,243	0.37
GBP 900,000	Fidelity National Information Services 3.36% 21/05/2031	1,010	0.30
GBP 900,000	Ford Motor Credit 2.748% 14/06/2024	909	0.27
GBP 1,386,000	GE Capital UK Funding 5.875% 18/01/2033	1,888	0.56
GBP 1,400,000	General Electric Capital 5.25% 07/12/2028	1,744	0.51
GBP 1,250,000	Goldman Sachs 1.50% 07/12/2027	1,252	0.37
GBP 1,420,000	Metropolitan Life Global Funding I 0.625% 08/12/2027	1,366	0.40
GBP 900,000	MPT Operating Partnership 2.50% 24/03/2026	907	0.27
GBP 780,000	MPT Operating Partnership 3.375% 24/04/2030	789	0.23
GBP 1,460,000	New York Life Global Funding 0.75% 14/12/2028	1,406	0.41
GBP 950,000	Time Warner Cable 5.75% 02/06/2031	1,204	0.36
GBP 1,890,000	Toyota Motor Credit 0.75% 19/11/2026	1,862	0.55
GBP 1,100,000	Verizon Communications 1.875% 03/11/2038	1,050	0.31
GBP 1,200,000	Verizon Communications 2.50% 08/04/2031	1,269	0.37
GBP 800,000	Verizon Communications 3.125% 02/11/2035	898	0.27
GBP 200,000	Verizon Communications 3.375% 27/10/2036	233	0.07
GBP 1,800,000	Walmart 5.625% 27/03/2034	2,680	0.78
GBP 1,900,000	Walmart 5.75% 19/12/2030	2,680	0.78
GBP 2,070,000	Wells Fargo 2.125% 24/09/2031	2,103	0.62
GBP 1,140,000	Wells Fargo 2.50% 02/05/2029	1,203	0.36
GBP 3,600,000	Wells Fargo 5.25% 01/08/2023	3,952	1.16
		<u>47,868</u>	<u>14.11</u>
Derivatives (0.05%) (2020: 0.03%)			
Futures 0.00% (2020: (0.01%))			
(20)	EUX Euro Bobl June 2021	(1)	-
(23)	EUX Euro Bund June 2021	3	-
(26)	ICE Long Gilt June 2021	2	-
		<u>4</u>	<u>-</u>
Swaps (0.02%) (2020: 0.00%)³			
Credit Default Swaps (0.02%) (2020: 0.00%)³			
2,100,000	CDS 1.000% 20/06/2026 HSBC Receive EUR	(58)	(0.02)
Forward Foreign Exchange Contracts (0.03%) (2020: 0.04%)³			
	Buy EUR 1,635,109 : Sell GBP 1,399,233 April 2021	20	0.01
	Buy EUR 40,553 : Sell GBP 34,702 April 2021 ⁴	-	-
	Buy EUR 57,842 : Sell GBP 49,233 April 2021	1	-
	Buy EUR 955,929 : Sell GBP 818,031 April 2021	12	-
	Buy GBP 11,027,160 : Sell EUR 12,876,323 April 2021	(150)	(0.04)
	Buy GBP 13,420 : Sell USD 18,728 April 2021 ⁴	-	-
	Buy GBP 4,554 : Sell EUR 5,308 April 2021 ⁴	-	-
	Buy GBP 51,614 : Sell EUR 60,300 April 2021	(1)	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Forward Foreign Exchange Contracts <small>(continued)</small>		
	Buy GBP 900,916 : Sell USD 1,252,700 April 2021	(7)	-
	Buy USD 1,190,034 : Sell GBP 856,879 April 2021	6	-
	Buy USD 81,395 : Sell GBP 58,398 April 2021	1	-
		<u>(118)</u>	<u>(0.03)</u>
	Investment assets including investment liabilities	329,789	97.31
	Other net assets	9,119	2.69
	Total net assets	338,908	100.00

¹ Defaulted

² Manually priced securities

³ Not listed on an official stock exchange

⁴ 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.

Prior year comparative percentages have changed for some sectors due to reclassification within these sectors.

Statement of Authorised Fund Manager's responsibilities for the year ended 15 April 2021

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, United Kingdom Generally Accepted Accounting Practice (UK GAAP) (United Kingdom 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;
- 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 HIFL, 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 2021

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
6 July 2021

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 'Trust'):

- give a true and fair view of the financial position of the Trust as at 15 April 2021 and of the net revenue and the net capital gains 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 2021; the statement of total return and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

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 Trust 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 Trust'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 Trust'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.

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 Trust'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 Trust, 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 Trust/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 Trust. 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. 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 Trust'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.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
6 July 2021

Statement of total return for the year ended 15 April 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains	4		10,104		16,265
Revenue	5	8,986		11,249	
Expenses	6	(3,270)		(3,544)	
Interest payable and similar charges	7	(2)		-	
Net revenue before taxation		5,714		7,705	
Taxation	8	-		-	
Net revenue after taxation			5,714		7,705
Total return before distributions			15,818		23,970
Distributions	9		(5,715)		(7,705)
Change in net assets attributable to unitholders from investment activities			10,103		16,265

Statement of change in net assets attributable to unitholders for the year ended 15 April 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to unitholders		344,638		409,539
Amounts receivable on issue of units	39,187		4,442	
Amounts payable on cancellation of units	(59,387)		(91,259)	
		(20,200)		(86,817)
Dilution adjustment		104		-
Change in net assets attributable to unitholders from investment activities		10,103		16,265
Retained distributions on accumulation units		4,251		5,626
Unclaimed distributions		12		25
Closing net assets attributable to unitholders		338,908		344,638

Balance sheet as at 15 April 2021

	Note	2021 £000	2020 £000
Assets:			
Investments		330,006	332,183
Current assets:			
Debtors	10	3,830	14,970
Cash and bank balances	11	6,792	12,649
Total assets		340,628	359,802
Liabilities:			
Investment liabilities		217	226
Creditors:			
Amounts held at derivatives clearing houses and brokers		5	22
Bank overdrafts		-	3,974
Distribution payable		319	391
Other creditors	12	1,179	10,551
Total liabilities		1,720	15,164
Net assets attributable to unitholders		338,908	344,638

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 Henderson Investment Funds Limited.



G Foggin
(Director)



A Crooke
(Director)

6 July 2021

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, 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 (15 April 2021) 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 UK & EMEA Fair Value Pricing Committee (FVPC). 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.

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 units 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 and agent fees.

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

Where an Index Future or 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.

(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 Annual Management Charge (AMC) is accrued on a daily basis by reference to the net asset value of each unit class on that 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 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 the costs attributable to each unit class based on whether the class is a 'Retail' class or an 'Institutional' class. 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.

(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.

Notes to the financial statements (continued)

1 Accounting policies (continued)

(f) Taxation (continued)

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 average rate of tax expected to apply. 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.IA 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.

Credit default swaps

Open credit default swaps (CDS) 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) on investments. Premiums receivable or payable on CDS 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) on investments.

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) on investments, 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. 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.

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 Bwise operational risk database;
- RiskMetrics, UBS Delta, Style Research, Cognity 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 efficient portfolio management 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
2021				
Euro	539	8,401	115	9,055
UK sterling	24,312	303,500	3,755	331,567
US dollar	-	-	6	6
Total	24,851	311,901	3,876	340,628
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2020				
Euro	320	7,384	3,646	11,350
UK sterling	27,083	302,435	7,351	336,869
US dollar	139	6,843	4,601	11,583
Total	27,542	316,662	15,598	359,802

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
2021				
Euro	3	58	2	63
UK sterling	2	-	1,655	1,657
Total	5	58	1,657	1,720
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2020				
Euro	-	-	4,663	4,663
UK sterling	3,996	-	5,759	9,755
US dollar	-	-	746	746
Total	3,996	-	11,168	15,164

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.

An outbreak of an infectious respiratory illness known as COVID-19 was first detected in China in December 2019 and has now been declared a pandemic by the World Health Organization. Due to this outbreak, market volatility in all major asset classes increased substantially in the early part of 2020, which has led to an increase in volatility of fund valuations. There can be an increase in a wide range of impacts on the fund from COVID-19, as with all stressed market events, which might include: a reduction in revenues, a reduction in net asset value due to market fluctuations, and financial and non-financial covenant defaults.

In response to the COVID-19 pandemic, the Financial Reporting Council (FRC) issued guidance to companies to ensure that they maintain sufficient capital reserves, which resulted in cancelled dividend payments. In order to assess and mitigate the risk of not receiving income accrued, procedures were put in place. We continue to monitor the effect of any cancelled dividends and to make suitable provisions when calculating the amount available for distribution.

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 efficient portfolio management 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, limits and utilisation of those 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
	%	%	%	%	%	%	%
2021	3.47	5.93	4.61	20	17.33	29.66	23.06
2020	2.00	5.17	2.41	20	9.99	25.84	12.03

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
	%	%	%
2021	4.78	21.69	10.68
2020	0.00	18.89	2.12

(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 an acceptable counterparty 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.

Whilst COVID-19 has affected counterparties used by Janus Henderson, the risk controls and procedures in place help to mitigate the risk caused by the pandemic. There have been additional controls put in place to protect against the risk of not receiving income that has been accrued, to make appropriate provisions in calculating the amount available for distribution, and also to consider the risk of pricing errors. The risk framework is regularly monitored and reviewed to ensure the controls and procedures are adequate to protect against credit and counterparty risk.

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 %
2021		
Investments		
Investment grade (AAA - BBB)	295,759	87.27
Below investment grade (BB and below)	18,954	5.59
Unrated	15,248	4.50
Total debt securities	329,961	97.36
Derivatives	(172)	(0.05)
Investment assets including investment liabilities	329,789	97.31
Other net assets	9,119	2.69
Total net assets	338,908	100.00
	Market value £000	Percentage of total net assets %
2020		
Investments		
Investment grade (AAA - BBB)	310,995	90.24
Below investment grade (BB and below)	7,598	2.20
Unrated	12,962	3.76
Total debt securities	331,555	96.20
Derivatives	117	0.04
Equities	285	0.08
Investment assets including investment liabilities	331,957	96.32
Other net assets	12,681	3.68
Total net assets	344,638	100.00

(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 have a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption or major disaster.

COVID-19 has the potential to affect the daily operations of the Manager and other service providers, Supply chain risk is now considered to be one of the highest risks facing asset management firms. Janus Henderson's current service providers have demonstrated that they have robust business continuity plans in place which have not adversely affected their service, which is further supported by regular updates on business process controls from both internal and external suppliers.

(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. 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
2021				
Amounts held at derivatives clearing houses and brokers	5	-	-	-
Derivative financial liabilities	-	159	-	58
Distribution payable	-	319	-	-
Other creditors	-	1,179	-	-
Total	5	1,657	-	58
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Amounts held at derivatives clearing houses and brokers	22	-	-	-
Bank overdrafts	3,974	-	-	-
Derivative financial liabilities	-	226	-	-
Distribution payable	-	391	-	-
Other creditors	-	10,551	-	-
Total	3,996	11,168	-	-

Market volatility in all major asset classes increased substantially in the early part of 2020 which has led to an increase in fund volatilities and reduced liquidity. Even though market liquidity was more challenging during this stressed period in certain markets, we did not have any issues meeting redemptions for the fund and believe that the fund will be able to handle typical redemption patterns going forward.

Brexit risk

The United Kingdom (UK) left the European Union (EU) on 31 January 2020, a transition period was in place until 31 December 2020, during which all EU rules and laws continued to apply to the UK. On 24 December 2020 the EU and the UK reached an agreement on a new partnership, this was approved by the EU member states on 29 December 2020, and the UK parliament's approval followed on 31 December 2020. On 1 January 2021 this agreement took effect and the new rules entered into force.

The new agreement between the EU and the UK does not cover the financial services industry. The EU have agreed to establish a structured regulatory co-operation on financial services, with the aim of establishing a durable and stable relationship between autonomous jurisdictions. As at April 2021, both parties have agreed a Memorandum of Understanding establishing the framework for the co-operation.

Currency volatility resulting from this uncertainty may mean that the returns of the fund and its investments are adversely affected by market movements, potential decline in the value of the British pound and/or euro, and any downgrading of United Kingdom sovereign credit rating. This may also make it more difficult, or more expensive, for the fund to execute prudent currency hedging policies. This uncertainty may have an adverse effect on the economy generally and on the ability of the fund to execute its respective strategy and to receive attractive returns, and may also result in increased costs to the fund.

Notes to the financial statements (continued)

4 Net capital gains

Net capital gains on investments during the year comprise:

	2021	2020
	£000	£000
Derivative securities	140	230
Forward currency contracts	669	(28)
Non-derivative securities	9,169	16,015
Other currency gains	132	62
Transaction costs	(6)	(14)
Net capital gains	10,104	16,265

5 Revenue

	2021	2020
	£000	£000
Bank interest	-	41
Derivative revenue	(40)	(3)
Interest on debt securities	9,003	11,169
Stock lending revenue	20	39
UK dividends	3	3
Total revenue	8,986	11,249

6 Expenses

	2021	2020
	£000	£000
Payable to the AFM, associates of the AFM and agents of either of them:		
Annual management charge	2,738	3,067
GAC*	475	417
	<u>3,213</u>	<u>3,484</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee fees	31	32
Safe custody fees	26	28
	<u>57</u>	<u>60</u>
Total expenses	3,270	3,544

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £8,861 (2020: £7,912).

7 Interest payable and similar charges

The interest payable and similar charges comprise:

	2021	2020
	£000	£000
Interest payable	2	-
Total interest payable and similar charges	2	-

Notes to the financial statements (continued)

8 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2020: 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% (2020: 20%). The differences are explained below:

	2021	2020
	£000	£000
Net revenue before taxation	5,714	7,705
Corporation tax at 20% (2020: 20%)	1,143	1,541
Effects of:		
Revenue being paid as interest distributions	(1,142)	(1,540)
UK dividends*	(1)	(1)
Tax charge for the year (note 8a)	-	-

* As an authorised unit trust this item is not subject to corporation tax.

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 (2020: 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.

9 Distributions

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

	2021	2020
	£000	£000
Interim income	1,083	1,436
Interim accumulation	3,307	4,497
Final income	319	391
Final accumulation	944	1,129
	<u>5,653</u>	<u>7,453</u>
Amounts deducted on cancellation of units	131	264
Amounts received on issue of units	(69)	(12)
Total distributions	<u>5,715</u>	<u>7,705</u>
Net revenue after taxation	5,714	7,705
Equalisation on conversions	1	-
Total distributions	<u>5,715</u>	<u>7,705</u>

Details of the distribution per unit are set out in the Distribution tables on pages 44 to 47.

Notes to the financial statements (continued)

10 Debtors

	2021	2020
	£000	£000
Accrued revenue	3,822	4,371
Amounts receivable for issue of units	8	84
Currency transactions awaiting settlement	-	3,578
Sales awaiting settlement	-	6,937
Total debtors	3,830	14,970

11 Cash and bank balances

	2021	2020
	£000	£000
Amounts held at derivative clearing houses and brokers	184	383
Cash and bank balances	6,608	12,266
Total cash and bank balances	6,792	12,649

12 Other creditors

	2021	2020
	£000	£000
Accrued annual management charge	324	343
Accrued Trustee's fee	4	4
Accrued other expenses	62	52
Amounts payable for cancellation of units	788	384
Derivative revenue payable	1	-
Currency transactions awaiting settlement	-	3,596
Purchases awaiting settlement	-	6,172
Total other creditors	1,179	10,551

13 Contingent liabilities and commitments

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

14 Related party transactions

HIFL 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 25 and 26 and notes 6, 9, 10 and 12 on pages 35 to 37 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 (2020: nil).

Notes to the financial statements (continued)

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:

	2021	2020
	%	%
Accumulation	1.10	1.10
Income	1.10	1.10
Class E	0.60	0.60
Class I	0.60	0.60

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 44 to 47. All unit classes have the same rights on winding up.

Units reconciliation as at 15 April 2021

	Accumulation	Income	Class E accumulation
Opening number of units	43,004,098	46,904,695	14,178,984
Issues during the year	820,615	85,491	56,492
Cancellations during the year	(4,153,187)	(2,846,182)	(1,364,388)
Units converted during the year	(7,705,836)	(18,470,309)	7,646,866
Closing units in issue	31,965,690	25,673,695	20,517,954
	Class E income	Class I accumulation	Class I income
Opening number of units	31,010,632	83,646,057	30,390,534
Issues during the year	165,635	22,605,474	2,058,770
Cancellations during the year	(3,459,704)	(23,695,299)	(4,429,109)
Units converted during the year	18,407,158	(121,264)	216,633
Closing units in issue	46,123,721	82,434,968	28,236,828

16 Financial derivatives

The fund may use financial derivatives for the purposes of hedging and meeting the investment objectives of the fund, including risk reduction and implementation of investment policies.

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

The fund had cash assets of £183,725 (2020: £382,950) and cash liabilities of £4,816 (2020: £21,960) held in margin accounts at derivative clearing houses and brokers at 15 April 2021. These balances are held as collateral on the fund's forward foreign exchange contracts, futures contracts and swap contracts.

The tables below, provide further details of the counterparty exposure for the derivative positions held on the fund at 15 April 2021 (2020).

2021

At 15 April 2021 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	40	-	40
UBS	-	5	5
	40	5	45

Notes to the financial statements (continued)

16 Financial derivatives (continued)

2020

At 15 April 2020 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	320	-	320
UBS	-	23	23
	320	23	343

2021

At 15 April 2021 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Credit default swaps £000	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	-	15,411	-	15,411
Citigroup	2,167	-	-	2,167
UBS	-	-	(9,114)	(9,114)
	2,167	15,411	(9,114)	8,464

2020

At 15 April 2020 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	56,950	-	56,950
UBS	-	(3,361)	(3,361)
	56,950	(3,361)	53,589

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)

2021

The fund had no stock on loan as at 15 April 2021.

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
BNP Paribas ¹	Stock lending agent	24	4	20

¹ BNP Paribas was the securities lending agent until 9 March 2021.

2020

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
BNP Paribas	1,116	1,240	Corporate Bond
Credit Suisse	351	382	Corporate Bond
Credit Suisse	371	393	Government Bond
	<u>722</u>	<u>775</u>	
JPMorgan	3,186	3,377	Corporate Bond
JPMorgan	69	73	Government Bond
	<u>3,255</u>	<u>3,450</u>	
Natixis	1,926	2,222	Equity
NatWest	1,325	1,398	Government Bond
	<u>8,344</u>	<u>9,085</u>	

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
BNP Paribas	Stock lending agent	46	7	39

Notes to the financial statements (continued)

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.

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

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	26,943*	1	31,808*	63
Level 2	303,055	216	300,350	163
Level 3	8	-	25	-
	<u>330,006</u>	<u>217</u>	<u>332,183</u>	<u>226</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 £26,937,858 as at 15 April 2021 (2020: £31,784,645).

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit an alternative method of valuation to be used if they consider that it better reflects fair value and is in accordance with good accounting practice. The FVPC of the Investment Manager supports the AFM in determining or approving unquoted prices. Where deemed necessary, the FVPC will seek ratification of decisions from the Janus Henderson Investment Performance and Risk Committee. The FVPC meets on a monthly basis and consists of representatives from various parts of the Investment Manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The level 3 asset consists of an illiquid bond Lambay Capital Securities 6.25% Perpetual (Lambay). The illiquid bond represents a repayment line from the collapse of Anglo Irish Bank, of which Lambay was a subsidiary. The Fund uses broker quotes obtained via Bloomberg to value the security at each valuation point. The Fund shall also include other factors such as liquidity and market risk factors, and adjust the valuation model as deemed necessary.

Notes to the financial statements (continued)

19 Direct transaction costs

	Purchases		Sales	
	2021 £000	2020 £000	2021 £000	2020 £000
Trades in the year				
Debt securities	222,438	216,999	228,472	295,023
Equities	-	-	281	-
Trades in the year before transaction costs	222,438	216,999	228,753	295,023
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Equities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Equities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Equities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	222,438	216,999	228,753	295,023

	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Equities	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Equities	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Equities	-	-	-	-
	2021 %	2020 %		
Total transaction costs expressed as a percentage of net asset value				
Commissions	-	-	-	-
Taxes	-	-	-	-
Other expenses	-	-	-	-
Total costs	-	-	-	-

There were no in specie transfers during the year (2020: nil). There were corporate actions during the year of £3,173,473 (2020: £3,126,121).

There were direct transaction costs associated with derivatives in the year of £1,027 (2020: £672) which is 0.00% of the average net asset value of the fund (2020: 0.00%).

Notes to the financial statements (continued)

19 Direct transaction costs (continued)

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 2021 was 0.59% (2020: 0.92%). 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 2021 (in pence per unit)

Interim interest distribution (accounting date 15 July 2020, paid on 15 September 2020)

Group 1: units purchased prior to 16 April 2020

Group 2: units purchased on or after 16 April 2020

	Distribution per unit	Equalisation	Total distribution per unit 15/09/20	Total distribution per unit 13/09/19
Accumulation				
Group 1	0.8788	-	0.8788	1.0908
Group 2	0.5175	0.3613	0.8788	1.0908
Income				
Group 1	0.2488	-	0.2488	0.3140
Group 2	0.0795	0.1693	0.2488	0.3140
Class E accumulation				
Group 1	1.1877	-	1.1877	1.1579
Group 2	0.3662	0.8215	1.1877	1.1579
Class E income				
Group 1	0.3349	-	0.3349	0.3333
Group 2	0.2140	0.1209	0.3349	0.3333
Class I accumulation				
Group 1	0.7434	-	0.7434	0.8500
Group 2	0.2506	0.4928	0.7434	0.8500
Class I income				
Group 1	0.5986	-	0.5986	0.6999
Group 2	0.3633	0.2353	0.5986	0.6999

Distribution tables (continued)

Interim interest distribution (accounting date 15 October 2020, paid on 15 December 2020)

Group 1: units purchased prior to 16 July 2020

Group 2: units purchased on or after 16 July 2020

	Distribution per unit	Equalisation	Total distribution per unit 15/12/20	Total distribution per unit 13/12/19
Accumulation				
Group 1	0.6605	-	0.6605	1.0074
Group 2	0.2830	0.3775	0.6605	1.0074
Income				
Group 1	0.1840	-	0.1840	0.2885
Group 2	0.0798	0.1042	0.1840	0.2885
Class E accumulation				
Group 1	0.9911	-	0.9911	1.3079
Group 2	0.5483	0.4428	0.9911	1.3079
Class E income				
Group 1	0.2783	-	0.2783	0.3746
Group 2	0.1349	0.1434	0.2783	0.3746
Class I accumulation				
Group 1	0.6248	-	0.6248	0.8102
Group 2	0.3635	0.2613	0.6248	0.8102
Class I income				
Group 1	0.5005	-	0.5005	0.6634
Group 2	0.2476	0.2529	0.5005	0.6634

Distribution tables (continued)

Interim interest distribution (accounting date 15 January 2021, paid on 15 March 2021)

Group 1: units purchased prior to 16 October 2020

Group 2: units purchased on or after 16 October 2020

	Distribution per unit	Equalisation	Total distribution per unit 15/03/21	Total distribution per unit 13/03/20
Accumulation				
Group 1	0.7504	-	0.7504	0.9431
Group 2	0.5085	0.2419	0.7504	0.9431
Income				
Group 1	0.2106	-	0.2106	0.2691
Group 2	0.0802	0.1304	0.2106	0.2691
Class E accumulation				
Group 1	1.0798	-	1.0798	1.2452
Group 2	0.5717	0.5081	1.0798	1.2452
Class E income				
Group 1	0.3020	-	0.3020	0.3547
Group 2	0.1303	0.1717	0.3020	0.3547
Class I accumulation				
Group 1	0.6812	-	0.6812	0.7724
Group 2	0.3640	0.3172	0.6812	0.7724
Class I income				
Group 1	0.5436	-	0.5436	0.6289
Group 2	0.3896	0.1540	0.5436	0.6289

Distribution tables (continued)

Final interest distribution (accounting date 15 April 2021, paid on 15 June 2021)

Group 1: units purchased prior to 16 January 2021

Group 2: units purchased on or after 16 January 2021

	Distribution per unit	Equalisation	Total distribution per unit 15/06/21	Total distribution per unit 15/06/20
Accumulation				
Group 1	0.6823	-	0.6823	0.8509
Group 2	0.4149	0.2674	0.6823	0.8509
Income				
Group 1	0.1915	-	0.1915	0.2419
Group 2	0.0807	0.1108	0.1915	0.2419
Class E accumulation				
Group 1	0.9994	-	0.9994	1.1523
Group 2	0.4157	0.5837	0.9994	1.1523
Class E income				
Group 1	0.2782	-	0.2782	0.3266
Group 2	0.1087	0.1695	0.2782	0.3266
Class I accumulation				
Group 1	0.6317	-	0.6317	0.7168
Group 2	0.3872	0.2445	0.6317	0.7168
Class I income				
Group 1	0.5024	-	0.5024	0.5804
Group 2	0.2292	0.2732	0.5024	0.5804

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) (EU 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 2021 are detailed below.

Global data

There was no stock on loan and no collateral held in respect of SFTs as at 15 April 2021.

Re-use of collateral

Cash collateral may be reinvested during the loan transaction to generate additional returns for the benefit of the fund.

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 2021:

	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	24	4	20	15%	85%

* JPMorgan Chase Bank, National Association (London Branch) replaced BNP Paribas as securities ending agent from 10 March 2021. Under this arrangement the return retained by the securities lending agent has reduced from 15% to 8%.

Appendix - additional information (unaudited) (continued)

Remuneration policy

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

The disclosures must split remuneration between fixed and variable remuneration and must break down remuneration for categories of 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 UCITS Code Staff annually. In addition, identified UCITS Code Staff are notified of their status and the associated implications annually.

Janus Henderson Sterling Bond Unit Trust is managed by HIFL, 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 HIFL and Janus Henderson Sterling Bond Unit Trust.

Further information on the Janus Henderson Group plc Remuneration policy is available in the Janus Henderson Group plc annual report as at 31 December 2020.

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Sterling Bond Unit Trust	2,013	593
of which		
Fixed Remuneration	2,013	271
Variable Remuneration	2,001	322
Janus Henderson Sterling Bond Unit Trust Remuneration Code Staff	49	176
of which		
Senior Management (4)	25	38
Other Code Staff (5)	24	137

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 Janus Henderson Group's normal processes.
2. Please note that due to the employment structure and resourcing of Janus Henderson Group plc, the staff indicated in this table may provide services to other companies in Janus Henderson Group.
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 Janus Henderson Group, as follows:
 - in respect of performance fee incentives, 100% of any direct allocations of performance fees generated
 - in respect of fixed pay and annual/long term incentive bonuses:
 - for Fund Managers, pro-rated using the average AUM of Janus Henderson Sterling Bond Unit Trust managed by the relevant Fund Manager (as a proportion of the total AUM managed by that individual) as a proxy.
 - for other individuals, 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 HIFL.
5. Other Code Staff includes all other UCITS Code Staff not covered by the above, including Fund Managers who manage AUM within Janus Henderson Sterling Bond Unit Trust.
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 one of the numbers below:

For dealing enquiries including buying and selling units please telephone at local rate: **0845 608 8703**

The following line is also available:

Client Services: **0800 832 832**

or you can contact us via e-mail at **support@janushenderson.com**

We may record telephone calls for our mutual protection and to improve customer service.

Important Information

Janus Henderson Investors is the name under which investment products and services are provided by Janus Capital International Limited (reg no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), AlphaGen Capital Limited (reg. no. 962757), 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 Henderson Management 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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