



ANNUAL REPORT & ACCOUNTS

For the year ended
15 April 2020

Janus Henderson
— INVESTORS —

Janus Henderson Sterling Bond Unit Trust

Who are Janus Henderson Investors?

Janus Henderson Investors exists to help clients achieve their long-term financial goals.

Our active management offers clients the opportunity to outperform passive portfolios over the course of market cycles. With more than 350 investment professionals, we provide access to some of the industry's most talented and innovative thinkers, spanning equities, fixed income, multi-asset, and alternatives, globally. Our investment teams blend insight, originality, and precision with rigorous analysis, structured processes, and robust risk management. We build client partnerships on openness and trust, channelling expertise from across the business and communicating the views of our experts in a timely and relevant way. As at 31 March 2020, we had £237.4bn assets under management, more than 2,000 employees and 27 offices worldwide. Headquartered in London, we are an independent asset manager that is dual-listed on the New York Stock Exchange and the Australian Securities Exchange.

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

Authorised Fund Manager's report for the year ended 15 April 2020

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 2020.

Authorised status

The fund is an authorised unit trust scheme under section 243 of the Financial Services and Markets Act 2000. It is a 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.

Brexit update

Janus Henderson Investors established a Brexit project following the 2016 referendum to look at all possible Brexit impacts including distribution, regulatory permissions and licences, Human Resources, Information Technology and Operations. Through this project, Janus Henderson Investors sought to minimise the potential impact on investors regardless of the end outcome of Brexit.

The project is actively involved in discussions with regulators, industry groups and clients to remain abreast of developments that may impact on our preparations.

The project team is supported by a number of law firms both in the UK and across multiple European countries.

We have a long history in both the UK and continental Europe, and the planned build out of our existing office in Luxembourg was completed in 2019. We are well placed to continue to support our clients globally after Brexit.

Value assessment

The board of Henderson Investment Funds Limited present the value assessment report for the period to 31 December 2019, made available on our website www.janus Henderson.com.

Over the period 2015 to 2019, the UK's financial services regulator, the Financial Conduct Authority (FCA), carried out a study of the asset management industry to understand how asset managers compete to deliver value to investors. The findings of this study have given rise to a range of FCA initiatives, one being for the Board of the Authorised Fund Manager (the body responsible for an investment fund) in the UK to perform detailed assessments of whether funds are providing value to investors, and publish an annual statement summarising the outcome of this process, known as the value assessment.

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

An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been declared a pandemic by the World Health Organization. The impact of COVID-19 has now been highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a fund's investments. This may impact liquidity in the marketplace, which in turn may affect the fund's ability to meet redemption requests. Public health crises caused by the COVID-19 pandemic may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a fund from executing advantageous investment decisions in a timely manner and negatively impact a fund's ability to achieve its investment objective.

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 (from 17.03.20) A Crooke G Foggin G Fogo S Hillenbrand H J de Sausmarez P Shea (from 07.06.19)* F Smith* R Thompson (to 31.12.19) *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 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.

Performance summary

	15 Apr 19 - 15 Apr 20 %	15 Apr 18 - 15 Apr 19 %	15 Apr 17 - 15 Apr 18 %	15 Apr 16 - 15 Apr 17 %	15 Apr 15 - 15 Apr 16 %
Class I accumulation	6.6	3.5	1.0	10.4	(1.5)
Markit iBoxx GBP Non-Gilts all maturities Index	6.0	3.4	0.3	9.3	0.6
IA Sterling Corporate Bond Sector	5.1	2.9	0.9	8.9	(1.0)

Source: Morningstar, Class I accumulation, NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point. Benchmark values are as at close of business.

Index: Markit iBoxx GBP Non-Gilts all maturities Index

Index Usage: Comparator

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 provides a useful comparison against which the fund's performance can be assessed over time.

Peer group benchmark: IA Sterling Corporate Bond Sector

Peer group benchmark 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.

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

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 2020

Largest purchases	£000	Largest sales/maturities	£000
UK Treasury 1.75% 07/09/2037	9,733	UK Treasury 4.75% 07/12/2038	8,445
UK Treasury 1.50% 22/07/2047	6,609	UK Treasury 1.75% 07/09/2037	7,655
UK Treasury 4.50% 07/09/2034	4,071	UK Treasury 1.50% 22/07/2047	6,705
UK Treasury 4.25% 07/12/2040	4,012	Santander UK 1.875% 17/02/2020	4,229
Logicor Financing 1.875% 17/11/2026	3,871	UK Treasury 4.50% 07/09/2034	4,101
ABN AMRO Bank 1.375% 16/01/2025	3,595	Cooperatieve Rabobank 4.625% 23/05/2029	3,738
Citigroup 1.75% 23/10/2026	3,508	Phoenix 4.125% 20/07/2022	3,699
Equinor 2.875% 06/04/2025	3,312	UK Treasury 4.25% 07/12/2049	3,593
Société Générale 1.875% 03/10/2024	3,087	AT&T 4.375% 14/09/2029	3,314
UK Treasury 4.50% 07/12/2042	2,919	CYBG 5.00% 09/02/2026	3,215
Total purchases	216,999	Total sales/maturities	295,023

Investment review

The fund returned 6.6% based on Class I accumulation over the year under review, compared with a return of 6.0% in the Markit iBoxx GBP Non-Gilts all maturities Index and a return of 5.1% in the IA Sterling Corporate Bond Sector peer group benchmark.

In the second half of 2019, market sentiment continued to be dominated by the synchronised monetary policy easing from major central banks, which lowered bond yields globally. Improvements in global economic data, the US/China 'phase one' trade deal and the avoidance of a 'no-deal' Brexit after the UK general election boosted sentiment. Credit spreads ended the decade at their top decile in terms of valuations.

The longest bull market run and the longest expansion in recent economic history was jolted by the COVID-19 global pandemic and the oil price war in the first quarter of 2020. Most countries implemented various degrees of lockdown, resulting in a global supply and demand shock that may lead to the sharpest quarterly growth decline since 1947. The response from governments and central banks around the world was swift and significant, with a combination of fiscal packages, emergency interest rate cuts and enlarged asset-purchase programmes to improve the liquidity and functioning of financial markets.

The UK government and the Bank of England (BoE) responded with some large policy leaps to keep pace with the unfolding crisis. The finance minister announced a significant fiscal policy to stimulate a recovery as well as absorb the shock. Government debt will rise to pay for these substantial measures and the BoE will have to, in effect, underwrite this extra issuance. The BoE also delivered a strong monetary response. It cut interest rates to 0.1% (from 0.75% at the start of the year) and announced a new wave of quantitative easing, buying gilts and committing to purchase an additional £10bn of eligible sterling non-financial corporate bonds in the coming months, taking the stock of purchased corporate bonds to at least £20bn. It expects to make these purchases at a significantly faster pace than in the 2016 scheme, which suggests that it is keen to quickly lower spreads to increase issuance coming to market and unclog the flow of credit. These measures calmed the market and there was a sharp turnaround for sterling corporate bonds, particularly for higher-quality longer-dated bonds that remained in high demand from buy-and-maintain investors.

A period of intense market distress in the second half of March led to a broad-based risk sell-off, with credit spreads widening sharply in all regions and segments of the credit market. Sterling investment-grade credit spreads (measured by the iBoxx Sterling Non-Gilts Index) widened by 46 basis points (bps) and ended the period at 182bps. Total returns on sterling corporate bonds were 6% over the period.

Performance benefited from both asset allocation and security selection. The largest contributors were an underweight position in the insurance sector and underweight holdings in some cyclicals that underperformed in the March risk sell-off (such as oil & gas, travel & leisure, automotive and basic resources issuers). The top contributors were underweight positions in issuers such as HSBC, Intu Properties, Rabobank Nederland and Gatwick Airport. The largest detractors were our overweight positions in real estate, retail and food & beverage issuers that were caught up in the sell-off. Overweight holdings in Dwr Cymru Financing, Vivion Investments, General Electric Capital and BNP Paribas were the largest detractors.

In terms of primary market activity, the fund participated in a number of deals that performed very well in the secondary market. Sovereign Housing Capital and RL Finance Bonds were among the top contributors in the second half of 2019, while Comcast, Dwr Cymru Financing, Experian Finance and Diageo Finance were strong in the first quarter of 2020.

The fund remains close to neutral in credit risk terms. Our main underweight positions remain in supranational, agencies, automotive and travel issuers, while the main overweight positions are in real estate investment trusts, banks and utilities. We continue to be overweight BBB-rated issuers versus those rated AAA. We increased our allocations to A and AA-rated issuers over the quarter and moved to a small overweight in these segments to position more defensively. We will continue to make use of market strength to trim risk in cyclicals and add risk selectively in the issuers that we fundamentally like, predominantly through new issues or those that are eligible for the BoE to buy.

The near-term emphasis remains on the monetary and fiscal policy stimulus measures to prevent any cash-flow crunches for businesses and households. Looking further ahead, markets will continue to grapple with marrying the rapid deployment of unprecedented monetary and fiscal stimulus with the deteriorating fundamentals. Ultimately, the shape of the recovery will depend on the duration of the lockdown.

Financial markets will ultimately settle down if three conditions are met: visibility on the scale of the pandemic and evidence that infection rates have peaked; policy makers 'over-delivering' and the stimulus measures start to work their way into the real economy; and confidence that financial markets are functioning properly.

This crisis will have many long-lasting effects, including on monetary and fiscal policy. New tools will come to the fore and we may see yield-curve control, 'helicopter money' and further modern monetary theory fighting this crisis and establishing new paradigms. As an active manager, we are closely watching the myriad opportunities emerging from the biggest shake-out in a decade.

Comparative tables for the year ended 15 April 2020

	2020 (pence per unit)	Accumulation 2019 (pence per unit)	2018 (pence per unit)
Change in net assets per unit			
Opening net asset value per unit	225.33	219.77	218.35
Return before operating charges*	15.87	8.34	4.20
Operating charges	(2.97)	(2.78)	(2.78)
Return after operating charges*	12.90	5.56	1.42
Distributions on accumulation units	(3.89)	(4.51)	(4.82)
Retained distributions on accumulation units	3.89	4.51	4.82
Closing net asset value per unit	238.23	225.33	219.77
* after direct transaction costs of:	-	-	-

Performance

Return after charges	5.72%	2.53%	0.65%
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Other information

Closing net asset value (£000s)	102,450	140,664	158,458
Closing number of units	43,004,098	62,425,332	72,103,288
Operating charges	1.26%	1.26%	1.26%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price (pence)	247.30	230.87	234.32
Lowest unit price (pence)	218.60	216.87	217.72

	2020 (pence per unit)	Income 2019 (pence per unit)	2018 (pence per unit)
Change in net assets per unit			
Opening net asset value per unit	64.86	64.61	65.61
Return before operating charges*	4.56	2.37	1.27
Operating charges	(0.85)	(0.81)	(0.83)
Return after operating charges*	3.71	1.56	0.44
Distributions on income units	(1.11)	(1.31)	(1.44)
Closing net asset value per unit	67.46	64.86	64.61
* after direct transaction costs of:	-	-	-

Performance

Return after charges	5.72%	2.41%	0.67%
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Other information

Closing net asset value (£000s)	31,642	55,533	90,355
Closing number of units	46,904,695	85,620,399	139,848,081
Operating charges	1.26%	1.26%	1.26%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price (pence)	70.27	67.87	70.13
Lowest unit price (pence)	62.12	63.09	64.35

Comparative tables (continued)

	Class E accumulation 24/06/19 - 15/04/20 (pence per unit)
Change in net assets per unit	
Opening net asset value per unit	232.63 ¹
Return before operating charges*	8.03
Operating charges	(1.46)
Return after operating charges*	6.57
Distributions on accumulation units	(4.86)
Retained distributions on accumulation units	4.86
Closing net asset value per unit	239.20
* after direct transaction costs of:	-
Performance	
Return after charges	2.82% ²
Other information	
Closing net asset value (£000s)	33,916
Closing number of units	14,178,984
Operating charges	0.76%
Direct transaction costs	0.00%
Prices	
Highest unit price (pence)	248.20
Lowest unit price (pence)	219.40

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

² Return after charges relates to the period 24/06/19 to 15/04/20 post conversion from the Accumulation unit class. This performance will differ from the other unit classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Comparative tables (continued)

Class E income 24/06/19 - 15/04/20 (pence per unit)

Change in net assets per unit	
Opening net asset value per unit	66.96 ³
Return before operating charges*	2.31
Operating charges	(0.42)
Return after operating charges*	1.89
Distributions on income units	(1.39)
Closing net asset value per unit	67.46
* after direct transaction costs of:	-

Performance

Return after charges	2.82% ⁴
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Other information

Closing net asset value (£000s)	20,920
Closing number of units	31,010,632
Operating charges	0.76%
Direct transaction costs	0.00%

Prices

Highest unit price (pence)	70.33
Lowest unit price (pence)	62.17

³ Class E income launched on 24 June 2019 and this is the first published price.

⁴ Return after charges relates to the period 24/06/19 to 15/04/20 post conversion from the Income unit class. This performance will differ from the other unit classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

	Class I accumulation		
	2020 (pence per unit)	2019 (pence per unit)	2018 (pence per unit)
Change in net assets per unit			
Opening net asset value per unit	135.44	131.29	129.71
Return before operating charges*	9.55	5.06	2.49
Operating charges	(0.98)	(0.91)	(0.91)
Return after operating charges*	8.57	4.15	1.58
Distributions on accumulation units	(3.15)	(3.45)	(3.61)
Retained distributions on accumulation units	3.15	3.45	3.61
Closing net asset value per unit	144.01	135.44	131.29
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.33%	3.16%	1.22%
Other information			
Closing net asset value (£000s)	120,458	172,048	194,623
Closing number of units	83,646,057	127,024,100	148,235,294
Operating charges	0.69%	0.69%	0.69%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest unit price (pence)	149.40	136.70	134.09
Lowest unit price (pence)	132.10	130.06	129.50

Comparative tables (continued)

		Class I income	
	2020	2019	2018
	(pence per unit)	(pence per unit)	(pence per unit)
Change in net assets per unit			
Opening net asset value per unit	111.52	111.32	113.05
Return before operating charges*	7.85	3.85	2.17
Operating charges	(0.80)	(0.76)	(0.78)
Return after operating charges*	7.05	3.09	1.39
Distributions on income units	(2.57)	(2.89)	(3.12)
Closing net asset value per unit	116.00	111.52	111.32
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.32%	2.78%	1.23%
Other information			
Closing net asset value (£000s)	35,252	41,294	49,050
Closing number of units	30,390,534	37,028,563	44,062,222
Operating charges	0.69%	0.69%	0.69%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest unit price (pence)	120.90	113.30	116.03
Lowest unit price (pence)	106.90	108.67	110.91

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

The following unit classes launched in the year:

Unit class	Launch date
Class E accumulation	24 June 2019
Class E income	24 June 2019

There were no unit classes closed in the year.

Unit class conversions

	Conversion date
Accumulation to Class E accumulation	24 June 2019
Income to Class E income	24 June 2019

The conversion of Accumulation and Income classes to the E unit classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged because there are no commission payments bundled within it. The E unit classes are available for direct investment.

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.

	2020 %	2019 %	Estimated OCF from 24 June 2019¹ %
Accumulation and Income	1.26	1.26	n/a
Class E²	0.76	n/a	0.76
Class I	0.69	0.69	n/a

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

¹ The estimated ongoing charge is based on the annual fee rates on launch date as at 24 June 2019.

² Class E accumulation and Class E income launched on 24 June 2019.

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 3 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 which could amplify everyday risk and trigger other risks.

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

There has been no change to the risk ratings in the year.

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 Class A accumulation and Class A income unit classes.

Portfolio statement as at 15 April 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 0.08% (2019: 0.07%)		
	United Kingdom 0.08% (2019: 0.07%)		
	Financials 0.08% (2019: 0.07%)		
6,202	West Bromwich Building Society	285	0.08
	Bonds 96.20% (2019: 97.37%)		
	Australia 0.30% (2019: 0.27%)		
	Variable Rate Bond 0.30% (2019: 0.27%)		
GBP 1,000,000	BHP Billiton Finance VAR 22/10/2077	1,044	0.30
	Belgium 0.57% (2019: 0.90%)		
	Fixed Rate Bond 0.17% (2019: 0.00%)		
EUR 670,000	Lonza Finance 1.625% 21/04/2027	602	0.17
	Zero / Discount Rate Bond 0.40% (2019: 0.90%)		
GBP 1,400,000	Anheuser-Busch InBev 2.85% 25/05/2037	1,367	0.40
	Canada 0.22% (2019: 0.60%)		
	Fixed Rate Bond 0.22% (2019: 0.60%)		
GBP 744,000	Liberty Living Finance 2.625% 28/11/2024	743	0.22
	Czech Republic 0.31% (2019: 0.00%)		
	Fixed Rate Bond 0.31% (2019: 0.00%)		
GBP 1,160,000	CPI Property 2.75% 22/01/2028	1,053	0.31
	Denmark 1.15% (2019: 0.00%)		
	Fixed Rate Bond 1.15% (2019: 0.00%)		
GBP 920,000	Danske Bank 2.25% 14/01/2028	884	0.26
GBP 740,000	Orsted 2.125% 17/05/2027	764	0.22
GBP 2,150,000	Orsted 2.50% 16/05/2033	2,300	0.67
		3,948	1.15
	France 7.98% (2019: 8.14%)		
	Fixed Rate Bond 6.46% (2019: 5.70%)		
GBP 1,000,000	Banque Fédérative du Crédit Mutuel 1.25% 05/12/2025	952	0.28
GBP 500,000	BNP Paribas 1.875% 14/12/2027	482	0.14
GBP 1,500,000	BPCE 2.125% 16/12/2022	1,517	0.44
EUR 300,000	Carrefour 2.625% 15/12/2027	285	0.08
GBP 2,000,000	Crédit Agricole 1.25% 02/10/2024	1,947	0.56
GBP 350,000	Électricité de France 5.125% 22/09/2050	556	0.16
GBP 700,000	Électricité de France 5.50% 17/10/2041	1,065	0.31
GBP 600,000	Électricité de France 5.50% 27/03/2037	865	0.25
GBP 700,000	Électricité de France 6.00% 23/01/2114	1,266	0.37
GBP 1,250,000	Électricité de France 6.125% 02/06/2034	1,848	0.54
GBP 2,000,000	LVMH 1.125% 11/02/2027	1,906	0.55
GBP 1,400,000	Orange 3.25% 15/01/2032	1,574	0.46
GBP 2,600,000	Société Générale 1.875% 03/10/2024	2,556	0.73
EUR 1,300,000	Suez 1.25% 19/05/2028	1,134	0.33

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond (continued)		
GBP 2,000,000	Total Capital International 1.66% 22/07/2026	1,954	0.57
GBP 1,690,000	Total Capital International 1.75% 07/07/2025	1,665	0.48
GBP 700,000	Vinci 2.25% 15/03/2027	728	0.21
		<u>22,300</u>	<u>6.46</u>
	Variable Rate Bond 1.52% (2019: 2.44%)		
GBP 270,000	AXA 5.625% 16/01/2054	319	0.09
GBP 1,300,000	Électricité de France 6.00% Perpetual	1,334	0.39
GBP 2,139,000	Orange 5.75% Perpetual	2,232	0.65
GBP 1,285,000	Orange 5.875% Perpetual	1,343	0.39
		<u>5,228</u>	<u>1.52</u>
	Germany 5.43% (2019: 6.72%)		
	Fixed Rate Bond 5.43% (2019: 6.25%)		
GBP 1,600,000	Aroundtown 3.25% 18/07/2027	1,604	0.47
GBP 940,000	Aroundtown 3.625% 10/04/2031	917	0.27
GBP 1,300,000	Aroundtown 4.75% Perpetual	1,201	0.35
GBP 1,584,000	Deutsche Telekom International Finance 6.50% 08/04/2022	1,737	0.50
GBP 1,800,000	Henkel 1.00% 30/09/2022	1,773	0.51
GBP 1,500,000	innogy Finance 4.75% 31/01/2034	1,947	0.57
GBP 1,300,000	innogy Finance 5.50% 06/07/2022	1,407	0.41
GBP 1,995,000	innogy Finance 6.25% 03/06/2030	2,764	0.80
GBP 1,300,000	Siemens Financieringsmaatschappij 1.00% 20/02/2025	1,264	0.37
GBP 1,400,000	Volkswagen Financial Services 1.875% 07/09/2021	1,381	0.40
GBP 1,800,000	Volkswagen Financial Services 2.75% 10/07/2023	1,773	0.51
GBP 1,000,000	Volkswagen Financial Services 1.625% 10/02/2024	937	0.27
		<u>18,705</u>	<u>5.43</u>
	Variable Rate Bond 0.00% (2019: 0.47%)		
	Iceland 0.00% (2019: 0.00%)		
	Asset Backed 0.00% (2019: 0.00%)		
GBP 1,625,000	Kaupthing Singer & Friedlander 7.50% 13/11/2019 ¹	-	-
	Ireland 0.01% (2019: 0.01%)		
	Fixed Rate Bond 0.01% (2019: 0.01%)		
GBP 3,350,000	Lambay Capital Securities 6.25% Perpetual ²	25	0.01
	Italy 0.84% (2019: 1.37%)		
	Fixed Rate Bond 0.52% (2019: 0.71%)		
GBP 850,000	Enel Finance International 5.75% 14/09/2040	1,235	0.36
GBP 400,000	Enel 5.75% 22/06/2037	563	0.16
		<u>1,798</u>	<u>0.52</u>
	Variable Rate Bond 0.32% (2019: 0.66%)		
GBP 1,100,000	Enel 7.75% 10/09/2075	1,106	0.32

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Japan 0.00% (2019: 0.40%)		
	Fixed Rate Bond 0.00% (2019: 0.40%)		
	Luxembourg 0.78% (2019: 0.32%)		
	Fixed Rate Bond 0.78% (2019: 0.32%)		
GBP 1,300,000	B&M European Value Retail 4.125% 01/02/2022	1,214	0.35
EUR 1,900,000	Vivion Investments 3.00% 08/08/2024	1,479	0.43
		<u>2,693</u>	<u>0.78</u>
	Netherlands 1.27% (2019: 1.74%)		
	Fixed Rate Bond 1.27% (2019: 1.74%)		
GBP 3,600,000	ABN AMRO Bank 1.375% 16/01/2025	3,501	1.01
GBP 600,000	Rabobank Nederland 6.91% Perpetual	890	0.26
		<u>4,391</u>	<u>1.27</u>
	Norway 1.26% (2019: 0.00%)		
	Fixed Rate Bond 1.26% (2019: 0.00%)		
GBP 2,040,000	DNB Bank 1.375% 12/06/2023	2,006	0.58
USD 2,800,000	Equinor 2.875% 06/04/2025	2,343	0.68
		<u>4,349</u>	<u>1.26</u>
	South Africa 0.28% (2019: 0.00%)		
	Fixed Rate Bond 0.28% (2019: 0.00%)		
USD 1,135,000	Anglo American Capital 5.375% 01/04/2025	965	0.28
	Spain 0.80% (2019: 0.82%)		
	Fixed Rate Bond 0.80% (2019: 0.82%)		
GBP 1,300,000	Abertis Infraestructuras 3.375% 27/11/2026	1,256	0.36
GBP 1,250,000	Iberdrola Finanzas 7.375% 29/01/2024	1,503	0.44
		<u>2,759</u>	<u>0.80</u>
	Sweden 0.00% (2019: 0.85%)		
	Fixed Rate Bond 0.00% (2019: 0.85%)		
	Switzerland 0.83% (2019: 1.63%)		
	Fixed Rate Bond 0.07% (2019: 0.75%)		
EUR 270,000	Givaudan Finance 1.00% 22/04/2027	234	0.07
	Stepped Rate Bond 0.00% (2019: 0.20%)		
	Variable Rate Bond 0.76% (2019: 0.68%)		
GBP 2,500,000	Zurich Finance UK 6.625% Perpetual	2,638	0.76
	United Kingdom 58.76% (2019: 57.46%)		
	Asset Backed 2.30% (2019: 2.67%)		
GBP 1,155,336	Connect Plus M25 Issuer 2.607% 31/03/2039	1,251	0.36
GBP 1,689,450	Longstone Finance 4.791% 19/04/2036	1,956	0.57
GBP 869,891	TC Dudgeon OFTO 3.158% 12/11/2038	972	0.28

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Asset Backed (continued)			
GBP 568,891	Tesco Property Finance 5.4111% 13/07/2044	707	0.21
GBP 1,060,158	Tesco Property Finance 5.744% 13/04/2040	1,343	0.39
GBP 1,326,128	Tesco Property Finance 6.0517% 13/10/2039	1,704	0.49
		7,933	2.30
Fixed Rate Bond 54.04% (2019: 49.72%)			
GBP 740,000	Accent Capital 2.625% 18/07/2049	829	0.24
GBP 1,000,000	Anglian Water Services Financing 2.75% 26/10/2029	1,062	0.31
GBP 2,100,000	Annington Funding 2.646% 12/07/2025	2,121	0.62
GBP 570,000	Annington Funding 3.685% 12/07/2034	594	0.17
GBP 1,800,000	A2Dominion Housing 3.50% 15/11/2028	1,953	0.57
GBP 1,800,000	Barclays 2.375% 06/10/2023	1,796	0.52
GBP 1,600,000	Barclays 3.00% 08/05/2026	1,611	0.47
GBP 400,000	Barclays 3.25% 17/01/2033	399	0.12
GBP 1,227,000	Barclays 9.50% 07/08/2021	1,318	0.38
GBP 1,800,000	BAT International Finance 4.00% 04/09/2026	1,904	0.55
EUR 880,000	BAT Netherlands Finance 2.375% 07/10/2024	794	0.23
GBP 2,200,000	Bazalgette Finance 2.375% 29/11/2027	2,312	0.67
GBP 1,640,000	Blend Funding 3.459% 21/09/2047	1,999	0.58
GBP 2,000,000	BNP Paribas 3.375% 23/01/2026	2,112	0.61
GBP 1,220,000	British Telecommunications 3.125% 21/11/2031	1,305	0.38
GBP 1,800,000	Bunzl Finance 2.25% 11/06/2025	1,773	0.51
GBP 1,285,000	BUPA Finance 5.00% 25/04/2023	1,373	0.40
GBP 2,100,000	Cadent Finance 2.125% 22/09/2028	2,151	0.62
GBP 1,100,000	Cadent Finance 2.625% 22/09/2038	1,168	0.34
GBP 6,428,000	Cattles 6.875% Perpetual ¹	-	-
GBP 7,250,000	Cattles 7.125% 05/07/2017 ¹	-	-
GBP 900,000	Centrica 4.375% 13/03/2029	1,035	0.30
GBP 800,000	Centrica 7.00% 19/09/2033	1,173	0.34
GBP 1,930,000	Co-operative 5.125% 17/05/2024	1,945	0.56
GBP 1,680,000	Coventry Building Society 1.50% 23/01/2023	1,653	0.48
GBP 1,000,000	Coventry Building Society 1.875% 24/10/2023	993	0.29
GBP 2,570,000	Coventry Building Society 5.875% 28/09/2022	2,810	0.82
GBP 1,905,268	Delamare Finance 5.5457% 19/02/2029	2,183	0.63
GBP 820,000	Diageo Finance 1.75% 12/10/2026	811	0.24
GBP 1,400,000	Diageo Finance 2.875% 27/03/2029	1,464	0.42
GBP 2,600,000	Dwr Cymru Financing 1.375% 31/03/2033	2,516	0.73
GBP 1,900,000	Dwr Cymru Financing 1.625% 31/03/2026	1,875	0.54
GBP 837,000	Dwr Cymru Financing 6.015% 31/03/2028	1,117	0.32
GBP 510,000	Eastern Power Networks 2.125% 25/11/2033	528	0.15
GBP 2,174,000	Eastern Power Networks 4.75% 30/09/2021	2,272	0.66
GBP 800,000	Eastern Power Networks 6.25% 12/11/2036	1,286	0.37
GBP 1,700,000	Experian Finance 2.125% 27/09/2024	1,728	0.50
GBP 1,340,000	Experian Finance 3.25% 07/04/2032	1,452	0.42
GBP 470,000	FirstGroup 8.75% 08/04/2021	487	0.14
EUR 260,000	Givaudan Finance 1.625% 22/04/2032	226	0.07
GBP 500,000	GKN 5.375% 19/09/2022	523	0.15
GBP 600,000	GlaxoSmithKline Capital 5.25% 10/04/2042	953	0.28
GBP 2,200,000	GlaxoSmithKline Capital 5.25% 19/12/2033	3,165	0.92

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 860,000	GlaxoSmithKline Capital 6.375% 09/03/2039	1,468	0.43
GBP 530,000	Guinness Partnership 2.00% 22/04/2055	527	0.15
GBP 800,000	Heathrow Funding 2.75% Perpetual	749	0.22
GBP 3,550,000	Heathrow Funding 6.75% 03/12/2026	4,358	1.27
GBP 1,010,000	HSBC 3.00% 29/05/2030	1,047	0.30
GBP 600,000	HSBC 4.75% 24/03/2046	731	0.21
GBP 1,863,000	Imperial Brands Finance 5.50% 28/09/2026	2,115	0.61
GBP 2,200,000	Imperial Brands Finance 9.00% 17/02/2022	2,431	0.71
GBP 1,450,000	Land Securities Capital Markets 2.375% 29/03/2027	1,519	0.44
GBP 500,000	Lloyds Bank 6.50% 17/09/2040	797	0.23
GBP 3,880,000	Logicor Financing 1.875% 17/11/2026	3,767	1.10
GBP 750,000	London Power Networks 2.625% 01/03/2029	791	0.23
GBP 510,000	Manchester Airport Funding 2.875% 30/09/2044	488	0.14
GBP 630,000	M&G 3.875% 20/07/2049	601	0.17
GBP 1,200,000	M&G 5.56% 20/07/2055	1,305	0.38
GBP 1,120,000	Motability Operations 2.375% 03/07/2039	1,193	0.35
GBP 1,000,000	Motability Operations 3.625% 10/03/2036	1,235	0.36
GBP 200,000	National Grid Electricity Transmission 2.00% 16/09/2038	204	0.06
GBP 2,100,000	National Westminster Bank 6.50% 07/09/2021	2,197	0.64
GBP 2,290,000	Nationwide Building Society 1.00% 24/01/2023	2,230	0.65
EUR 930,000	Natwest Markets 2.75% 02/04/2025	844	0.24
GBP 2,000,000	Next 3.00% 26/08/2025	1,904	0.55
GBP 1,800,000	NIE Finance 2.50% 27/10/2025	1,873	0.54
GBP 480,000	Northern Electric Finance 2.75% 24/05/2049	560	0.16
GBP 240,000	Northern Powergrid (Yorkshire) 2.25% 09/10/2059	245	0.07
GBP 1,200,000	Notting Hill Genesis 2.875% 31/01/2029	1,275	0.37
GBP 1,130,000	Optivo Finance 2.857% 07/10/2035	1,212	0.35
GBP 1,600,000	Orbit Capital 3.375% 14/06/2048	1,894	0.55
GBP 1,400,000	Pennon 2.875% Perpetual	1,386	0.40
GBP 2,100,000	Places for People Treasury 2.875% 17/08/2026	2,171	0.63
GBP 1,740,000	PRS Finance 1.50% 24/08/2034	1,771	0.51
GBP 600,000	Prudential 6.125% 19/12/2031	773	0.22
GBP 600,000	RAC Bond 4.565% 06/05/2023	609	0.18
GBP 200,000	RAC Bond 4.87% 06/05/2026	197	0.06
GBP 1,620,000	RL Finance Bonds No.4 4.875% 07/10/2049	1,580	0.46
GBP 3,300,000	Royal Bank of Scotland 2.875% 19/09/2026	3,351	0.97
GBP 1,300,000	RSA Insurance 1.625% 28/08/2024	1,301	0.38
GBP 820,000	Sanctuary Capital 2.375% 14/04/2050	871	0.25
GBP 2,600,000	Santander UK 2.92% 08/05/2026	2,660	0.77
GBP 1,010,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	1,027	0.30
GBP 3,200,000	Scottish Widows 5.50% 16/06/2023	3,474	1.01
GBP 600,000	SEGRO 2.375% 11/10/2029	604	0.18
GBP 1,400,000	Severn Trent Utilities Finance 3.625% 16/01/2026	1,539	0.45
GBP 1,050,000	South Eastern Power Networks 5.625% 30/09/2030	1,412	0.41
GBP 500,000	Southern Electric Power 5.5% 07/06/2032	677	0.20
GBP 1,430,000	Sovereign Housing Capital 2.375% 04/11/2048	1,532	0.44
GBP 1,200,000	SP Manweb 4.875% 20/09/2027	1,447	0.42
GBP 1,060,000	SP Transmission 2.00% 13/11/2031	1,072	0.31
EUR 910,000	SSE 1.25% 16/04/2025	802	0.23

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
EUR 770,000	SSE 1.75% 16/04/2030	686	0.20
GBP 400,000	Tesco 2.50% 02/05/2025	403	0.12
USD 800,000	Tesco 6.15% 15/11/2037	774	0.22
GBP 1,200,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,251	0.36
GBP 500,000	Thames Water Utilities Finance 3.50% 25/02/2028	555	0.16
GBP 2,500,000	Thames Water Utilities Finance 4.00% 19/06/2025	2,754	0.80
GBP 1,100,000	Thames Water Utilities Finance 4.375% 03/07/2034	1,373	0.40
GBP 2,400,000	Tritax Big Box REIT 2.625% 14/12/2026	2,420	0.70
GBP 2,700,000	UK Treasury 1.50% 22/01/2021	2,730	0.79
GBP 7,537,000	UK Treasury 1.50% 22/07/2047	9,093	2.65
GBP 1,100,000	UK Treasury 1.75% 07/09/2022	1,145	0.33
GBP 4,720,000	UK Treasury 1.75% 07/09/2037	5,600	1.63
GBP 70,000	UK Treasury 1.75% 22/07/2057	98	0.03
GBP 270,000	UK Treasury 3.25% 22/01/2044	421	0.12
GBP 3,450,000	UK Treasury 4.25% 07/12/2040	5,848	1.71
GBP 500,000	UK Treasury 4.25% 07/12/2049	982	0.28
GBP 2,971,000	UK Treasury 4.50% 07/12/2042	5,364	1.57
GBP 290,000	UK Treasury 4.75% 07/12/2038	503	0.15
GBP 1,780,000	Unilever 1.50% 22/07/2026	1,774	0.51
GBP 1,000,000	Unite USAF 3.374% 30/06/2023	1,041	0.30
GBP 600,000	Virgin Money 4.00% 25/09/2026	580	0.17
GBP 980,000	Vodafone 3.00% 12/08/2056	1,048	0.30
GBP 1,600,000	Vodafone 4.875% 03/10/2078	1,626	0.47
GBP 123,200	West Bromwich Building Society 11.00% 12/04/2038	148	0.04
GBP 1,700,000	Western Power Distribution East Midlands 5.25% 17/01/2023	1,862	0.54
GBP 300,000	Western Power Distribution South West 5.75% 23/03/2040	463	0.13
GBP 700,000	Western Power Distribution West Midlands 5.75% 16/04/2032	953	0.28
GBP 1,280,000	Westfield Stratford City Finance 1.642% 04/08/2026	1,272	0.37
GBP 930,000	Wrekin Housing 2.50% 22/10/2048	1,019	0.30
GBP 1,870,000	Yorkshire Water Finance 1.75% 26/11/2026	1,842	0.53
		186,213	54.04
Stepped Rate Bond 0.00% (2019: 0.48%)			
Variable Rate Bond 2.42% (2019: 4.59%)			
GBP 315,000	Aviva 5.9021% 27/07/2020	311	0.09
GBP 3,200,000	Aviva 6.125% Perpetual	3,274	0.95
GBP 2,600,000	HSBC 5.844% Perpetual	3,455	1.00
GBP 700,000	National Grid Finance 5.625% 18/06/2073	756	0.22
GBP 560,000	SSE 3.875% Perpetual	559	0.16
		8,355	2.42
United States 15.41% (2019: 16.14%)			
Fixed Rate Bond 15.41% (2019: 16.14%)			
EUR 600,000	American Honda Finance 1.95% 18/10/2024	523	0.15
GBP 1,400,000	Apple 3.60% 31/07/2042	1,919	0.56
GBP 700,000	AT&T 4.375% 14/09/2029	805	0.23
GBP 1,400,000	AT&T 4.875% 01/06/2044	1,842	0.53
GBP 500,000	AT&T 7.00% 30/04/2040	801	0.23

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 3,900,000	Bank of America 2.30% 25/07/2025	3,937	1.15
GBP 1,600,000	Bank of America 6.125% 15/09/2021	1,698	0.49
GBP 1,000,000	Berkshire Hathaway Finance 2.375% 19/06/2039	1,095	0.32
GBP 270,000	Berkshire Hathaway Finance 2.625% 19/06/2059	324	0.09
GBP 3,540,000	Citigroup 1.75% 23/10/2026	3,411	0.99
GBP 1,500,000	Citigroup 2.75% 24/01/2024	1,534	0.45
GBP 810,000	Comcast 1.50% 20/02/2029	803	0.23
GBP 1,640,000	Comcast 1.875% 20/02/2036	1,638	0.48
GBP 2,100,000	Digital Stout 4.75% 13/10/2023	2,264	0.66
USD 2,200,000	Exxon Mobil 2.61% 15/10/2030	1,759	0.51
GBP 600,000	Fidelity National Information Services 2.25% 03/12/2029	592	0.17
GBP 900,000	Fidelity National Information Services 3.36% 21/05/2031	977	0.28
GBP 1,711,000	GE Capital UK Funding 5.875% 18/01/2033	2,078	0.60
GBP 670,000	GE Capital UK Funding 6.25% 05/05/2038	865	0.25
GBP 1,400,000	General Electric Capital 5.25% 07/12/2028	1,628	0.47
GBP 700,000	Goldman Sachs 3.125% 25/07/2029	726	0.21
GBP 1,600,000	New York Life Global Funding 1.75% 15/12/2022	1,601	0.46
USD 1,180,000	Oracle 2.80% 01/04/2027	1,003	0.29
GBP 950,000	Time Warner Cable 5.75% 02/06/2031	1,148	0.33
GBP 1,700,000	Verizon Communications 3.125% 02/11/2035	1,940	0.56
GBP 1,400,000	Verizon Communications 3.375% 27/10/2036	1,645	0.48
GBP 1,800,000	Walmart 5.625% 27/03/2034	2,714	0.79
GBP 2,400,000	Walmart 5.75% 19/12/2030	3,440	1.00
GBP 1,800,000	Wells Fargo 1.375% 30/06/2022	1,779	0.52
GBP 1,570,000	Wells Fargo 2.125% 24/09/2031	1,516	0.44
GBP 1,140,000	Wells Fargo 2.50% 02/05/2029	1,153	0.33
GBP 3,600,000	Wells Fargo 5.25% 01/08/2023	3,948	1.16
		53,106	15.41
Derivatives 0.03% (2019: 0.00%)			
Futures (0.01%) (2019: 0.00%)			
(19)	CBT US 10 year Note June 2020	(13)	-
(14)	CBT US 10 year Ultra Note June 2020	(19)	(0.01)
(14)	EUX Euro-Bobl June 2020	(9)	-
(12)	EUX Euro-Bund June 2020	(22)	(0.01)
29	ICE Long Gilt June 2020	23	0.01
		(40)	(0.01)
Forward Foreign Exchange Contracts 0.04% (2019: 0.00%)³			
	Buy EUR 1,360 : Sell GBP 1,194 April 2020 ⁴	-	-
	Buy EUR 1,364,327 : Sell GBP 1,197,546 April 2020	(7)	-
	Buy EUR 150,189 : Sell GBP 137,775 April 2020	(7)	-
	Buy EUR 17,600 : Sell GBP 15,996 April 2020	(1)	-
	Buy EUR 22,300 : Sell GBP 20,294 April 2020	(1)	-
	Buy EUR 347,387 : Sell GBP 307,318 April 2020	(4)	-
	Buy EUR 403,176 : Sell GBP 353,784 April 2020	(2)	-
	Buy EUR 417,216 : Sell GBP 366,227 April 2020	(2)	-
	Buy EUR 449,419 : Sell GBP 392,433 May 2020 ⁴	-	-
	Buy EUR 498,145 : Sell GBP 468,970 April 2020	(34)	(0.01)
	Buy EUR 7,699,494 : Sell GBP 6,699,068 April 2020	20	0.01

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy EUR 799,622 : Sell GBP 710,726 April 2020	(13)	-
	Buy GBP 11,469 : Sell EUR 12,900 April 2020 ⁴	-	-
	Buy GBP 1,154,127 : Sell EUR 1,314,538 April 2020	7	-
	Buy GBP 1,465,174 : Sell EUR 1,669,989 April 2020	8	-
	Buy GBP 164,535 : Sell USD 199,750 April 2020	5	-
	Buy GBP 181,147 : Sell EUR 199,284 April 2020	7	-
	Buy GBP 19,566 : Sell EUR 22,300 April 2020 ⁴	-	-
	Buy GBP 21,226 : Sell USD 26,528 April 2020 ⁴	-	-
	Buy GBP 2,434,554 : Sell EUR 2,719,346 April 2020	63	0.02
	Buy GBP 2,676,216 : Sell EUR 3,003,862 April 2020	55	0.02
	Buy GBP 2,697,883 : Sell USD 3,400,000 May 2020	(22)	(0.01)
	Buy GBP 271,238 : Sell EUR 298,413 April 2020	11	-
	Buy GBP 2,803,419 : Sell USD 3,483,904 April 2020	16	-
	Buy GBP 3,330,560 : Sell USD 4,098,852 April 2020	51	0.01
	Buy GBP 351,366 : Sell EUR 399,564 April 2020	3	-
	Buy GBP 379,153 : Sell USD 473,404 April 2020 ⁴	-	-
	Buy GBP 38,950 : Sell EUR 44,700 May 2020 ⁴	-	-
	Buy GBP 420,628 : Sell EUR 481,657 May 2020 ⁴	-	-
	Buy GBP 474,106 : Sell EUR 539,082 April 2020	4	-
	Buy GBP 49,906 : Sell USD 61,900 April 2020 ⁴	-	-
	Buy GBP 584,774 : Sell EUR 666,141 April 2020	3	-
	Buy GBP 6,704,437 : Sell EUR 7,699,494 May 2020	(19)	(0.01)
	Buy GBP 725,372 : Sell USD 899,841 April 2020	5	-
	Buy GBP 771,262 : Sell EUR 875,398 April 2020	7	-
	Buy GBP 78,393 : Sell USD 98,800 May 2020	(1)	-
	Buy GBP 7,864,908 : Sell USD 9,880,082 May 2020	(39)	(0.01)
	Buy GBP 792,126 : Sell USD 998,313 April 2020	(7)	-
	Buy GBP 930,413 : Sell USD 1,140,418 April 2020	18	0.01
	Buy USD 1,230,720 : Sell GBP 987,075 April 2020	(2)	-
	Buy USD 239,080 : Sell GBP 193,117 April 2020	(2)	-
	Buy USD 26,528 : Sell GBP 21,222 May 2020 ⁴	-	-
	Buy USD 6,500 : Sell GBP 5,379 April 2020 ⁴	-	-
	Buy USD 9,880,082 : Sell GBP 7,868,281 April 2020	37	0.01
		<u>157</u>	<u>0.04</u>
	Investment assets including investment liabilities	331,957	96.32
	Other net assets	12,681	3.68
	Total net assets	344,638	100.00

¹ Defaulted

² Manually priced securities

³ Unquoted securities

⁴ Due to rounding to nearest £1,000

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

Statement of Authorised Fund Manager's responsibilities for the year ended 15 April 2020

The Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook (COLL) requires the Authorised Fund Manager 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 Managers Association (IMA) in May 2014, United Kingdom Generally Accepted Accounting Practice (UK GAAP) (United Kingdom Accounting Standards, comprising FRS 102 The Financial Reporting Standard 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 Authorised Fund Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (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 the Henderson Investment Funds Limited, 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 Authorised Fund Manager is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and the Regulations. The Authorised Fund Manager 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 2020

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 Authorised Fund Manager (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
2 July 2020

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

for the year ended 15 April 2020

Report on the audit of the financial statements

Opinion

In our opinion, Janus Henderson Sterling Bond Unit Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 15 April 2020 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 2020; 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 set out on page 20, 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 intend to wind up or terminate the Trust, or have 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.

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.

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
2 July 2020

Statement of total return for the year ended 15 April 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital gains	4		16,265		1,074
Revenue	5	11,249		14,986	
Expenses	6	<u>(3,544)</u>		<u>(4,383)</u>	
Net revenue before taxation		7,705		10,603	
Taxation	7	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>7,705</u>		<u>10,603</u>
Total return before distributions			23,970		11,677
Distributions	8		(7,705)		(10,624)
Change in net assets attributable to unitholders from investment activities			<u>16,265</u>		<u>1,053</u>

Statement of change in net assets attributable to unitholders for the year ended 15 April 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to unitholders		409,539		492,486
Amounts receivable on issue of units	4,442		55,726	
Amounts payable on cancellation of units	<u>(91,259)</u>		<u>(147,668)</u>	
		(86,817)		(91,942)
Dilution adjustment		-		269
Change in net assets attributable to unitholders from investment activities		16,265		1,053
Retained distributions on accumulation units		5,626		7,660
Unclaimed distributions		25		13
Closing net assets attributable to unitholders		<u>344,638</u>		<u>409,539</u>

Balance sheet as at 15 April 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		332,183	399,054
Current assets:			
Debtors	9	14,970	7,147
Cash and bank balances	10	12,649	11,570
Total assets		359,802	417,771
Liabilities:			
Investment liabilities		226	-
Creditors:			
Amounts held at derivatives clearing houses and brokers		22	-
Bank overdrafts		3,974	3,439
Distribution payable		391	545
Other creditors	11	10,551	4,248
Total liabilities		15,164	8,232
Net assets attributable to unitholders		344,638	409,539

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)

2 July 2020

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 Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Management Association (IMA) in May 2014, the Financial Reporting Standard 102 (FRS 102), the Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook (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 2020) in accordance with the provisions of the scheme particulars.

The AFM has assigned the responsibility to review and approve fair value pricing decisions on a regular basis to the Janus Henderson UK & EMEA Fair Value Pricing Committee. The Committee report 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

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.

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.

Bank interest and revenue earned on 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.

(d) Treatment of expenses (including Authorised Fund Manager 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 (AMC)

In payment for carrying out its duties and responsibilities the Authorised Fund Manager is entitled to take an annual fee out of the fund's property, calculated as a percentage of the relevant value of the property of each class of the fund. The AMC is accrued on a daily basis by reference to the net asset value of each unit class on 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 General Administration Charge (GAC). The Authorised Fund Manager 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 Authorised Fund Manager 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.

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 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 Authorised Fund Manager 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 Authorised Fund Manager 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 Authorised Fund Manager 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.

Marginal tax relief has not been taken into account when determining the amount available for distribution on this fund.

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 on 15 June (annual), 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 Authorised Fund Manager 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.

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

Notes to the financial statements (continued)

2 Distribution Policy (continued)

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 derivative and forward transactions for the purposes of efficient portfolio management.

The Authorised Fund Manager 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 UCITS; associated regulatory technical standards and guidelines; and local regulations. The framework for risk controls and limits for the fund is documented within the Authorised Fund Manager'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;
- NasdaqBWISE operational risk database;
- RiskMetrics, UBS Delta, Style Research, Cognition 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 credit worthiness.

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 Authorised Fund Manager 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.

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 Authorised Fund Manager 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 following table shows separately the value of the fund's financial assets and liabilities at fixed interest rates, at variable rates and those that are non-interest bearing including instruments used to hedge against changes in interest rates:

	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
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2019				
UK sterling	50,853	359,467	7,451	417,771
Total	50,853	359,467	7,451	417,771

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
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
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2019				
UK sterling	3,439	-	4,793	8,232
Total	3,439	-	4,793	8,232

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 mainly 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 Investment Manager in pursuance of its 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 has increased substantially, which has led to an increase in fund 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 FRC (Financial Reporting Council) has issued guidance to companies to ensure that they maintain sufficient capital reserves, which in some circumstances could result in cancelled dividend payments already announced to the market. In order to assess and mitigate the risk of not receiving income accrued at the end of the year, procedures are in place 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.

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
	%	%	%	%	%	%	%
2020	2.00	5.17	2.41	20.00	9.99	25.84	12.03
2019	1.86	3.26	2.35	20.00	9.31	16.32	11.76

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
	%	%	%
2020	0.00	18.89	2.12
2019	0.00	2.99	1.02

(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 counterparty risk the fund may only buy and sell investments through brokers which have been approved by the Authorised Fund Manager as acceptable counterparties and limits are set and monitored to cover the exposure to any individual broker. Changes in brokers financial ratings are periodically reviewed by the Janus Henderson Counterparty Risk Committee along with set limits and new counterparty approval.

The fund's assets that are held with the banks could be exposed to credit and counterparty risk. The banks used by the fund and the Authorised Fund Manager are subject to regular reviews. Only counterparties that have been approved by the Janus Henderson Counterparty Risk Committee are used for derivatives and stocklending 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.

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.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

Notes to the financial statements (continued)

3 Risk (continued)

(b) Credit and counterparty risk (continued)

Credit Ratings

	Market value £000	Percentage of total net assets %
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
	Market value £000	Percentage of total net assets %
2019		
Investments		
Investment grade (AAA - BBB)	364,385	88.98
Below investment grade (BB and below)	21,468	5.24
Unrated	12,897	3.15
Total debt securities	398,750	97.37
Equities	304	0.07
Investment assets	399,054	97.44
Other net assets	10,485	2.56
Total net assets	409,539	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 include 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 the value of its property to ensure settlement.

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

Notes to the financial statements (continued)

3 Risk (continued)

(d) Liquidity risk (continued)

	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	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Bank overdrafts	3,439	-	-	-
Distribution payable	-	545	-	-
Other creditors	-	4,248	-	-
Total	3,439	4,793	-	-

Market volatility in all major asset classes has increased substantially which has led to an increase in fund volatilities and reduced liquidity.

Even though market liquidity has been more challenging during this stressed period in certain markets, we have not had any issues meeting redemptions for the funds and believe that the fund will be able to handle typical redemption patterns going forward.

Brexit Risk

On 31 January 2020, the United Kingdom formally left the EU ('Brexit'). Under the terms of the withdrawal agreement concluded between the United Kingdom and the EU, a transition period will run until 31 December 2020, during which time the United Kingdom will continue to benefit from and be bound by many EU laws.

The terms of the United Kingdom's future relationship with the EU are uncertain and will depend on how the United Kingdom and the EU re-negotiate their relationship following Brexit. Given this, it is difficult to predict how the United Kingdom's withdrawal from the EU will be implemented and what the implications will be for the asset management industry and the broader European and global financial markets more generally.

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 uncertainty may have an adverse effect on the economy generally and on the ability of the fund and its investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to the fund.

4 Net capital gains

Net capital gains on investments during the year comprise:

	2020 £000	2019 £000
Derivative securities	230	52
Forward currency contracts	(28)	-
Non-derivative securities	16,015	1,029
Other currency gains	62	-
Transaction costs	(14)	(7)
Net capital gains	16,265	1,074

Notes to the financial statements (continued)

5 Revenue

	2020 £000	2019 £000
Bank interest	41	42
Derivative revenue	(3)	25
Interest on debt securities	11,169	14,857
Stock lending revenue	39	62
UK dividends	3	-
Total revenue	11,249	14,986

6 Expenses

	2020 £000	2019 £000
Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager and agents of either of them:		
Annual management charge	3,067	3,829
GAC*	417	484
	<u>3,484</u>	<u>4,313</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee fees	32	36
Safe custody fees	28	34
	<u>60</u>	<u>70</u>
Total expenses	3,544	4,383

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £7,912 (2019: £7,681).

7 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2019: 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% (2019: 20%).

The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	<u>7,705</u>	<u>10,603</u>
Corporation tax at 20% (2019: 20%)	1,541	2,121
Effects of:		
Revenue being paid as interest distributions	(1,540)	(2,121)
UK dividends*	(1)	-
Tax charge for the year (note 7a)	-	-

* 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 (2019: nil).

Notes to the financial statements (continued)

7 Taxation (continued)

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.

8 Distributions

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

	2020	2019
	£000	£000
Interim income	1,436	2,097
Interim accumulation	4,497	5,859
Final income	391	545
Final accumulation	1,129	1,801
	<u>7,453</u>	<u>10,302</u>
Amounts deducted on cancellation of units	264	507
Amounts received on issue of units	(12)	(185)
Total distributions	<u>7,705</u>	<u>10,624</u>
Net revenue after taxation	7,705	10,603
Equalisation on conversions	-	21
Total distributions	<u>7,705</u>	<u>10,624</u>

Details of the distribution per unit are set out in the Distribution tables on pages 41 to 44.

9 Debtors

	2020	2019
	£000	£000
Accrued revenue	4,371	6,273
Amounts receivable for issue of units	84	56
Currency transactions awaiting settlement	3,578	-
Sales awaiting settlement	6,937	818
Total debtors	<u>14,970</u>	<u>7,147</u>

10 Cash and bank balances

	2020	2019
	£000	£000
Amounts held at derivative clearing houses and brokers	383	-
Cash and bank balances	12,266	11,570
Total cash and bank balances	<u>12,649</u>	<u>11,570</u>

Notes to the financial statements (continued)

11 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	343	442
Accrued Trustee's fee	4	4
Accrued other expenses	52	61
Amounts payable for cancellation of units	384	2,294
Currency transactions awaiting settlement	3,596	-
Purchases awaiting settlement	6,172	1,447
Total other creditors	10,551	4,248

12 Contingent liabilities and commitments

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

13 Related party transactions

Henderson Investment Funds Limited as Authorised Fund Manager 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 Authorised Fund Manager are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to unitholders' and the 'Balance sheet' on pages 23 and 24 and notes 6, 8, 9 and 11 on pages 33 to 35 including all issues and cancellations where the Authorised Fund Manager acted as principal.

Transactions with the Authorised Fund Manager are as follows:

- All issues and cancellations,
- Annual management charge
- GAC

14 Unitholders' funds

The fund currently has 6 unit classes available; Accumulation (Retail), Income (Retail), Class E accumulation (Retail), Class E income (Retail), Class I accumulation and Class I income. The annual management charge on each unit class is as follows:

	2020 %	2019 %
Accumulation & Income	1.10	1.10
Class E ¹	0.60	n/a
Class I	0.60	0.60

¹ Class E accumulation and Class E income launched on 24 June 2019.

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 5 to 8. The distribution per unit class is given in the Distribution tables on pages 41 to 44. All unit classes have the same rights on winding up.

Units reconciliation as at 15 April 2020

	Accumulation	Income	Class E accumulation
Opening number of units	62,425,332	85,620,399	-
Issues during the year	1,022,424	605,356	61,813
Cancellations during the year	(5,502,676)	(6,088,003)	(715,817)
Units converted during the year	(14,940,982)	(33,233,057)	14,832,988
Closing units in issue	43,004,098	46,904,695	14,178,984

Notes to the financial statements (continued)

14 Unitholders' funds (continued)

	Class E income	Class I accumulation	Class I income
Opening number of units	-	127,024,100	37,028,563
Issues during the year	93,217	446,460	586,791
Cancellations during the year	(2,094,013)	(44,008,551)	(7,347,543)
Units converted during the year	33,011,428	184,048	122,723
Closing units in issue	31,010,632	83,646,057	30,390,534

15 Financial derivatives

The fund may use financial derivatives for efficient portfolio management and for meeting the investment objectives of the fund.

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

The counterparty exposure has been calculated using the positive marked-to-market value of the derivative contract with that counterparty.

There was no collateral pledged or collateral held in respect of derivatives as at 15 April 2020 (2019: nil).

2020

At 15 April 2020 the underlying exposure for each category of derivatives held 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

2019

The fund had no exposure to derivatives as at 15 April 2020 with a positive market value.

16 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with BNP Paribas 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 securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope, generally subject to a minimum long term credit rating of at least A- by one or more major credit rating agency or listed equities on eligible markets. 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 102.50% to 110.00% of the value of the stock on loan.

Notes to the financial statements (continued)

16 Stock lending (continued)

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>	
JP Morgan	3,186	3,377	Corporate Bond
JP Morgan	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

2019

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Barclays	97	104	Corporate Bond
Barclays	10,042	10,783	Government Bond
	<u>10,139</u>	<u>10,887</u>	
BNP Paribas	2,167	2,447	Corporate Bond
Credit Suisse	434	468	Corporate Bond
JP Morgan	16,043	17,085	Corporate Bond
JP Morgan	10,361	11,034	Government Bond
	<u>26,404</u>	<u>28,119</u>	
Natixis	1,523	1,709	Equity
Natwest	1,541	1,623	Government Bond
	<u>42,208</u>	<u>45,253</u>	Government Bond

Notes to the financial statements (continued)

16 Stock lending (continued)

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	73	11	62

17 Fair value disclosure

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

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	31,808*	63	26,031*	-
Level 2	300,350	163	372,989	-
Level 3	25	-	34	-
	332,183	226	399,054	-

* 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 £31,784,645 as at 15 April 2020 (2019: £25,726,576).

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 some other method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. Janus Henderson UK & EMEA Fair Value Pricing Committee (FVPC) of the Investment Manager is responsible for 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 Lambay Capital Securities 6.25% perpetual holding has been valued at £25,293 using broker quotes.

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trades in the year				
Debt securities	216,999	181,022	295,023	236,977
Trades in the year before transaction costs	216,999	181,022	295,023	236,977
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	216,999	181,022	295,023	236,977

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
	2020	2019		
	%	%		

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 (2019: nil). There were corporate actions during the year of £3,126,121 (2019: £12,525,814).

There were direct transaction costs associated with derivatives in the year of £672 (2019: £931) which is 0.00% of the average net asset value of the fund (2019: 0.00%).

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

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

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 2020 was 0.92% (2019: 0.62%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 30 June 2020, the Net Asset Value of the fund had increased.

Distribution tables for the year ended 15 April 2020 (in pence per unit)

Interim interest distribution (accounting date 15 July 2019, paid on 13 September 2019)

Group 1: units purchased prior to 16 April 2019

Group 2: units purchased on or after 16 April 2019

	Distribution per unit	Equalisation	Total distribution per unit 13/09/19	Total distribution per unit 14/09/18
Accumulation				
Group 1	1.0908	-	1.0908	1.2384
Group 2	0.5429	0.5479	1.0908	1.2384
Income				
Group 1	0.3140	-	0.3140	0.3641
Group 2	0.1270	0.1870	0.3140	0.3641
Class E accumulation¹				
Group 1	1.1579	-	1.1579	n/a
Group 2	0.1881	0.9698	1.1579	n/a
Class E income¹				
Group 1	0.3333	-	0.3333	n/a
Group 2	0.0599	0.2734	0.3333	n/a
Class I accumulation				
Group 1	0.8500	-	0.8500	0.9262
Group 2	0.3165	0.5335	0.8500	0.9262
Class I income				
Group 1	0.6999	-	0.6999	0.7853
Group 2	0.2866	0.4133	0.6999	0.7853

¹ Class E accumulation and Class E income launched on 24 June 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 15 October 2019, paid on 13 December 2019)

Group 1: units purchased prior to 16 July 2019

Group 2: units purchased on or after 16 July 2019

	Distribution per unit	Equalisation	Total distribution per unit 13/12/19	Total distribution per unit 14/12/18
Accumulation				
Group 1	1.0074	-	1.0074	1.0080
Group 2	0.3488	0.6586	1.0074	1.0080
Income				
Group 1	0.2885	-	0.2885	0.2934
Group 2	0.1094	0.1791	0.2885	0.2934
Class E accumulation¹				
Group 1	1.3079	-	1.3079	n/a
Group 2	0.4045	0.9034	1.3079	n/a
Class E income¹				
Group 1	0.3746	-	0.3746	n/a
Group 2	0.1225	0.2521	0.3746	n/a
Class I accumulation				
Group 1	0.8102	-	0.8102	0.7911
Group 2	0.2719	0.5383	0.8102	0.7911
Class I income				
Group 1	0.6634	-	0.6634	0.6640
Group 2	0.3145	0.3489	0.6634	0.6640

¹ Class E accumulation and Class E income launched on 24 June 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 15 January 2020, paid on 13 March 2020)

Group 1: units purchased prior to 16 October 2019

Group 2: units purchased on or after 16 October 2019

	Distribution per unit	Equalisation	Total distribution per unit 13/03/20	Total distribution per unit 15/03/19
Accumulation				
Group 1	0.9431	-	0.9431	1.1386
Group 2	0.3860	0.5571	0.9431	1.1386
Income				
Group 1	0.2691	-	0.2691	0.3302
Group 2	0.1782	0.0909	0.2691	0.3302
Class E accumulation¹				
Group 1	1.2452	-	1.2452	n/a
Group 2	0.5777	0.6675	1.2452	n/a
Class E income¹				
Group 1	0.3547	-	0.3547	n/a
Group 2	0.1686	0.1861	0.3547	n/a
Class I accumulation				
Group 1	0.7724	-	0.7724	0.8698
Group 2	0.3157	0.4567	0.7724	0.8698
Class I income				
Group 1	0.6289	-	0.6289	0.7265
Group 2	0.4122	0.2167	0.6289	0.7265

¹ Class E accumulation and Class E income launched on 24 June 2019.

Distribution tables (continued)

Final interest distribution (accounting date 15 April 2020, paid on 15 June 2020)

Group 1: units purchased prior to 16 January 2020

Group 2: units purchased on or after 16 January 2020

	Distribution per unit	Equalisation	Total distribution per unit 15/06/20	Total distribution per unit 14/06/19
Accumulation				
Group 1	0.8509	-	0.8509	1.1273
Group 2	0.2809	0.5700	0.8509	1.1273
Income				
Group 1	0.2419	-	0.2419	0.3261
Group 2	0.0463	0.1956	0.2419	0.3261
Class E accumulation¹				
Group 1	1.1523	-	1.1523	n/a
Group 2	0.3230	0.8293	1.1523	n/a
Class E income¹				
Group 1	0.3266	-	0.3266	n/a
Group 2	0.1184	0.2082	0.3266	n/a
Class I accumulation				
Group 1	0.7168	-	0.7168	0.8637
Group 2	0.2976	0.4192	0.7168	0.8637
Class I income				
Group 1	0.5804	-	0.5804	0.7163
Group 2	0.2245	0.3559	0.5804	0.7163

¹ Class E accumulation and Class E income launched on 24 June 2019.

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, securities financing transactions 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, the fund's involvement in and exposures related to securities lending for the year ended 15 April 2020 are detailed below.

Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the fund's assets under management (AUM) as at 15 April 2020:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson Sterling Bond Unit Trust	8,344	2.51%	2.42%

Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for the fund as at 15 April 2020:

Issuer	Market value of collateral received £000
Bank Nederlandse Gemeenten	3,851
Government of Japan	1,398
RATP	533
UK Treasury	387
Asian Development Bank	198
Qiagen	195
KFW	182
European Bank for Reconstruction and Development	151
Amazon.com	127
Alstom	97

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for the fund as at 15 April 2020:

Counterparty	Market value of securities on loan £000	Settlement basis
JP Morgan	3,255	Triparty
Natixis	1,926	Triparty
Natwest	1,325	Triparty
BNP Paribas	1,116	Triparty
Credit Suisse	722	Triparty
	8,344	

All counterparties have been included.

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data

The following tables provide an analysis of the collateral received by the fund in respect of each type of SFTs as at 15 April 2020:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
BNP Paribas	France	Corporate Bond	Investment grade	AUD	Triparty	BNP Paribas	59
BNP Paribas	France	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	624
BNP Paribas	France	Corporate Bond	Investment grade	TRY	Triparty	BNP Paribas	178
BNP Paribas	France	Corporate Bond	Investment grade	ZAR	Triparty	BNP Paribas	379
Credit Suisse	Switzerland	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	28
Credit Suisse	Switzerland	Corporate Bond	Investment grade	USD	Triparty	BNP Paribas	354
Credit Suisse	Switzerland	Government Bond	Investment grade	GBP	Triparty	BNP Paribas	393
JP Morgan	United States	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	3,377
JP Morgan	United States	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	73
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	407
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	1,140
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	286
Natixis	France	Equity	Main market listing	HKD	Triparty	BNP Paribas	11
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	23
Natixis	France	Equity	Main market listing	SEK	Triparty	BNP Paribas	7
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	348
Natwest	United Kingdom	Government Bond	Investment grade	JPY	Triparty	BNP Paribas	1,398
							9,085

All collateral is held in segregated accounts.

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

Re-use of collateral

The fund does not engage in any re-use of collateral.

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 2020:

	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	46	7	39	15%	85%

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. Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of Henderson Investment Funds Limited (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 2019.

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Sterling Bond Unit Trust	1,949	494
of which		
Fixed Remuneration	1,949	246
Variable Remuneration	1,936	248
Janus Henderson Sterling Bond Unit Trust Remuneration Code Staff	121	225
of which		
Senior Management (4)	34	61
Other Code Staff (5)	87	164

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 plc'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 plc.
3. The remuneration disclosed is only in respect of the provision of services to Janus Henderson Sterling Bond Unit Trust for the year, rather than the total remuneration for the year – for this purpose, remuneration has been apportioned between the provision of services to Janus Henderson Sterling Bond Unit Trust and to other entities in Janus Henderson Group plc, as follows:
 - in respect of fixed pay and annual/long term incentive bonuses: where fixed pay is directly attributable to Janus Henderson Sterling Bond Unit Trust (for example, fees for HIFL Board members), 100% of those fees;
 - for Investment Fund Managers, pro-rated using the average assets under management (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 Investment Fund Managers who manage AUM within Janus Henderson Sterling Bond Unit Trust

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.

Unless otherwise stated, all data is sourced by Janus Henderson Investors.

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