

# HL SELECT UMBRELLA TRUST

**Annual Report & Financial Statements**  
for the year ended to 30th September 2021

# Directory

## Manager:

Hargreaves Lansdown Fund Managers Limited  
One College Square South  
Anchor Road  
Bristol BS1 5HL  
Telephone: 0117 900 9000 (Enquiries)

*Authorised and Regulated by the Financial Conduct Authority*

## Directors of the Manager:

R J Byett (resigned 25th June 2021)  
P A Dimambro (appointed 5th November 2021)  
S E Gamble (appointed 25th June 2021)  
L N Gardhouse  
M P Hastings (appointed 5th November 2021)  
P M Johnson (resigned 30th September 2021)  
J Misselbrook\*  
S P Robertson (resigned 8th October 2020)\*  
J A Troiano\*

\*Non-Executive Directors

## Trustee and Depositary:

Northern Trust Investor Services Limited\*  
50 Bank Street  
Canary Wharf  
London E14 5NT

*(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)*

\* The trustee and depositary of the Funds changed from Northern Trust Global Services SE, UK Branch on 1st September 2021.

## Dealing and Registration:

Hargreaves Lansdown Fund Managers Limited  
Sunderland  
SR43 4AS  
Telephone: 0333 300 0360  
Fax: 020 7982 3924

## Auditor:

Ernst & Young LLP  
25 Churchill Place  
London E14 5EY

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## General Information

### HL Select UK Growth Shares

Launch Date:	14th November 2016
Accounting Periods:	Interim – 31st March Final – 30th September
Distribution Dates:	Interim - 31st May Final – 30th November
Minimum initial investment:	£150,000*
Management charges:	Initial – 3%* Annual – 0.60%

### HL Select UK Income Shares

Launch Date:	10th February 2017
Accounting Periods:	First Interim - 31st October Second Interim - 30th November Third Interim - 31st December Fourth Interim - 31st January Fifth Interim - 28th February** Sixth Interim - 31st March Seventh Interim - 30th April Eighth Interim - 31st May Ninth Interim - 30th June Tenth Interim - 31st July Eleventh Interim - 31st August Final - 30th September
Distribution Dates:	First Interim - 30th November Second Interim - 31st December Third Interim - 31st January Fourth Interim - 28th February** Fifth Interim - 31st March Sixth Interim - 30th April Seventh Interim - 31st May Eighth Interim - 30th June Ninth Interim - 31st July Tenth Interim - 31st August Eleventh Interim - 30th September Final - 31st October
Minimum initial investment:	£150,000*
Management charges:	Initial – 3%* Annual – 0.60%

## General Information (continued)

### HL Select Global Growth Shares

Launch Date:	6th April 2019
Accounting Periods:	Interim – 31st March Final – 30th September
Distribution Dates:	Interim - 31st May Final – 30th November
Minimum initial investment:	£150,000*
Management charges:	Initial – 3%* Annual – 0.60%

\* Lower amounts may be permitted when investing via platforms or other nominee companies.

\*\* 29th February in a leap year.

The HL Select Umbrella Trust (the "Trust") is structured as an Umbrella Unit Trust, in that different Sub-Funds ("Funds") may be established from time to time by Hargreaves Lansdown Fund Managers Limited (the "Manager") with the approval of the Financial Conduct Authority (FCA), the agreement of the Trustee and Depositary, and in accordance with the Trust Deed.

The Trustee and Depositary's fee is 0.01% of the first £100 million and 0.0075% thereafter of the net asset value of the Trust per annum, plus VAT.

The Manager is not permitted to levy a redemption charge or increase the rates of its initial or annual charges unless 60 days' prior written notice of the introduction of the new charge and the date of its commencement has been given to all unitholders and the Prospectus has been amended to reflect the change.

Full details of the underlying charges are set out in the Key Investor Information for the Trust which is published on Hargreaves Lansdown's website, <http://www.hl.co.uk/funds/hl-funds/hl-select>. Copies may be obtained from Hargreaves Lansdown Fund Managers Limited, Sunderland SR43 4AS or directly from the Manager - Hargreaves Lansdown Fund Managers Limited, One College Square South, Anchor Road, Bristol, BS1 5HL.

### Unit Price

Units in the Trust are single priced. This means that (subject to any dilution adjustment and initial charge) the price of each unit for both buying and selling purposes will be the same and determined by reference to the particular valuation point. The price of each unit of any class will be calculated by reference to the proportion of the net asset value of the Fund attributable to units of that class by:

- taking the proportion of the net asset value of the relevant Fund attributable to the units of the class concerned at the valuation point of that Fund;
- dividing the result by the number of units of the relevant class in issue immediately before the valuation point concerned; and
- increasing or decreasing the result by any dilution adjustment determined by the Manager.

The Funds are normally valued at 11.00 am each day for the purpose of determining the unit price. With the agreement of the Trustee and Depositary the Funds may be valued at other times.

## General Information (continued)

### Dealing in Units

Dealing confirmations are issued for all purchases and sales of units and will be posted within 24 hours of the next valuation point following receipt of your application.

The units of the Trust are non-certificated.

Units may be sold back to the Manager at any time at the price applicable at the valuation point following receipt of instructions.

You will receive a dealing confirmation setting out the details and payment will follow, normally within three working days of receipt of the signed form of renunciation.

Daily prices are currently available from the Hargreaves Lansdown website ([www.hl.co.uk](http://www.hl.co.uk)), HL App (HL Live) and our Helpdesk on 0117 900 9000.

### Cancellation Rights

If you receive financial advice on a face-to-face basis regarding your investment, you will have a right to change your mind. If you receive financial advice on a non face-to-face basis, we will also allow you the right to cancel your investment. If you decide to cancel your contract during the 14 days after the date on which you receive a cancellation notice from us and the value of your investment has fallen at the time we receive your completed cancellation notice, you will not receive a full refund of your investment and an amount equal to any fall in value will be deducted from the sum you originally invested.

### Taxation - Income

Income earned by unitholders from the Trust is liable to UK Income Tax at the rate applicable for the individual unitholders.

### Fund Cross Holdings

No Fund held shares in any other Fund within the Trust during the year.

### Taxation - Capital Gains

There is no tax on capital gains within the Trust. Gains realised on disposal of units by unitholders who are UK resident for taxation purposes may be liable to Capital Gains Tax.

All taxation information in this Report is based on current legislation and may be subject to change. Any tax reliefs referred to are those currently applying. Their value depends on the individual circumstances of the unitholder.

Unitholders subject to UK tax should note that a switch of units between Funds is normally treated as a redemption and sale and should be treated as a disposal for the purposes of Capital Gains Tax. Conversions between different unit classes in the same Fund should not give rise to a disposal for UK Capital Gains Tax purposes. Unitholders should seek their own professional tax advice in this regard.

### Report and Scheme Particulars

Copies of the Scheme Particulars and Interim and Annual Report and Financial Statements may be obtained from the Manager at the address shown at the beginning of this Report.

The maintenance and integrity of the Hargreaves Lansdown Plc website is the responsibility of the Directors; the work carried out by the Auditor does not involve consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

### Commission

Commission may be payable to authorised intermediaries, rates are available on request and details are set out on the dealing confirmation.

## General Information (continued)

### Status

The Manager can only provide information on its own range of Trusts to retail clients.

### Assessment of Value

For each of its funds, Hargreaves Lansdown Fund Managers Limited (HLFM) published an Assessment of Value covering the previous financial year and this is available at [www.hl.co.uk/funds/hl-funds/multi-manager-funds/other-documents](http://www.hl.co.uk/funds/hl-funds/multi-manager-funds/other-documents). The Assessment of Value covering the financial year ended 30th September 2021 will be published no later than 31st January 2022.

### Remuneration

Under the transitional provisions managers of UCITS will not have to comply with some of the remuneration requirements until the start of the first full performance period starting after 18th March 2016 which, for the Hargreaves Lansdown Fund Managers Limited (the "AFM"), will be the financial period beginning from October 2016.

HLFM is part of a larger group, Hargreaves Lansdown Plc (Parent), within which remuneration policies are the responsibility of a Remuneration Committee comprised entirely of non-executive directors. That committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration within the group are calculated primarily by reference to the performance of each individual, the profitability of the relevant business unit and the profitability of the Parent.

Within the group, all staff are employed by the Parent company with none employed directly by the Manager. A number of staff are considered, however, to devote the whole of their time to the business of the Manager. The costs of a number of other individuals are allocated between the entities within the group based on the expected amount of time devoted to each.

The total remuneration of those individuals considered to be UCITS Remuneration Code staff and defined in SYSC 19E.2.2, including those whose time is allocated between group entities, for the financial year ended 30th June 2021 is analysed below:

Fixed Remuneration	£620,392
Variable Remuneration	£996,099
Total	£1,616,491
Full Time Equivalent number of staff:	3.4

The staff members included in the above analysis support the full range of Select Funds managed by the Manager. A breakdown of these figures in relation to those funds individually does not exist.

### Leverage

There are two ways in which the Manager can introduce leverage to the Trust. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Neither of these are important features in terms of how the Manager manages the Trust. There are no collateral, asset re-use or guarantee arrangements involved in the Manager's current approach to leverage.

## General Information (continued)

### Change in Depositary

The depositary of the Funds has changed with effect from 1st September 2021. The depositary is the entity we are required by regulation to appoint to carry out certain services in relation to the Funds, namely, safekeeping of the assets, cash monitoring and regulatory oversight.

As you may know, the depositary of the Funds was Northern Trust Global Services SE, UK branch ("NTGS-UK"). NTGS-UK is the UK branch of Northern Trust Global Services SE, which is a bank established in Luxembourg, and was permitted to provide trustee and depositary services into the UK by virtue of having extra permissions in the UK.

As a consequence of the UK's decision to leave the European Union, however, the UK financial services regulator which regulates NTGS-UK, the Financial Conduct Authority ("FCA"), has provided that UK branches of EU banks are no longer able to provide trustee and depositary services into the UK and those services have to be provided from a UK incorporated company. The FCA has provided a grace period for firms to implement the new rules which came into force on 1st January 2021.

In order to comply with the new rules, Northern Trust has established Northern Trust Investor Services Limited ("NTISL") to be the new trustee and depositary. NTISL is a company established in England and Wales and is authorised by the FCA to be a trustee and depositary. NTISL will provide the same services as NTGS-UK with the same processes and procedures in place. The change of depositary took place on 1st September 2021 and we have amended the Prospectus of Fund to reflect the details of NTISL as from that date.

## Important Investment Notes

You should be aware of the risks involved in investing in the Trust. A list of factors is provided below, although this list may not be exhaustive. Certain risk factors will apply to different Funds to different degrees depending on their investment objective and policy. If you have any doubts over the suitability of an investment, please contact a financial adviser for advice.

The price of stock market investments can go down as well as up. This could happen to individual securities, or to a market as a whole. This means the value of your investment in a Fund can go down as well as up, and you may get back less than you invest or expect. Investing is a long-term decision and, in particular, is not suitable for money which may be needed at short notice.

Prices can be influenced by many micro and macro factors such as national and international political and economic news and events, corporate earnings reports, demographic trends and catastrophic events, any of which may affect the value of your investment in a Fund.

Economic factors might include data, policies or programs relating to interest rates, inflation, supply and demand, trade, fiscal, monetary, and employment, any of which may affect the value of your investment in a Fund.

The Funds may have exposure to smaller companies, which are more volatile and sometimes more difficult to trade than larger companies, and which may result in above-average fluctuations in price.

The Funds may have exposure to overseas holdings. Overseas investments can involve certain risks, including that the value of the assets of the Fund may be affected by uncertainties such as changes in government policies, taxation, fluctuations in foreign exchange rates, the imposition of currency repatriation restrictions, social and religious instability, political, economic or other developments in the law or regulations of the countries in which the Fund may invest, including changes in legislation relating to the level of foreign ownership in the countries in which the Fund may invest.

The Funds may have exposure to emerging or less developed markets, where the legal, judicial and regulatory infrastructure is still developing. Investing in these markets involves increased risks and special considerations not typically associated with investment in major developed markets. For example:

- o some emerging markets may carry higher risks, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk, an increased risk that a proposed investment is found to be fraudulent and an increased likelihood of a high degree of volatility, for investors such as the Fund;
- o there may be less state regulation and supervision of these emerging markets, less reliable information available to brokers and investors than in relation to major western markets, and consequently less investor protection;
- o the accounting, auditing and financial reporting standards and requirements in emerging / developing markets are often less stringent and less consistent than those applicable in developed markets;
- o corporate legislation regarding the fiduciary responsibility of directors and officers, as well as protection of shareholders, is also often significantly less developed, and may impose inconsistent or even contradictory requirements on companies;
- o less information may be available to investors investing in securities of companies in emerging / developing markets, and the historic information which is available is not necessarily comparable with or of relevance to many developed countries.

The Funds may have exposure to currencies other than Pound Sterling (GBP), particularly where it has an overseas focus. Changes in currency exchange rates may cause the value of units in the relevant Fund to go up or down, independently of movements in the value of the underlying investments, which would affect the value of your investment in the Fund.

## Important Investment Notes (continued)

The Funds may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history, and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

Any income provided by your investment in a Fund will vary. Expected or indicated income levels may not be achieved – in particular, yields are quoted for illustrative purposes only and are not guaranteed.

The risk of concentration may arise when a Fund is predominantly invested in a single country and/or geographic area, or has limited industry diversification. The Funds may intentionally hold a small number of investments, which will also give rise to concentration risk. The price of such a Fund may be more volatile than that of more broadly diversified funds.

A lack of liquidity in the assets in which a Fund invests (whether due to difficult market conditions or otherwise) may adversely affect the Fund's ability to dispose of such assets and/or the price at which such assets can be sold. The absence of reliable pricing information in an asset held by the Fund may make it difficult to assess the market value of such assets.

Trading on a securities exchange (generally or in respect of a particular issuer) may be suspended or halted pursuant to the securities exchange's rules as a result of market conditions, technical malfunctions which prevent trades from being processed, issues relating to a particular issuer or otherwise. Any such halt or suspension or limitation would result in the Fund being unable to sell the securities traded on that securities exchange and, accordingly, expose the Fund to losses and delays in the ability to liquidate assets in the Fund. In extreme liquidity conditions, redemptions in a Fund might need to be deferred or suspended.

The Funds generally deduct charges from the income produced from their investments; however, some may deduct all or part of their charges from capital (e.g. to allow higher levels of income to be paid).

Charges taken from the 'capital' of the fund may erode capital growth. Your capital could also decrease if income withdrawals exceed the growth rate of a Fund.

The Funds are valued using the latest available price for each underlying investment. These prices may not fully reflect changing market conditions. The Funds can apply a 'fair value price' to all or part of its portfolio to mitigate this risk.

The Funds conducts transactions with various counterparties and there is a risk that counterparty will not deliver an investment (for purchases by the Fund) or cash (for sales by the Fund) after the Fund has fulfilled its responsibilities. In the event of failure of the counterparty the Fund may only rank as an unsecured creditor in respect of sums due from the counterparty in question, meaning that the Fund may be unable to recover part or all of the assets exposed to that counterparty and any such recovery may be significantly delayed. Such delay or loss would be to the detriment of the value of the Fund.

The Funds may use derivatives for efficient portfolio management purposes. There is a risk that any counterparty used does not fulfil its obligations. The use of derivatives will increase the exposure of the Fund.

The Funds may use an overdraft facility. This will increase the exposure of the Fund.

The Funds do not currently permit the undertaking of stock lending in a Fund. If this were to change in the future this Prospectus will be reviewed and updated.

Past performance is not necessarily a guide to future performance.

As with any investment, inflation will reduce the real value (i.e. purchasing power) of the capital, and of any income provided, over time.

Any tax features of a Fund or your investment in a Fund are not guaranteed: they can change at any time and their value will depend on your circumstances.

## Important Investment Notes (continued)

Fund liability risk: the Trust is structured as an umbrella fund with segregated liability between its Funds. The assets of one Fund will not be available to meet the liabilities of another. However, the Trust (through its Manager) may operate or have assets held on its behalf or be subject to claims in the UK, or in other jurisdictions whose courts may not necessarily recognise such segregation of liability. Therefore, it is not always possible to be certain that the assets of a Fund will always be completely isolated from the liabilities of another Fund of the Trust in every circumstance.

This document is provided solely to enable investors to make their own investment decisions. It is not personal advice. These investments are not suitable for everyone. If you are in any doubt about suitability, you should seek expert advice. Please ensure you read the full Key Investor Information before placing any investment instruction.

## Authorised Status

The Trust is an authorised unit trust scheme established by a Trust Deed (the "Trust Deed") between the Trustee and Depositary and the Manager dated 10th October 2016. It was granted authorisation by order of the FCA on 10th October 2016.

The Trust is categorised as a "UK UCITS" for the purposes of the Rules. This means that units in a Trust are available for investment for all classes of investor in the UK and may obtain recognition under EC Council Directive 2009/65/EC for marketing in certain member states of the European Economic Area. At present, the Funds are only marketed to the public in the UK.

The Trust is structured as an umbrella unit trust, in that different funds may be established from time to time by the Manager with the approval of the FCA, the agreement of the Trustee, and in accordance with the Trust Deed. On the introduction of a new Fund, a revised Prospectus will be prepared setting out the relevant details of each Fund, such revised Prospectus to be approved by the Manager and filed with the Trustee and the FCA.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and policy attributable to that Fund. Investment of the assets of each Fund must comply with the Rules and the investment objective and policy of the relevant Fund.

Each Fund has a segregated portfolio to which that Fund's assets and liabilities are attributable. The assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Trust and any other Fund and shall not be available for any such purpose.

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Trust attributable to that Fund, and within each Fund charges will be allocated (if relevant) between classes of units of a particular Fund in accordance with the terms of issue of units of those classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the Manager in a manner which it believes is fair to the unitholders generally. This will normally be pro rata to the net asset value of the relevant Funds.

The functional and presentation currency of the Trust is GBP.

## Statement of the Manager's Responsibilities

The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority (the "COLL Sourcebook") requires the Manager to prepare financial statements for each annual and interim accounting period which give a true and fair view of the financial affairs of the Trust and of the net revenue and net capital gains on the scheme property of the Trust for the year. In preparing the financial statements the Manager is required to:

- comply with the disclosure requirements of the Statement of Recommended Practice (SORP) relating to financial statements of UK Authorised Funds as issued by The Investment Association in May 2014 and amended in June 2017;
- select suitable accounting policies and then apply them consistently;
- follow United Kingdom Generally Accepted Accounting Principles (UK GAAP) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland';
- prepare the financial statements on a going concern basis unless it is inappropriate to presume the Trust will continue in operation;
- make judgements and estimates that are reasonable and prudent; and
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared, comply with the above requirements.

The Manager is responsible for the management of the Trust in accordance with its Fund Deed, the Scheme Particulars and the COLL Sourcebook, and for ensuring that reasonable steps are taken for the prevention and detection of fraud and other irregularities within its systems.

## Certification of the Financial Statements by Directors of the Manager

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook, we hereby certify the financial statements on behalf of the Directors of Hargreaves Lansdown Fund Managers Limited.

**L N Gardhouse**  
(Director)  
*20th December 2021*

**M P Hastings**  
(Director)

# Statement of the Trustee and Depositary's Responsibilities in Respect of the Trust and Report of the Trustee and Depositary to the Unitholders of the HL Select Umbrella Trust (the "Trust") for the year ended 30th September 2021

The Depositary in its capacity as Trustee of the HL Select Umbrella Trust must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and, from 22nd July 2014 the Investment Funds 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 Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

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

The Depositary must ensure that:

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

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

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

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

**Northern Trust Investor Services Limited**  
UK Trustee and Depositary Services  
*20th December 2021*

# Independent Auditor's Report to the Unitholders of the HL Select Umbrella Trust

## Opinion

We have audited the financial statements of HL Select Umbrella Trust (the "Trust") for the year ended 30th September 2021, which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables for each of the Funds and the accounting policies, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust comprising each of its Funds as at 30th September 2021 and of the net revenue/expenses and the net capital gains of the scheme property of the Trust comprising each of its Funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting standard applicable to the UK and Republic of Ireland'.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

# Independent Auditor's Report to the Unitholders of the HL Select Umbrella Trust (continued)

## Other information (continued)

We have nothing to report in this regard.

## Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Trust Deed;
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

## Responsibilities of the Manager

As explained more fully in the Statement of Manager's Responsibilities set out on page 10, the Manager is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view; and for such internal control as the Manager determines 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 Manager is responsible for assessing the Trust's Funds 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 Manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

## Auditor's 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 auditor's 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 the financial statements.

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

# Independent Auditor's Report to the Unitholders of the HL Select Umbrella Trust (continued)

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant are United Kingdom Accounting Standards, the Investment Management Association SORP, the Financial Conduct Authority Collective Investment Schemes Sourcebook and the Prospectus.
- We understood how the Trust is complying with those frameworks through discussions with the Manager and the Trust's administrator and a review of the Trust's documented policies and procedures.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk with respect to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. Our procedures involved journal entry testing by specific risk criteria, with a focus on manual top side financial statement adjustments and journals indicating large or unusual transactions based on our understanding of the business. We tested the appropriateness of management's classification of material special dividends as either a capital or revenue return. We incorporated unpredictability into the nature, timing and extent of our testing.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Trust.
- Due to the regulated nature of the Trust, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Trust's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Ernst & Young LLP**  
Statutory Auditor  
London  
*20th December 2021*

# Summary of Significant Accounting Policies

## Applicable to All Funds

### For the year ended 30th September 2021

#### 1 Statement of Compliance

The Financial Statements have been prepared in compliance with United Kingdom Generally Accepted Accounting Principles (UK GAAP) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 as amended in June 2017.

There are no material events that have been identified that may cast significant doubt about the Trust's ability to continue as going concern for at least the next twelve months from the date these financial statements are authorised for issue. The financial statements have been prepared on a going concern basis. This assessment is made as at the date of issue of these financial statements and is based additionally to the following:

- The ability, post the announcement of the World Health Organisation of the COVID-19 pandemic, of the Manager and its third party suppliers to continue business as usual as each entity moved their operational functionality from an office based to a hybrid working environment; and
- Whilst it is recognised that COVID-19 presents many challenges from an investment perspective, it is considered that these do not impact the ability of the Trust to continue as a going concern due to its liquid balance sheet resources that are considerably in excess of annual operating expenditure.

The principal accounting policies which have been applied consistently are set below.

#### 2 Summary of Significant Accounting Policies

##### (a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

##### (b) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Trust operates (the "functional currency"). The financial statements are presented in Pounds Sterling, which is the Trust's functional and presentation currency rounded to the nearest £'000.

##### (c) Valuation of Investments

Quoted investments have been valued at 11:00 am on the 30th September 2021, being the last business day of the accounting period.

All realised and unrealised gains and losses on investments are recognised as a net capital gain/loss in the Statement of Total Return. Unrealised gains and losses comprise changes in the fair value of investments for the year and from reversal of prior period's unrealised gains and losses for investments which were realised in the current year. Realised gains and losses represent the difference between an investment's initial carrying amount and disposal amount. The cost of investments sold is accounted for on a weighted average basis.

##### (d) Foreign Exchange

The values of assets and liabilities denominated in foreign currencies have been translated into GBP at the exchange rates prevailing at 11:00 am on the balance sheet date. Foreign currency transactions are translated into GBP at the exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and those from the translation at year end exchange rates of monetary and non-monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Total Return.

# Summary of Significant Accounting Policies

## Applicable to All Funds (continued)

### For the year ended 30th September 2021

#### 2 Summary of Significant Accounting Policies (continued)

##### (e) Revenue

Bank and other interest receivable is recognised on an accruals basis. All distributions from collective investment schemes are recognised when the investments are declared ex-dividend.

Dividends from quoted equity and non-equity shares are recognised net of attributable tax credits when the security is quoted ex-dividend. Special dividends are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Special dividends recognised as revenue are included in the amounts available for distribution. The tax treatment follows that of the principal amount.

Ordinary stock dividends are recognised wholly as revenue and form part of distribution, which are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

Any reported revenue from an offshore fund with reporting status from HMRC, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available

##### (f) Expenses

All expenses are charged initially against revenue except for HL Select UK Income Shares in which all expenses are transferred to capital for the purposes of distribution. All expenses are recognised on an accruals basis.

##### (g) Taxation

Corporation tax is provided at 20% on taxable revenue after deduction of allowable expenses.

##### (h) Deferred Taxation

Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset. Deferred tax liabilities are not discounted.

#### 3 Distribution Policies

##### (a) Basis of Distribution

Revenue produced by the Funds' investment decisions accumulates during each accounting year. If, at the end of the accounting year, revenue exceeds expenses, the net revenue of the Funds are available to be distributed to unitholders. In order to conduct a controlled dividend flow to unitholders, interim distributions may be made at the Manager's discretion, up to a maximum of the revenue available for the year. All remaining revenue is distributed in accordance with the Regulations. Distributions to accumulation unitholders are rolled up to increase the value of the accumulation units. The distributions are paid as dividend distributions.

##### (b) Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all 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.

# Summary of Significant Accounting Policies

## Applicable to All Funds (continued)

### For the year ended 30th September 2021

#### 3 Distribution Policies (continued)

##### (c) Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

##### (d) Apportionment to multiple unit classes

With the exception of the Manager's periodic charge, which is directly attributable to individual unit classes, all revenue and expenses are apportioned to the Fund's unit classes pro rata to the value of the net assets of the relevant unit class on the day the revenue or expense is recognised.

##### (e) Tax relief on capital expenses

Tax relief on expenses charged to capital is applied and transferred between the revenue and capital property of the Trust.

#### 4 Risk Management Policies

In accordance with the Rules, the Manager has implemented a risk management process to identify, measure, manage and monitor all risks relevant to each Fund's investment strategy and to which each Fund is, or may be, exposed. The Manager reviews its risk management systems as appropriate and at least once a year, and adapt them whenever necessary. The Trustee also regularly reviews the Manager's risk management process. The risks covered by the process include market risk, liquidity risk, credit/counterparty risk, operational risk and any other risks that might be material to the Fund.

The Manager has a formal structure of oversight committees who review the risk profile, including market, credit, operational and liquidity risks, of the Fund and the Fund's compliance with its published objectives on a regular basis. As part of its governance processes, the Manager reviews the performance of the risk management process and its associated arrangements, systems and techniques on an annual basis, and the compliance of the Fund with the risk management process.

##### Market Price Risk

Market price risk is the risk of loss arising from fluctuations in the market value of the Fund's investments, such as equity prices, foreign exchange rates, interest rates or the credit worthiness of an issuer. The risk management process monitors the levels of market risk to which the Fund is exposed in relation to the Fund investment objective and policy. A series of hard (strictly enforced) and soft (warning) limits are employed to ensure the Fund stays within its published mandate.

The Trust is a concentrated portfolio of equities and as such will be substantially exposed to market risk and the risks associated with individual securities on a continuous basis. The Manager does not attempt to hedge against market risks through the use of other instruments or by varying the liquidity position within the portfolio. Nonetheless, the Funds are subject to market risk-related limits (e.g. on spread and diversification) as a result of UCITS requirements as well as Investment Association sector and Fund-specific limits.

# Summary of Significant Accounting Policies

## Applicable to All Funds (continued)

### For the year ended 30th September 2021

#### 4 Risk Management Policies (continued)

##### Currency Risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rate.

The Fund has three principal areas where it has exposure to foreign currency risk:

- i) Movements in exchange rates affecting the value of investments which are transferable securities held directly by the Trust where denominated in a currency other than GBP;
- ii) Short-term timing differences such as exposure to exchange rate movement during the period between when a purchase or sale is entered into and the date when settlement of the investment occurs; and
- iii) Movements in exchange rates affecting revenue received in foreign currency and converted into GBP on the day of receipt.

At the year end date, a portion of the net assets of the Funds, except HL Select UK Income Shares, were denominated in currencies other than GBP with the effect that the Balance Sheet and the Statement of Total Return can be affected by exchange rate movements.

##### 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.

The Funds have minimal direct interest rate risk which only applies to bank balances. Interest on the Funds' bank balances/overdraft is calculated at a variable rate by reference to GBP bank deposit/overdraft rates or the international equivalent.

##### Liquidity Risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or cash equivalents.

The main obligation of the Funds is the redemption of any units that investors wish to sell. The Funds' assets comprise of readily realisable positions in Equities, the majority of which can be readily sold.

The Funds have little exposure to cash flow risk. A cash balance is held within the Funds to deal with typical redemptions. On a daily basis, the Manager is aware of the cash movements within the Funds. The Funds have the ability to borrow money - up to 10% of their NAV and the Manager retains an overdraft facility which can be used to borrow money to help with short term liquidity.

As the Funds are daily-dealing, it is considered good practice to monitor and test liquidity on daily basis. These tests are based on an assessment of the proportion of each underlying holding that could be sold in 1 day, under normal and stressed market conditions. Based on this analysis, as of 30th September 2021, the percentage of the portfolio that could be disposed under normal and stressed market conditions were as follows:

	<b>Normal Market Conditions</b>	<b>Stressed Market Conditions</b>
HL Select UK Growth Shares	57.46%	44.62%
HL Select UK Income Shares	66.11%	55.90%
HL Select Global Growth Shares	73.96%	61.60%

The Manager has the ability to defer or suspend redemptions in severe liquidity crisis scenarios.

# Summary of Significant Accounting Policies

## Applicable to All Funds (continued)

### For the year ended 30th September 2021

#### 4 Risk Management Policies (continued)

##### **Liquidity Risk** (continued)

The Funds' main liability is instructions from investors to redeem units with no notice. In order to honour such instructions the funds hold highly liquid assets, the majority of which which can be redeemed at short notice.

##### **Counterparty Risk**

Counterparty risk is the risk that a market counterparty to a Fund transaction will not deliver the investment (for purchases by the Fund) or cash (for sales by the Fund) at settlement.

The Funds may only undertake market transactions with brokers from an approved broker list maintained by the Manager. All brokers on the approved list are subject to initial and regular due diligence, credit and general business checks. Additionally, a broker performance review is conducted at least annually by the Manager.

##### **Credit Risk**

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Funds. This risk is managed by appraising the credit profile of financial instruments held and trade counterparties.

## HL Select UK Growth Shares

### Manager's Investment Report

For the year ended 30th September 2021

#### Investment objective

The investment objective of the Fund is to provide long term capital growth.

#### Investment policy

The Fund will invest principally in a concentrated portfolio of UK equities.

The Fund may also invest in exchange traded funds, international equities, other transferable securities, money market funds, collective investment schemes, deposits and cash.

The Fund may infrequently use derivative instruments and forward transactions for the limited purposes of efficient portfolio management, including hedging.

#### Performance review

From 30th September 2020 to 30th September 2021, the price\* of the accumulation units increased from 139.00 pence to 166.95 pence, an increase of 20.11%. Over the same period, the IA UK All Companies peer group increased by 32.49% and the FTSE All Share index increased by 27.89%.

	01/12/16 to 30/09/17	30/09/17 to 30/09/18	30/09/18 to 30/09/19	30/09/19 to 30/09/20	30/09/20 to 30/09/21
HL Select UK Growth Shares	19.25%	13.02%	3.82%	-0.66%	20.11%
FTSE All Share Index	13.59%	5.87%	2.68%	-16.59%	27.89%
IA UK All Companies	15.17%	5.63%	0.08%	-13.13%	32.49%

Past performance is not a guide to future returns.

*Source: Internal, Lipper for Investment Management, Total Return Net Distribution Re-invested, Bid to Bid from 01/12/2016 to 30/09/2018, Bid to NAV from 30/09/2018 to 30/09/2019, NAV to NAV from 30/09/2019.*

The Fund was launched on 1st December 2016. Full five year past performance tables are unavailable.

\*On 22nd October 2018, HL Select Funds changed from a dual to a single pricing basis.

# HL Select UK Growth Shares

## Manager's Investment Report (continued)

For the year ended 30th September 2021

### Performance review (continued)

The top ten purchases and sales during the year were as follows:

<b>Purchases</b>	<b>£'000</b>	<b>Sales</b>	<b>£'000</b>
Diploma	6,258	Sanne Group	4,021
iShares FTSE 100 UCITS ETF	5,160	British American Tobacco	3,009
Marshalls	4,857	Medica Group	2,024
Experian	3,249	Ascential	1,809
Ascential	1,994	Unilever	1,674
Primary Health Properties	1,667	Ideagen	1,594
Visa	1,625	PayPoint	1,592
Bioventix	1,419	Compass Group	1,492
Ideagen	1,312	Royal Dutch Shell 'B'	1,474
Adobe	1,069	Rentokil Initial	979
Total purchases during the year were	33,365	Total sales during the year were	24,126

**Hargreaves Lansdown Fund Managers Limited**  
1st October 2021

# HL Select UK Growth Shares

## Portfolio Statement

As at 30th September 2021

<i> Holding </i>	<i> Investment </i>	<i> Bid market valuation £'000 </i>	<i> Percentage of total net assets % </i>
	<b>UK Equities – 83.82% (83.88%)</b>		
3,719,766	Ascential	15,251	4.49
1,623,024	Auto Trader Group	9,628	2.84
143,142	Berkeley Group	6,230	1.84
122,000	Bioventix	4,758	1.40
260,838	British American Tobacco	6,957	2.05
794,138	Close Brothers Group	12,269	3.62
821,151	Compass Group	12,744	3.76
491,224	Diageo	17,800	5.24
296,619	Diploma	8,578	2.53
638,062	Experian	19,997	5.89
1,330,441	GB Group	11,661	3.44
6,224,019	Ideagen	19,606	5.78
118,594	Intertek Group	5,876	1.73
732,717	iShares FTSE 100 UCITS ETF	5,107	1.50
1,049,224	Lancashire Holdings	5,949	1.75
146,611	London Stock Exchange Group	10,923	3.22
675,635	Marshalls	5,128	1.51
145,900	Next	12,066	3.56
1,129,375	PayPoint	7,996	2.36
4,183,641	Primary Health Properties	6,380	1.88
923,249	RELX	20,108	5.92
1,870,373	Rentokil Initial	10,942	3.22
878,305	Royal Dutch Shell 'B'	14,592	4.30
4,395,252	Sabre Insurance Group	9,670	2.85
409,668	Sanne Group	3,699	1.09
323,547	Schroders	8,072	2.38
307,493	Unilever	12,463	3.67
		<b>284,450</b>	<b>83.82</b>
	<b>US Equities – 14.65% (15.27%)</b>		
43,571	Adobe	18,706	5.51
72,248	Autodesk	15,462	4.56
92,341	Visa	15,551	4.58
		<b>49,719</b>	<b>14.65</b>

# HL Select UK Growth Shares

## Portfolio Statement (continued)

<b>Portfolio of investments – 98.47% (99.15%)</b>	<b>334,169</b>	<b>98.47</b>
Net other assets – 1.53% (0.85%)	5,199	1.53
<b>Net assets</b>	<b>339,368</b>	<b>100.00</b>

The percentages in brackets show the equivalent sector comparatives as at 30th September 2020.

# HL Select UK Growth Shares

## Fund Information

The Comparative Tables on pages 25 and 26 give the performance of each active unit class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Fund's performance disclosed in the Manager's Investment report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

# HL Select UK Growth Shares

## Fund Information (continued)

### Comparative Tables

Class A Accumulation Units

#### Change in Net Asset Value per Unit

	<i>30/09/21</i> <i>(pence per unit)</i>	<i>30/09/20</i> <i>(pence per unit)</i>	<i>30/09/19</i> <i>(pence per unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	138.79	139.74	133.85
Return before operating charges*	28.89	(0.12)	6.68
Operating charges (calculated on average price)	(0.93)	(0.83)	(0.79)
Return after operating charges*	27.96	(0.95)	5.89
Distributions	(2.12)	(1.85)	(2.07)
Distributions on accumulation units	2.12	1.85	2.07
Closing net asset value per unit	166.75	138.79	139.74
* after direct transaction costs of**:	0.07	0.18	0.17

#### Performance

Return after charges	20.15%	(0.68)%	4.40%
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#### Other information

Closing net asset value (£'000)	299,129	242,730	253,782
Closing number of units	179,387,781	174,894,974	181,615,204
Operating charges†	0.60%	0.60%	0.60%
Direct transaction costs	0.04%	0.13%	0.13%

#### Prices<sup>^</sup>

Highest offer price	–	–	138.38
Lowest bid price	–	–	120.10
Highest mid price	171.01	154.57	144.69
Lowest mid price	134.20	107.47	119.05

\*\* Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> On 22nd October 2018, HL Select Funds changed from a dual pricing basis (bid and offer) to be single priced.

# HL Select UK Growth Shares

## Fund Information (continued)

### Comparative Tables (continued)

Class A Income Units

#### Change in Net Asset Value per Unit

	<i>30/09/21</i> <i>(pence per unit)</i>	<i>30/09/20</i> <i>(pence per unit)</i>	<i>30/09/19</i> <i>(pence per unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	130.46	133.22	129.59
Return before operating charges*	27.08	(0.22)	6.40
Operating charges (calculated on average price)	(0.87)	(0.79)	(0.77)
Return after operating charges*	26.21	(1.01)	5.63
Distributions on income units	(1.99)	(1.75)	(2.00)
Closing net asset value per unit	154.68	130.46	133.22
* after direct transaction costs of**:	0.06	0.17	0.16

#### Performance

Return after charges	20.09%	(0.76)%	4.34%
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#### Other information

Closing net asset value (£'000)	40,239	33,278	35,998
Closing number of units	26,014,401	25,508,436	27,022,203
Operating charges†	0.60%	0.60%	0.60%
Direct transaction costs	0.04%	0.13%	0.13%

#### Prices<sup>^</sup>

Highest offer price	–	–	133.95
Lowest bid price	–	–	116.26
Highest mid price	159.94	147.36	139.23
Lowest mid price	126.15	102.46	115.25

\*\* Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

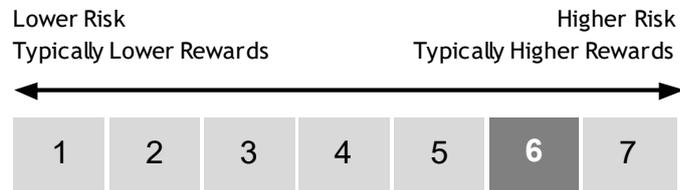
† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> On 22nd October 2018, HL Select Funds changed from a dual pricing basis (bid and offer) to be single priced.

# HL Select UK Growth Shares

## Fund Information (continued)

### Risk and Reward Indicator ("RRI")



The Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past.

The Fund's risk category has been calculated using historical data, which may not be a reliable indication of the future risk profile of the Fund. The risk and reward rating remain the same from the last reporting period.

The Fund's category is not guaranteed to remain the same and may change over time.

Even a fund in the lowest category is not a risk-free investment.

The value of your investment and any income you take from it may fall as well as rise and is not guaranteed.

## HL Select UK Growth Shares

### Statement of Total Return

For the year ended 30th September 2021

	Notes	30/09/21		30/09/20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	5		<b>51,251</b>		(7,962)
Revenue	7	<b>6,121</b>		5,519	
Expenses	8	<b>(1,864)</b>		(1,721)	
Net revenue before taxation		<b>4,257</b>		3,798	
Taxation	9	<b>(12)</b>		(8)	
Net revenue after taxation			<b>4,245</b>		3,790
<b>Total return before distributions</b>			<b>55,496</b>		(4,172)
Distributions	10		<b>(4,246)</b>		(3,790)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>51,250</b>		(7,962)

### Statement of Change in Net Assets Attributable to Unitholders

For the year ended 30th September 2021

	30/09/21		30/09/20	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>276,008</b>		289,780
Amounts receivable on issue of units	<b>53,961</b>		55,372	
Amounts payable on cancellation of units	<b>(45,618)</b>		(64,480)	
		<b>8,343</b>		(9,108)
Dilution levy		<b>4</b>		47
Change in net assets attributable to unitholders from investment activities		<b>51,250</b>		(7,962)
Retained distribution on accumulation units		<b>3,763</b>		3,251
<b>Closing net assets attributable to unitholders</b>		<b>339,368</b>		276,008

# HL Select UK Growth Shares

## Balance Sheet

As at 30th September 2021

	<i>Notes</i>	<i>30/09/21</i> <i>£'000</i>	<i>30/09/20</i> <i>£'000</i>
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		<b>334,169</b>	273,666
<b>Current assets:</b>			
Debtors	11	<b>782</b>	451
Cash and cash equivalents	12	<b>5,794</b>	2,903
<b>Total assets</b>		<b>340,745</b>	277,020
<b>LIABILITIES</b>			
<b>Creditors:</b>			
Distribution payable on income units	10	<b>(331)</b>	(272)
Other creditors	13	<b>(1,046)</b>	(740)
<b>Total liabilities</b>		<b>(1,377)</b>	(1,012)
<b>Net assets attributable to unitholders</b>		<b>339,368</b>	276,008

# HL Select UK Growth Shares

## Notes to the Financial Statements

For the year ended 30th September 2021

### 1 Statement of Compliance

The statement of compliance for note 1 is provided on page 15 of the Summary of Significant Accounting Policies Applicable to All Funds.

### 2 Summary of Significant Accounting Policies

The accounting policies for note 2 are provided on pages 15 and 16 of the Summary of Significant Accounting Policies Applicable to All Funds.

### 3 Distribution Policies

The distribution policies for note 3 are provided on pages 16 and 17 of the Summary of Significant Accounting Policies Applicable to All Funds.

### 4 Risk Management Policies

The risk management policies for note 4 are provided on pages 17 to 19 of the Summary of Significant Accounting Policies Applicable to All Funds.

### 5 Net Capital Gains/(Losses)

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	<b>51,264</b>	(7,801)
Currency losses	<b>(13)</b>	(160)
Transaction charges	–	(1)
<b>Total Net Capital Gains/(Losses)</b>	<b>51,251</b>	(7,962)

The net capital gains/(losses) figure above includes movement of unrealised gains/(losses) and realised gains of £48,783,572 and £2,480,573 respectively. (30th September 2020: £(14,683,949) and £6,882,919 respectively). The prior year figures were restated to show the movement of gains and losses.

# HL Select UK Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 6 Purchases, Sales and Transaction Costs

The following table shows portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 24.

#### Analysis of direct transaction costs for the year ended 30th September 2021:

	Principal 2021 £'000	Commissions 2021 £'000	Taxes 2021 £'000	Total Cost 2021 £'000	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Equities	33,248	–	117	33,365	–	0.35
Transaction cost % of purchases		–	0.35			
<b>Sales</b>						
Equities	24,144	(1)	(17)	24,126	–	0.07
Transaction cost % of sales		–	0.07			
Total cost of the Fund's average NAV (%)		–	0.04			

#### Analysis of direct transaction costs for the year ended 30th September 2020:

	Principal 2020 £'000	Commissions 2020 £'000	Taxes 2020 £'000	Total Cost 2020 £'000	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Equities	114,673	85	236	114,994	0.07	0.21
Transaction cost % of purchases		0.07	0.21			
<b>Sales</b>						
Equities	117,568	(88)	–	117,480	0.07	–
Transaction cost % of sales		0.07	–			
Total cost of the Fund's average NAV (%)		0.06	0.08			

# HL Select UK Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 6 Purchases, Sales and Transaction Costs (continued)

#### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.24% (30th September 2020: 0.31%). This spread represents the difference between the values determined by reference to the bid and offer prices of investments at 11:00 am on the last business day of the accounting period, expressed as a percentage of the value determined by reference to the offer price. Please note that in practice where the Fund owns dual-priced investments, it deals at cancellation and creation prices rather than bid and offer prices, and so the figure above is not fully representative of the Fund's actual dealing spread.

### 7 Revenue

	30/09/21 £'000	30/09/20 £'000
Franked PID revenue	15	–
Franked UK dividends	5,371	5,017
Offshore dividend CIS revenue	63	262
Overseas dividends	481	238
Unfranked PID revenue	191	2
<b>Total Revenue</b>	<b>6,121</b>	<b>5,519</b>

### 8 Expenses

	30/09/21 £'000	30/09/20 £'000
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Manager's periodic charge	1,742	1,594
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee and Depositary's fee	23	29
Safe custody fee	8	7
	<b>31</b>	<b>36</b>
<b>Other expenses:</b>		
Audit fee	8	7
VAT on audit fee	2	1
Accounting and administration fee	29	37
Automated transaction provider fee	11	11
Publication costs	7	5
Registrar fees	34	30
	<b>91</b>	<b>91</b>
<b>Total Expenses</b>	<b>1,864</b>	<b>1,721</b>

# HL Select UK Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 9 Taxation

	30/09/21 £'000	30/09/20 £'000
<b>(a) Analysis of charge for the year</b>		
Overseas withholding tax	12	8
Total current tax charge (note 9b)	12	8
Deferred tax (note 9c)	–	–
<b>Total Taxation</b>	<b>12</b>	<b>8</b>

### (b) Factors affecting total tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised fund (20%) (2020: 20%). The differences are explained below:

	30/09/21 £'000	30/09/20 £'000
Net revenue before taxation	4,257	3,798
Corporation Tax at 20%	851	760
Effects of:		
Excess management expenses not utilised	335	344
Non-taxable dividends	(1,090)	(1,056)
Non-taxable overseas dividends	(96)	(48)
Overseas withholding tax	12	8
<b>Total tax charge for the year (note 9a)</b>	<b>12</b>	<b>8</b>

### (c) Deferred tax charge for the year

Provision at the start of the year	–	–
Deferred tax charge in the year	–	–
<b>Provision at the end of the year</b>	<b>–</b>	<b>–</b>

The Fund has not recognised a deferred tax asset of £1,575,821 (30th September 2020: £1,241,484) as a result of excess management expenses of £7,879,105 (30th September 2020: £6,207,419). These expenses are not expected to be utilised in the foreseeable future unless the nature of the Fund or its investment objective changes.

# HL Select UK Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 10 Distributions

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

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Interim accumulation	<b>1,320</b>	1,279
Interim distribution	<b>180</b>	178
Final accumulation	<b>2,443</b>	1,972
Final distribution	<b>331</b>	272
	<b>4,274</b>	3,701
Add: Revenue deducted on cancellation of units	<b>150</b>	252
Deduct: Revenue received on issue of units	<b>(178)</b>	(163)
<b>Net distribution for the year</b>	<b>4,246</b>	3,790

The difference between net revenue after taxation and the amounts distributed comprise:

Net revenue after taxation	<b>4,246</b>	3,790
	<b>4,246</b>	3,790

Details of the distribution per unit are set out in the distribution tables on page 39.

### 11 Debtors

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Amounts receivable for issue of units	<b>299</b>	124
Annual management charge rebates	<b>20</b>	19
Overseas dividends receivable	<b>63</b>	41
Franked UK dividends receivable	<b>400</b>	267
<b>Total Debtors</b>	<b>782</b>	451

### 12 Cash and Cash Equivalents

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Bank balances	<b>5,763</b>	2,888
Overseas balances	<b>31</b>	15
<b>Net Cash and Cash Equivalents</b>	<b>5,794</b>	2,903

# HL Select UK Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 13 Other Creditors

	30/09/21	30/09/20
	£'000	£'000
Accrued expenses	<b>213</b>	209
Amounts payable for cancellation of units	<b>833</b>	531
<b>Total Other Creditors</b>	<b>1,046</b>	740

Transaction charges, trustee fees and safe custody fees paid to Northern Trust Global Investor Services Limited are shown in notes 5 and 8. The balance due to the Trustee at the year end in respect of these fees was £4,013 (30th September 2020: £16,823).

### 14 Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30th September 2020: £Nil).

### 15 Related Parties

Hargreaves Lansdown Fund Managers Limited (the "Manager") is a related party by virtue of having the ability to act in respect of the operations of the Fund. It also acts as a principal in respect of all transactions of units in the Fund.

Management fees paid during the year or due to the Manager are shown in note 8 and note 13. Details of the units issued and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and amounts due to or from the Manager in respect to unit transactions as at the balance sheet date are disclosed under note 11 and note 13. The balance due to the Manager at the year end in respect of management fees was £179,575 (30th September 2020: £147,091).

Hargreaves Lansdown Nominees Limited, a fellow subsidiary of the Manager held units in the Fund as follows:

	30/09/21	30/09/20
Class A Accumulation units	<b>99.98%</b>	100.00%
Class A Income units	<b>100.00%</b>	99.96%

Hargreaves Lansdown Nominees Limited is a non-trading company which holds investments on behalf of clients of the Hargreaves Lansdown Group of Companies.

At the year end, HL Select UK Growth Shares held no shares in any other Fund or Collective Investment Scheme managed by associated companies of the Manager (30th September 2020: £Nil).

# HL Select UK Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 16 Unit Class

The Fund currently has one class of units: Class A. The distribution per unit is given in the distribution tables on page 39. All units have the same rights on winding up.

The Manager's service charge for the class of each unit is as follows:

Class A	0.60%
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The following table shows the units in issue during the year:

<i>Class</i>	<i>Opening Units</i>	<i>Units Created</i>	<i>Units Liquidated</i>	<i>Units Converted</i>	<i>Closing Units</i>
Class A Accumulation	174,894,974	31,112,084	(26,469,965)	(149,312)	179,387,781
Class A Income	25,508,436	3,964,417	(3,618,070)	159,618	26,014,401

### 17 Risk Disclosures

#### Market Price Risk

Market price risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

A 5% increase in the prices of the Fund's portfolio would have the effect of increasing the return and net assets by £16,708,457 (30th September 2020: £13,683,319). A 5% decrease would have an equal and opposite effect.

#### Currency Risk

Currency risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

Currency exposure as at 30th September 2021

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Euro	7	–	7
Sterling	5,168	284,449	289,617
US Dollar	24	49,720	49,744
	<u>5,199</u>	<u>334,169</u>	<u>339,368</u>

Currency exposure as at 30th September 2020

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Euro	7	–	7
Sterling	2,327	231,497	233,824
US Dollar	8	42,169	42,177
	<u>2,342</u>	<u>273,666</u>	<u>276,008</u>

# HL Select UK Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 17 Risk Disclosures (continued)

#### Interest Rate Risk

Interest rate risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Fund does not have any significant direct interest rate risk except for cash balances and as such no comparative information is presented.

#### Liquidity Risk

Liquidity risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Manager monitors the Fund's liquidity position on a regular basis with regard to maintaining a reasonable level of liquidity.

In order to manage its liquidity under such circumstances, the Fund utilises its borrowing facility which allows it to borrow up to 10% of its NAV and the Manager retains an overdraft facility which can be used to borrow money to help with short term liquidity.

As discussed in Note 4, the Manager assesses how much of the investments can be realised in one day, under normal and stressed market conditions based on average daily volume for the previous 30 days for each investment. Normal conditions assume the ability to participate on 20% of daily volume for each investment whilst stressed conditions assume the ability to participate on only 10% of daily volume. Based on this analysis, as of 30th September 2021, was 57.46% (30th September 2020: 63.63%) of the investments could be disposed under normal conditions and 44.62% (30th September 2020: 49.27%) under stressed market conditions.

#### Counterparty Risk

Counterparty risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Fund does not have any significant counterparty risk exposures.

#### Credit Risk

Credit risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Fund's maximum exposure to credit in the event that the counterparties fail to perform their obligations as at 30th September 2021 in relation to each class of recognised financial assets including derivatives, is the carrying amount of those assets in the Balance Sheet.

The Fund will be exposed to credit risk of the Depository, regarding cash balances held. In the event of insolvency or bankruptcy of the Depository, the Trust will be treated as general creditors of the Trustee.

The Fund only transacts with counterparties that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies. The long term credit rating of the parent company of the Trustee and Depository, Northern Trust Corporation, as at 30th September 2021 was AA- (30th September 2020: AA-) (Standard & Poor's rating).

# HL Select UK Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 17 Risk Disclosures (continued)

#### Fair Value

Fair value - in the opinion of the Manager, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet and their fair value. Investments are carried at their fair value while other financial assets and liabilities are valued at amortised cost which materially equates to their fair value.

#### Valuation technique as at 30th September 2021

	<i>Level 1</i> £'000	<i>Level 2</i> £'000	<i>Level 3</i> £'000	<i>Total</i> £'000
<b>Assets</b>				
Equities	334,169	–	–	334,169
Total	334,169	–	–	334,169

#### Valuation technique as at 30th September 2020

	<i>Level 1</i> £'000	<i>Level 2</i> £'000	<i>Level 3</i> £'000	<i>Total</i> £'000
<b>Assets</b>				
Equities	273,666	–	–	273,666
Total	273,666	–	–	273,666

#### 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 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.

### 18 Post Balance Sheet Events

The impact of latest published NAV per unit classes as at the close of business on 16th December 2021 compared to the published NAV per unit classes at the year-end is shown below.

<i>Class</i>	<i>Unit Price</i> <i>30th September 2021</i>	<i>Unit Price</i> <i>16th December 2021</i>	<i>Movement</i> %
Class A Accumulation	166.95	164.11	(1.70)
Class A Income	156.14	152.23	(2.50)

# HL Select UK Growth Shares

## Distribution Tables

For the year ended 30th September 2021

In pence per unit

### Interim distribution for the period ended 31st March 2021

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2021</i>	<i>31st May 2020</i>
Group 1	0.7585	–	0.7585	0.7198
Group 2	0.3526	0.4059	0.7585	0.7198

<i>Class A Income Units</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2021</i>	<i>31st May 2020</i>
Group 1	0.7134	–	0.7134	0.6863
Group 2	0.3290	0.3844	0.7134	0.6863

Group 1 - Units created prior to 1st October 2020

Group 2 - Units created on or after 1st October 2020

### Final distribution for the year ended 30th September 2021

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2021</i>	<i>30th Nov 2020</i>
Group 1	1.3616	–	1.3616	1.1275
Group 2	0.7486	0.6130	1.3616	1.1275

<i>Class A Income Units</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2021</i>	<i>30th Nov 2020</i>
Group 1	1.2734	–	1.2734	1.0680
Group 2	0.7293	0.5441	1.2734	1.0680

Group 1 - Units created prior to 1st April 2021

Group 2 - Units created on or after 1st April 2021

## HL Select UK Income Shares

### Manager's Investment Report

For the year ended 30th September 2021

#### Investment objective

The investment objective of the Fund is to provide income and capital growth.

#### Investment policy

The Fund will invest principally in a concentrated portfolio of UK equities.

The Fund may also invest in exchange traded funds, international equities, other transferable securities, money market funds, collective investment schemes, deposits and cash. The Manager intends to manage the Fund in line with the Investment Association's UK Equity Income Sector.

The Fund may infrequently use derivative instruments and forward transactions for the limited purposes of efficient portfolio management, including hedging.

#### Performance review

From 30th September 2020 to 30th September 2021, the price of the accumulation units increased from 92.15 pence to 116.41 pence, an increase of 26.33%. Over the same period, the IA UK Equity Income peer group increased by 32.76% and the FTSE All Share Index increased by 27.89%.

	02/03/17 to 30/09/17	30/09/17 to 30/09/18	30/09/18 to 30/09/19	30/09/19 to 30/09/20	30/09/20 to 30/09/21
HL Select UK Income Shares	-2.23%	2.21%	4.06%	-11.39%	26.33%
FTSE All Share Index	3.26%	5.87%	2.68%	-16.59%	27.89%
IA UK Equity Income	3.97%	3.54%	-0.37%	-17.28%	32.76%

Past performance is not a guide to future returns.

*Source: Internal, Lipper for Investment Management, Total Return Net Distribution Re-invested, Bid to Bid from 02/03/2017 to 30/09/2018, Bid to NAV from 30/09/2018 to 30/09/2019, NAV to NAV from 30/09/2019.*

The Fund was launched in 2017. Full five year past performance tables are unavailable.

# HL Select UK Income Shares

## Manager's Investment Report (continued)

For the year ended 30th September 2021

### Performance review (continued)

The total purchases and top ten sales during the year were as follows:

<b>Purchases</b>	<b>£'000</b>	<b>Sales</b>	<b>£'000</b>
iShares FTSE 100 UCITS ETF	6,671	Sanne Group	2,976
Fuller Smith & Turner	2,528	Pennon Group	2,425
Diageo	1,216	iShares FTSE 100 UCITS ETF	1,757
		Tritax Big Box REIT	1,360
		Next	1,195
		Close Brothers Group	1,166
		Unilever	1,006
		Phoenix Group Holdings	979
		Legal & General Group	778
		RELX	681
Total purchases during the year were	10,414	Total sales during the year were	17,506

**Hargreaves Lansdown Fund Managers Limited**  
1st October 2021

# HL Select UK Income Shares

## Portfolio Statement

As at 30th September 2021

<i> Holding </i>	<i> Investment </i>	<i> Bid market valuation £'000 </i>	<i> Percentage of total net assets % </i>
	<b>UK Equities – 97.76% (99.42%)</b>		
1,562,458	Ascential	6,406	3.93
69,762	AstraZeneca	6,244	3.83
1,312,124	BP	4,465	2.74
142,754	British American Tobacco	3,807	2.34
554,480	Close Brothers Group	8,567	5.26
234,249	Diageo	8,488	5.21
489,601	EMIS Group	6,825	4.19
560,515	Fuller Smith & Turner	3,924	2.41
636,487	GB Group	5,579	3.42
392,596	GlaxoSmithKline	5,542	3.40
259,658	Imperial Brands	4,100	2.51
699,568	iShares FTSE 100 UCITS ETF	4,876	2.99
2,117,650	Legal & General Group	5,948	3.65
11,631,792	Lloyds Banking Group	5,429	3.33
515,151	National Grid	4,608	2.83
86,478	Next	7,152	4.39
989,407	PayPoint	7,005	4.30
378,456	Pennon Group	4,345	2.67
165,783	Persimmon	4,426	2.71
679,171	Phoenix Group Holdings	4,389	2.69
4,526,970	Primary Health Properties	6,904	4.23
407,037	RELX	8,865	5.44
423,637	Royal Dutch Shell 'B'	7,038	4.32
2,234,835	Sabre Insurance Group	4,917	3.02
305,548	Sanne Group	2,759	1.69
4,723,675	Tritax Big Box REIT	10,033	6.15
165,505	Unilever	6,708	4.11
		<b>159,349</b>	<b>97.76</b>
	<b>Portfolio of investments – 97.76% (99.42%)</b>	<b>159,349</b>	<b>97.76</b>
	Net other assets – 2.24% (0.58%)	3,652	2.24
	<b>Net assets</b>	<b>163,001</b>	<b>100.00</b>

The percentages in brackets show the equivalent sector comparatives as at 30th September 2020.

# HL Select UK Income Shares

## Fund Information

The Comparative Tables on pages 44 and 45 give the performance of each active unit class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Fund's performance disclosed in the Manager's Investment report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

# HL Select UK Income Shares

## Fund Information (continued)

### Comparative Tables

Class A Accumulation Units

#### Change in Net Asset Value per Unit

	<i>30/09/21</i> <i>(pence per unit)</i>	<i>30/09/20</i> <i>(pence per unit)</i>	<i>30/09/19</i> <i>(pence per unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	92.05	103.93	100.00
Return before operating charges*	24.89	(11.28)	4.54
Operating charges (calculated on average price)	(0.64)	(0.60)	(0.61)
Return after operating charges*	24.25	(11.88)	3.93
Distributions	(4.15)	(3.90)	(4.41)
Distributions on accumulation units	4.15	3.90	4.41
Closing net asset value per unit	116.30	92.05	103.93
* after direct transaction costs of**:	0.02	0.13	0.09

#### Performance

Return after charges	26.34%	(11.43)%	3.93%
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#### Other information

Closing net asset value (£'000)	93,151	81,801	105,839
Closing number of units	80,096,830	88,868,695	101,833,573
Operating charges†	0.60%	0.60%	0.60%
Direct transaction costs	0.02%	0.14%	0.09%

#### Prices<sup>^</sup>

Highest offer price	–	–	103.18
Lowest bid price	–	–	93.57
Highest mid price	117.65	113.31	107.04
Lowest mid price	88.98	77.92	92.47

\*\* Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> On 22nd October 2018, HL Select Funds changed from a dual pricing basis (bid and offer) to be single priced.

# HL Select UK Income Shares

## Fund Information (continued)

### Comparative Tables (continued)

Class A Income Units

#### Change in Net Asset Value per Unit

	<i>30/09/21</i> <i>(pence per unit)</i>	<i>30/09/20</i> <i>(pence per unit)</i>	<i>30/09/19</i> <i>(pence per unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	79.20	93.04	93.51
Return before operating charges*	21.12	(9.87)	4.14
Operating charges (calculated on average price)	(0.54)	(0.53)	(0.56)
Return after operating charges*	20.58	(10.40)	3.58
Distributions on income units	(3.51)	(3.44)	(4.05)
Closing net asset value per unit	96.27	79.20	93.04
* after direct transaction costs of**:	0.02	0.12	0.08

#### Performance

Return after charges	25.98%	(11.18)%	3.83%
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#### Other information

Closing net asset value (£'000)	69,850	55,847	67,868
Closing number of units	72,559,859	70,512,162	72,941,565
Operating charges†	0.60%	0.60%	0.60%
Direct transaction costs	0.02%	0.14%	0.09%

#### Prices<sup>^</sup>

Highest offer price	–	–	96.50
Lowest bid price	–	–	87.51
Highest mid price	98.16	100.66	97.64
Lowest mid price	76.56	68.57	85.90

\*\* Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

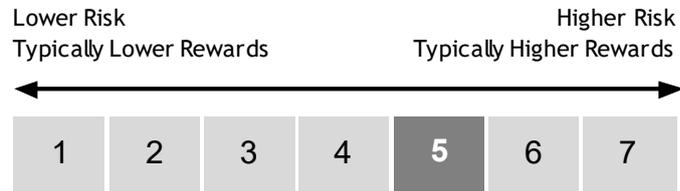
† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> On 22nd October 2018, HL Select Funds changed from a dual pricing basis (bid and offer) to be single priced.

# HL Select UK Income Shares

## Fund Information (continued)

### Risk and Reward Indicator ("RRI")



The Fund is ranked at 5 because funds of this type have experienced moderate rises and falls in value in the past.

The Fund's risk category has been calculated using historical data, which may not be a reliable indication of the future risk profile of the Fund. During the year, the indicator changed from 6 to 5.

The Fund's category is not guaranteed to remain the same and may change over time.

Even a fund in the lowest category is not a risk-free investment.

The value of your investment and any income you take from it may fall as well as rise and is not guaranteed.

## HL Select UK Income Shares

### Statement of Total Return

For the year ended 30th September 2021

	Notes	30/09/21		30/09/20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	5		<b>29,587</b>		(24,366)
Revenue	7	<b>5,982</b>		6,329	
Expenses	8	<b>(906)</b>		(953)	
Net revenue before taxation		<b>5,076</b>		5,376	
Taxation	9	<b>–</b>		–	
Net revenue after taxation			<b>5,076</b>		5,376
<b>Total return before distributions</b>			<b>34,663</b>		(18,990)
Distributions	10		<b>(5,884)</b>		(6,229)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>28,779</b>		(25,219)

### Statement of Change in Net Assets Attributable to Unitholders

For the year ended 30th September 2021

	30/09/21		30/09/20	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>137,648</b>		173,707
Amounts receivable on issue of units	<b>20,719</b>		19,029	
Amounts payable on cancellation of units	<b>(27,533)</b>		(33,575)	
		<b>(6,814)</b>		(14,546)
Dilution levy		<b>5</b>		3
Change in net assets attributable to unitholders from investment activities		<b>28,779</b>		(25,219)
Retained distribution on accumulation units		<b>3,383</b>		3,703
<b>Closing net assets attributable to unitholders</b>		<b>163,001</b>		137,648

# HL Select UK Income Shares

## Balance Sheet

As at 30th September 2021

	<i>Notes</i>	<i>30/09/21</i> <i>£'000</i>	<i>30/09/20</i> <i>£'000</i>
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		<b>159,349</b>	136,853
<b>Current assets:</b>			
Debtors	11	<b>566</b>	1,099
Cash and cash equivalents	12	<b>3,870</b>	1,235
<b>Total assets</b>		<b>163,785</b>	139,187
<b>LIABILITIES</b>			
<b>Creditors:</b>			
Distribution payable on income units	10	<b>(552)</b>	(416)
Other creditors	13	<b>(232)</b>	(1,123)
<b>Total liabilities</b>		<b>(784)</b>	(1,539)
<b>Net assets attributable to unitholders</b>		<b>163,001</b>	137,648

# HL Select UK Income Shares

## Notes to the Financial Statements

For the year ended 30th September 2021

### 1 Statement of Compliance

The statement of compliance for note 1 is provided on page 15 of the Summary of Significant Accounting Policies Applicable to All Funds.

### 2 Summary of Significant Accounting Policies

The accounting policies for note 2 are provided on pages 15 and 16 of the Summary of Significant Accounting Policies Applicable to All Funds.

### 3 Distribution Policies

The distribution policies for note 3 are provided on pages 16 and 17 of the Summary of Significant Accounting Policies Applicable to All Funds.

### 4 Risk Management Policies

The risk management policies for note 4 are provided on pages 17 to 19 of the Summary of Significant Accounting Policies Applicable to All Funds.

### 5 Net Capital Gains/(Losses)

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	<b>29,588</b>	(24,365)
Transaction charges	<b>(1)</b>	(1)
<b>Total Net Capital Gains/(Losses)</b>	<b>29,587</b>	(24,366)

The net capital gains/(losses) figure above includes movement of unrealised gains/(losses) and realised gains/(losses) of £27,856,896 and £1,730,863 respectively. (30th September 2020: £(19,637,382) and £(4,726,736) respectively). The prior year figures were restated to show the movement of gains and losses.

# HL Select UK Income Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 6 Purchases, Sales and Transaction Costs

The following table shows portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 43.

#### Analysis of direct transaction costs for the year ended 30th September 2021:

	Principal 2021 £'000	Commissions 2021 £'000	Taxes 2021 £'000	Total Cost 2021 £'000	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Equities	10,388	–	26	10,414	–	0.25
Transaction cost % of purchases		–	0.25			
<b>Sales</b>						
Equities	17,515	(1)	(7)	17,506	0.01	0.04
Transaction cost % of sales		(0.01)	–			
Total cost of the Fund's average NAV (%)		–	0.02			

#### Analysis of direct transaction costs for the year ended 30th September 2020:

	Principal 2020 £'000	Commissions 2020 £'000	Taxes 2020 £'000	Total Cost 2020 £'000	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Equities	45,787	33	156	45,976	0.07	0.34
Transaction cost % of purchases		0.07	0.34			
<b>Sales</b>						
Equities	55,010	(38)	(1)	54,971	0.07	–
Transaction cost % of sales		0.07	–			
Total cost of the Fund's average NAV (%)		0.04	0.10			

# HL Select UK Income Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 6 Purchases, Sales and Transaction Costs (continued)

#### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.19% (30th September 2020: 0.21%). This spread represents the difference between the values determined by reference to the bid and offer prices of investments at 11:00 am on the last business day of the accounting period, expressed as a percentage of the value determined by reference to the offer price. Please note that in practice where the Fund owns dual-priced investments, it deals at cancellation and creation prices rather than bid and offer prices, and so the figure above is not fully representative of the Fund's actual dealing spread.

### 7 Revenue

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Franked PID revenue	<b>103</b>	188
Franked UK dividends	<b>5,266</b>	5,402
Offshore dividend CIS revenue	<b>60</b>	153
Overseas dividends	<b>60</b>	91
Unfranked PID revenue	<b>493</b>	495
<b>Total Revenue</b>	<b>5,982</b>	6,329

# HL Select UK Income Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 8 Expenses

	30/09/21 £'000	30/09/20 £'000
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Manager's periodic charge	<u>797</u>	<u>837</u>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee and Depositary's fee	13	17
Safe custody fee	<u>4</u>	<u>4</u>
	17	21
<b>Other expenses:</b>		
Audit fee	8	7
VAT on audit fee	2	1
Accounting and administration fee	24	30
Automated transaction provider fee	9	9
Monthly distribution fee	–	16
Publication costs	3	4
Registrar fees	<u>46</u>	<u>28</u>
	92	95
<b>Total Expenses</b>	<u>906</u>	<u>953</u>

### 9 Taxation

	30/09/21 £'000	30/09/20 £'000
<b>(a) Analysis of charge for the year</b>		
Overseas withholding tax	<u>–</u>	<u>–</u>
Total current tax charge (note 9b)	–	–
Deferred tax (note 9c)	<u>–</u>	<u>–</u>

# HL Select UK Income Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 9 Taxation (continued)

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised fund (20%) (2020: 20%). The differences are explained below:

	30/09/21 £'000	30/09/20 £'000
Net revenue before taxation	<u>5,076</u>	<u>5,376</u>
Corporation Tax at 20%	1,015	1,075
Effects of:		
Excess management expenses not utilised	83	92
Non-taxable dividends	(983)	(1,111)
Franked PID revenue	(103)	(38)
Non-taxable overseas dividends	(12)	(18)
<b>Total tax charge for the year (note 9a)</b>	<u>–</u>	<u>–</u>

#### (c) Deferred tax charge for the year

Provision at the start of the year	–	–
Deferred tax charge in the year	–	–
<b>Provision at the end of the year</b>	<u>–</u>	<u>–</u>

The Fund has not recognised a deferred tax asset of £542,716 (30th September 2020: £477,658) as a result of excess management expenses of £2,713,580 (30th September 2020: £2,388,291). These expenses are not expected to be utilised in the foreseeable future unless the nature of the Fund or its investment objective changes.

### 10 Distributions

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

	30/09/21 £'000	30/09/20 £'000
Interim accumulations	2,657	3,105
Interim distributions	1,946	2,072
Final accumulation	726	598
Final distribution	552	416
	<u>5,881</u>	<u>6,191</u>
Add: Revenue deducted on cancellation of units	68	58
Deduct: Revenue received on issue of units	(65)	(20)
<b>Net distribution for the year</b>	<u>5,884</u>	<u>6,229</u>

## HL Select UK Income Shares

### Notes to the Financial Statements (continued)

For the year ended 30th September 2021

#### 10 Distributions (continued)

The difference between net revenue after taxation and the amounts distributed comprise:

Net revenue after taxation	<b>5,076</b>	5,376
Expenses offset against capital	<b>907</b>	952
Tax effect on expenses offset against capital	<b>(99)</b>	(99)
	<b>5,884</b>	6,229

Details of the distribution per unit are set out in the distribution tables on pages 58 to 61.

#### 11 Debtors

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Amounts receivable for issue of units	<b>247</b>	42
Annual management charge rebates	<b>19</b>	18
Franked UK dividends receivable	<b>240</b>	166
Overseas dividends receivable	<b>60</b>	31
Sales awaiting settlement	–	842
<b>Total Debtors</b>	<b>566</b>	1,099

#### 12 Cash and Cash Equivalents

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Bank balances	<b>3,870</b>	1,235
<b>Net Cash and Cash Equivalents</b>	<b>3,870</b>	1,235

#### 13 Other Creditors

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Accrued expenses	<b>122</b>	140
Amounts payable for cancellation of units	<b>110</b>	271
Purchases awaiting settlement	–	712
<b>Total Other Creditors</b>	<b>232</b>	1,123

Transaction charges, trustee fees and safe custody fees paid to Northern Trust Global Investor Services Limited are shown in notes 5 and 8. The balance due to the Trustee at the year end in respect of these fees was £3,317 (30th September 2020: £10,417).

#### 14 Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30th September 2020: £Nil).

# HL Select UK Income Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 15 Related Parties

Hargreaves Lansdown Fund Managers Limited (the "Manager") is a related party by virtue of having the ability to act in respect of the operations of the Fund. It also acts as a principal in respect of all transactions of units in the Fund.

Management fees paid during the year or due to the Manager are shown in note 8 and note 13. Details of the units issued and cancelled by the Manager are shown in the Statement of Change in Net Asset Attributable to Unitholders and amounts due to or from the Manager in respect to unit transactions as at the balance sheet date are disclosed under note 11 and note 13. The balance due to the Manager at the year end in respect of management fees was £89,368 (30th September 2020: £ 78,047).

Hargreaves Lansdown Nominees Limited, a fellow subsidiary of the Manager held units in the Fund as follows:

	<i>30/09/21</i>	<i>30/09/20</i>
Class A Accumulation units	<b>99.96%</b>	99.98%
Class A Income units	<b>99.98%</b>	99.98%

Hargreaves Lansdown Nominees Limited is a non-trading company which holds investments on behalf of clients of the Hargreaves Lansdown Group of Companies.

At the year end, HL Select UK Income Shares held no shares in any Fund or Collective Investment Scheme managed by associated companies of the Manager (30th September 2020: £Nil).

### 16 Unit Class

The Fund currently has one class of units: Class A. The distribution per unit is given in the distribution tables on pages 57 to 60. All units have the same rights on winding up.

The Manager's service charge for the class of each unit is as follows:

Class A	0.60%
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The following table shows the units in issue during the year:

<i>Class</i>	<i>Opening Units</i>	<i>Units Created</i>	<i>Units Liquidated</i>	<i>Units Converted</i>	<i>Closing Units</i>
Class A Accumulation	88,868,695	8,085,985	(16,636,965)	(220,885)	80,096,830
Class A Income	70,512,162	13,172,500	(11,386,859)	262,056	72,559,859

### 17 Risk Disclosures

#### Market Price Risk

Market price risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

A 5% increase in the prices of the Fund's portfolio would have the effect of increasing the return and net assets by £7,967,448 (30th September 2020: £6,842,644). A 5% decrease would have an equal and opposite effect.

#### Currency Risk

Currency risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

## HL Select UK Income Shares

### Notes to the Financial Statements (continued)

For the year ended 30th September 2021

#### 17 Risk Disclosures (continued)

##### Currency Risk (continued)

There was no currency exposure at the year end (30th September 2020: same) as the Fund's assets and liabilities were all in GBP.

##### Interest Rate Risk

Interest rate risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Fund does not have any significant direct interest rate risk except for cash balances and as such no comparative information is presented.

##### Liquidity Risk

Liquidity risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Manager monitors the Fund's liquidity position on a regular basis with regard to maintaining a reasonable level of liquidity.

In order to manage its liquidity under such circumstances, the Fund utilises its borrowing facility which allows it to borrow up to 10% of its NAV and the Manager retains an overdraft facility which can be used to borrow money to help with short term liquidity.

As discussed in Note 4, the Manager assesses how much of the investments can be realised in one day, under normal and stressed market conditions based on average daily volume for the previous 30 days for each investment. Normal conditions assume the ability to participate on 20% of daily volume for each investment whilst stressed conditions assume the ability to participate on only 10% of daily volume. Based on this analysis, as of 30th September 2021, 66.11% (30th September 2020: 61.78%) of the investments could be disposed under normal conditions and 55.90% (30th September 2020: 55.17%) under stressed market conditions.

##### Counterparty Risk

Counterparty risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Fund does not have any significant counterparty risk exposures.

##### Credit Risk

Credit risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Fund's maximum exposure to credit in the event that the counterparties fail to perform their obligations as at 30th September 2021 in relation to each class of recognised financial assets including derivatives, is the carrying amount of those assets in the Balance Sheet.

The Fund will be exposed to credit risk of the Depository, regarding cash balances held. In the event of insolvency or bankruptcy of the Depository, the Trust will be treated as general creditors of the Trustee.

The Fund only transacts with counterparties that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies. The long term credit rating of the parent company of the Trustee and Depository, Northern Trust Corporation, as at 30th September 2021 was AA- (30th September 2020: AA-) (Standard & Poor's rating).

# HL Select UK Income Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 17 Risk Disclosures (continued)

#### Fair Value

Fair value - in the opinion of the Manager, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet and their fair value. Investments are carried at their fair value while other financial assets and liabilities are valued at amortised cost which materially equates to their fair value.

#### Valuation technique as at 30th September 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Assets</b>				
Equities	159,349	–	–	159,349
Total	159,349	–	–	159,349

#### Valuation technique as at 30th September 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Assets</b>				
Equities	136,853	–	–	136,853
Total	136,853	–	–	136,853

#### 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 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.

### 18 Post Balance Sheet Events

The impact of latest published NAV per unit classes as at the close of business on 16th December 2021 compared to the published NAV per unit classes at the year-end is shown below.

Class	Unit Price	Unit Price	Movement %
	30th September 2021	16th December 2021	
Class A Accumulation	116.41	115.88	(0.46)
Class A Income	97.12	95.42	(1.75)

# HL Select UK Income Shares

## Distribution Tables

For the year ended 30th September 2021

In pence per unit

### First interim distribution for the period ended 31st October 2020

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2020</i>	<i>30th Nov 2019</i>
Group 1	0.2906	–	0.2906	0.3631
Group 2	0.1155	0.1751	0.2906	0.3631

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2020</i>	<i>30th Nov 2019</i>
Group 1	0.2500	–	0.2500	0.3250
Group 2	0.0994	0.1506	0.2500	0.3250

Group 1 - Units created prior to 1st October 2020

Group 2 - Units created on or after 1st October 2020

### Second interim distribution for the period ended 30th November 2020

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Dec 2020</i>	<i>31st Dec 2019</i>
Group 1	0.2915	–	0.2915	0.3643
Group 2	0.2037	0.0878	0.2915	0.3643

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Dec 2020</i>	<i>31st Dec 2019</i>
Group 1	0.2500	–	0.2500	0.3250
Group 2	0.1747	0.0753	0.2500	0.3250

Group 1 - Units created prior to 1st November 2020

Group 2 - Units created on or after 1st November 2020

### Third interim distribution for the period ended 31st December 2020

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Jan 2021</i>	<i>31st Jan 2020</i>
Group 1	0.2924	–	0.2924	0.3655
Group 2	0.0406	0.2518	0.2924	0.3655

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Jan 2021</i>	<i>31st Jan 2020</i>
Group 1	0.2500	–	0.2500	0.3250
Group 2	0.0346	0.2154	0.2500	0.3250

Group 1 - Units created prior to 1st December 2020

Group 2 - Units created on or after 1st December 2020

# HL Select UK Income Shares

## Distribution Tables (continued)

### For the year ended 30th September 2021

In pence per unit

#### Fourth interim distribution for the period ended 31st January 2021

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>28th Feb 2021</i>	<i>29th Feb 2020</i>
Group 1	0.2932	–	0.2932	0.3667
Group 2	0.2319	0.0613	0.2932	0.3667

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>28th Feb 2021</i>	<i>29th Feb 2020</i>
Group 1	0.2500	–	0.2500	0.3250
Group 2	0.1938	0.0562	0.2500	0.3250

Group 1 - Units created prior to 1st January 2021

Group 2 - Units created on or after 1st January 2021

#### Fifth interim distribution for the period ended 28th February 2021

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Mar 2021</i>	<i>31st Mar 2020</i>
Group 1	0.2940	–	0.2940	0.3679
Group 2	0.2940	–	0.2940	0.3679

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Mar 2021</i>	<i>31st Mar 2020</i>
Group 1	0.2500	–	0.2500	0.3250
Group 2	0.2500	–	0.2500	0.3250

Group 1 - Units created prior to 1st February 2021

Group 2 - Units created on or after 1st February 2021

#### Sixth interim distribution for the period ended 31st March 2021

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Apr 2021</i>	<i>30th Apr 2020</i>
Group 1	0.2949	–	0.2949	0.3693
Group 2	0.2642	0.0307	0.2949	0.3693

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Apr 2021</i>	<i>30th Apr 2020</i>
Group 1	0.2500	–	0.2500	0.3250
Group 2	0.2219	0.0281	0.2500	0.3250

Group 1 - Units created prior to 1st March 2021

Group 2 - Units created on or after 1st March 2021

# HL Select UK Income Shares

## Distribution Tables (continued)

For the year ended 30th September 2021

In pence per unit

### Seventh interim distribution for the period ended 30th April 2021

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2021</i>	<i>31st May 2020</i>
Group 1	0.2957	–	0.2957	0.1860
Group 2	0.1568	0.1389	0.2957	0.1860

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2021</i>	<i>31st May 2020</i>
Group 1	0.2500	–	0.2500	0.1630
Group 2	0.1322	0.1178	0.2500	0.1630

Group 1 - Units created prior to 1st April 2021

Group 2 - Units created on or after 1st April 2021

### Eighth interim distribution for the period ended 31st May 2021

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Jun 2021</i>	<i>30th Jun 2020</i>
Group 1	0.2965	–	0.2965	0.1864
Group 2	0.0590	0.2375	0.2965	0.1864

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Jun 2021</i>	<i>30th Jun 2020</i>
Group 1	0.2500	–	0.2500	0.1630
Group 2	0.0495	0.2005	0.2500	0.1630

Group 1 - Units created prior to 1st May 2021

Group 2 - Units created on or after 1st May 2021

### Ninth interim distribution for the period ended 30th June 2021

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Jul 2021</i>	<i>31st Jul 2020</i>
Group 1	0.2973	–	0.2973	0.1867
Group 2	0.0366	0.2607	0.2973	0.1867

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Jul 2021</i>	<i>31st Jul 2020</i>
Group 1	0.2500	–	0.2500	0.1630
Group 2	0.0306	0.2194	0.2500	0.1630

Group 1 - Units created prior to 1st June 2021

Group 2 - Units created on or after 1st June 2021

# HL Select UK Income Shares

## Distribution Tables (continued)

### For the year ended 30th September 2021

In pence per unit

#### Tenth interim distribution for the period ended 31st July 2021

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Aug 2021</i>	<i>31st Aug 2020</i>
Group 1	0.2981	–	0.2981	0.1871
Group 2	0.0963	0.2018	0.2981	0.1871

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Aug 2021</i>	<i>31st Aug 2020</i>
Group 1	0.2500	–	0.2500	0.1630
Group 2	0.0678	0.1822	0.2500	0.1630

Group 1 - Units created prior to 1st July 2021

Group 2 - Units created on or after 1st July 2021

#### Eleventh interim distribution for the period ended 31st August 2021

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Sep 2021</i>	<i>30th Sep 2020</i>
Group 1	0.2989	–	0.2989	0.2875
Group 2	0.1427	0.1562	0.2989	0.2875

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Sep 2021</i>	<i>30th Sep 2020</i>
Group 1	0.2500	–	0.2500	0.2500
Group 2	0.0955	0.1545	0.2500	0.2500

Group 1 - Units created prior to 1st August 2021

Group 2 - Units created on or after 1st August 2021

#### Final distribution for the year ended 30th September 2021

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Oct 2021</i>	<i>31st Oct 2020</i>
Group 1	0.9069	–	0.9069	0.6732
Group 2	0.1215	0.7854	0.9069	0.6732

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Oct 2021</i>	<i>31st Oct 2020</i>
Group 1	0.7613	–	0.7613	0.5896
Group 2	0.0984	0.6629	0.7613	0.5896

Group 1 - Units created prior to 1st September 2021

Group 2 - Units created on or after 1st September 2021

# HL Select Global Growth Shares

## Manager's Investment Report

For the year ended 30th September 2021

### Investment objective

The investment objective of the Fund is to provide medium to long term capital growth through a combination of capital gains and income derived from an internationally diversified portfolio of equities.

### Investment policy

The Fund may invest in equities across a broad range of markets globally. The Fund's investments are not confined to any particular geographic market or sector. The Fund is not constrained by a benchmark, nor does it target particular weightings for individual markets or sectors. The Manager anticipates that the Fund will typically invest in the world's major developed markets, being the UK, Europe, North America, Asia and Australasia. Where appropriate investment opportunities are available, the Manager may also invest the Fund in markets considered to be emerging markets, provided such markets are eligible markets.

The Manager shall target performance over the medium to long-term (3 years plus). The Manager's focus shall be on identifying well-financed companies with high quality business models, which the Manager believes will be capable of consistent growth.

The Fund may also invest in other transferable securities, warrants, other collective investment schemes, exchange traded funds, deposits, cash and near cash. The Fund may use derivative instruments and forward transactions for the limited purposes of efficient portfolio management, including hedging.

The Manager intends to manage the Fund in line with The Investment Association's Global Sector.

### Performance review

From 30th September 2020 to 30th September 2021, the price of the accumulation units increased from 128.08 pence to 158.85 pence, an increase of 24.02%. Over the same period, the IA Global Companies peer group increased by 23.86% and the FTSE World Index increased by 24.00%.

	<i>03/05/19</i> to <i>30/09/19</i>	<i>30/09/19</i> to <i>30/09/20</i>	<i>30/09/20</i> to <i>30/09/21</i>
HL Select Global Growth Shares	5.30%	21.63%	24.02%
FTSE World TR Index	7.51%	5.24%	24.00%
IA Global Companies	5.45%	7.40%	23.86%

Past performance is not a guide to future returns.

**Source: Bloomberg, Lipper for Investment Management, Total Return Net Distribution Re-invested, NAV to NAV.**

The Fund was launched in 2019. Full five year past performance tables are unavailable.

# HL Select Global Growth Shares

## Manager's Investment Report (continued)

For the year ended 30th September 2021

### Performance review (continued)

The top ten purchases and sales during the year were as follows:

<b>Purchases</b>	<b>£'000</b>	<b>Sales</b>	<b>£'000</b>
iShares Core MSCI World UCITS ETF	32,714	iShares Core MSCI World UCITS ETF	35,407
Haemonetics Corp	30,919	RELX	15,140
Fiserv Inc	28,135	Unilever	11,837
TriNet Group Inc	18,660	Varian Medical Systems Inc	11,768
GoDaddy	11,831	Xylem	11,561
Moody's Corp	11,757	Texas Pacific Land	10,955
Ubisoft Entertainment	11,438	Accenture	8,326
Autodesk	10,907	Moody's Corp	8,028
Visa	10,260	Diageo	7,748
Microsoft	10,193	ANSYS Inc	7,607
Total purchases during the year were	283,861	Total sales during the year were	184,480

**Hargreaves Lansdown Fund Managers Limited**  
1st October 2021

# HL Select Global Growth Shares

## Portfolio Statement

As at 30th September 2021

<i> Holding </i>	<i> Investment </i>	<i> Bid market valuation £'000 </i>	<i> Percentage of total net assets % </i>
	<b>UK Equities – 4.30% (11.93%)</b>		
1,190,302	Compass Group	18,473	2.69
148,789	London Stock Exchange Group	11,085	1.61
		<b>29,558</b>	<b>4.30</b>
	<b>Australia Equities – 3.80% (3.74%)</b>		
1,930,443	Carsales.com	<b>26,174</b>	<b>3.80</b>
	<b>Canada Equities – 4.50% (2.53%)</b>		
1,412,024	CAE	<b>30,993</b>	<b>4.50</b>
	<b>China Equities – 2.14% (2.38%)</b>		
334,000	Tencent Holdings	<b>14,703</b>	<b>2.14</b>
	<b>France Equities – 6.56% (5.04%)</b>		
171,395	Pernod Ricard	28,178	4.10
382,175	Ubisoft Entertainment	16,894	2.46
		<b>45,072</b>	<b>6.56</b>
	<b>Ireland Equities – 5.76% (6.57%)</b>		
328,906	iShares Core MSCI World UCITS ETF	20,497	2.98
86,111	Linde	19,136	2.78
		<b>39,633</b>	<b>5.76</b>
	<b>Netherlands Equities – 2.17% (2.88%)</b>		
446,841	Koninklijke Philips	<b>14,958</b>	<b>2.17</b>
	<b>Sweden Equities – 2.61% (2.34%)</b>		
2,147,633	Elekta AB	<b>17,990</b>	<b>2.61</b>

# HL Select Global Growth Shares

## Portfolio Statement (continued)

As at 30th September 2021

<i> Holding</i>	<i> Investment</i>	<i> Bid market valuation £'000</i>	<i> Percentage of total net assets %</i>
	<b>US Equities – 67.85% (62.40%)</b>		
53,750	Adobe	23,076	3.35
11,817	Alphabet	23,596	3.43
3,919	Amazon.com	9,614	1.40
257,710	Amphenol 'A'	14,275	2.08
131,367	Aon PLC	28,424	4.13
107,713	Autodesk	23,052	3.35
15,759	Booking Holdings	27,828	4.04
481,857	Charles Schwab	26,981	3.92
336,662	CryoPort Inc	16,669	2.42
549,373	Diversey Holdings	6,777	0.99
329,422	Fiserv Inc	27,092	3.94
522,097	GoDaddy	27,073	3.94
257,638	Haemonetics Corp	13,488	1.96
44,131	Masimo	8,863	1.29
173,230	Microsoft	36,560	5.31
75,537	Moody's Corp	20,163	2.93
55,533	PayPal Holdings	10,689	1.55
326,795	Phreesia Inc	14,728	2.14
38,000	Teleflex Inc	10,877	1.58
309,545	TriNet Group Inc	21,919	3.19
189,169	Visa	31,858	4.63
158,215	Vulcan Materials Co	20,428	2.97
58,364	Zebra Technologies Corp	22,799	3.31
		<b>466,829</b>	<b>67.85</b>
	<b>Portfolio of investments – 99.69% (99.81%)</b>	<b>685,910</b>	<b>99.69</b>
	Net other assets – 0.31% (0.19%)	2,095	0.31
	<b>Net assets</b>	<b>688,005</b>	<b>100.00</b>

The percentages in brackets show the equivalent sector comparatives as at 30th September 2020.

# HL Select Global Growth Shares

## Fund Information

The Comparative Tables on pages 67 and 68 give the performance of each active unit class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Fund's performance disclosed in the Manager's Investment report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

# HL Select Global Growth Shares

## Fund Information (continued)

### Comparative Tables

Class A Accumulation Units

#### Change in Net Asset Value per Unit

	<i>30/09/21</i> <i>(pence per unit)</i>	<i>30/09/20</i> <i>(pence per unit)</i>	<i>30/09/19</i> <i>(pence per unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	128.72	105.27	100.00
Return before operating charges*	30.99	24.13	5.54
Operating charges (calculated on average price)	(0.90)	(0.68)	(0.27)
Return after operating charges*	30.09	23.45	5.27
Distributions	–	(0.28)	(0.14)
Distributions on accumulation units	–	0.28	0.14
Closing net asset value per unit	158.81	128.72	105.27
* after direct transaction costs of**:	0.08	0.12	0.08

#### Performance

Return after charges	23.38%	22.28%	5.27%
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#### Other information

Closing net asset value (£'000)	612,030	414,591	318,687
Closing number of units	385,396,039	322,098,540	302,733,179
Operating charges†	0.60%	0.60%	0.61%
Direct transaction costs	0.06%	0.10%	0.08%

#### Prices<sup>^</sup>

Highest offer price	–	–	–
Lowest bid price	–	–	–
Highest mid price	161.43	133.23	110.68
Lowest mid price	126.97	91.48	97.91

\*\* Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> On 22nd October 2018, HL Select Funds changed from a dual pricing basis (bid and offer) to be single priced.

# HL Select Global Growth Shares

## Fund Information (continued)

### Comparative Tables (continued)

Class A Income Units

#### Change in Net Asset Value per Unit

	30/09/21 (pence per unit)	30/09/20 (pence per unit)	30/09/19 (pence per unit)
<i>For the year ended</i>			
Opening net asset value per unit	128.22	105.13	100.00
Return before operating charges*	30.84	24.05	5.54
Operating charges (calculated on average price)	(0.90)	(0.68)	(0.27)
Return after operating charges*	29.94	23.37	5.27
Distributions on income units	–	(0.28)	(0.14)
Closing net asset value per unit	158.16	128.22	105.13
* after direct transaction costs of**:	0.08	0.12	0.08

#### Performance

Return after charges	23.35%	22.23%	5.27%
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#### Other information

Closing net asset value (£'000)	75,975	54,284	45,705
Closing number of units	48,036,862	42,335,949	43,475,627
Operating charges†	0.60%	0.60%	0.61%
Direct transaction costs	0.06%	0.10%	0.08%

#### Prices<sup>^</sup>

Highest offer price	–	–	–
Lowest bid price	–	–	–
Highest mid price	160.77	132.87	110.68
Lowest mid price	126.48	91.36	97.91

\*\* Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

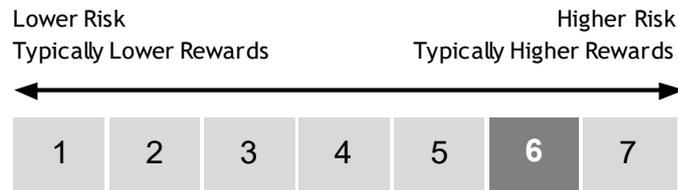
† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

<sup>^</sup> On 22nd October 2018, HL Select Funds changed from a dual pricing basis (bid and offer) to be single priced.

# HL Select Global Growth Shares

## Fund Information (continued)

### Risk and Reward Indicator ("RRI")



The Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past.

The Fund's risk category has been calculated using historical data, which may not be a reliable indication of the future risk profile of the Fund. The risk and reward rating remain the same from the last reporting period.

The Fund's category is not guaranteed to remain the same and may change over time.

Even a fund in the lowest category is not a risk-free investment.

The value of your investment and any income you take from it may fall as well as rise and is not guaranteed.

## HL Select Global Growth Shares

### Statement of Total Return

For the year ended 30th September 2021

	Notes	30/09/21		30/09/20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	5		<b>118,687</b>		77,975
Revenue	7	<b>3,550</b>		3,521	
Expenses	8	<b>(3,658)</b>		(2,382)	
Interest payable and similar charges	10	<b>(1)</b>		(1)	
Net (expense)/ revenue before taxation		<b>(109)</b>		1,138	
Taxation	9	<b>(273)</b>		(182)	
Net (expense)/ revenue after taxation			<b>(382)</b>		956
<b>Total return before distributions</b>			<b>118,305</b>		78,931
Distributions	10		<b>–</b>		(956)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>118,305</b>		77,975

### Statement of Change in Net Assets Attributable to Unitholders

For the year ended 30th September 2021

	30/09/21		30/09/20	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>468,875</b>		364,392
Amounts receivable on issue of units	<b>205,927</b>		170,660	
Amounts payable on cancellation of units	<b>(105,132)</b>		(145,076)	
		<b>100,795</b>		25,584
Dilution levy		<b>30</b>		60
Change in net assets attributable to unitholders from investment activities		<b>118,305</b>		77,975
Retained distribution on accumulation units		<b>–</b>		864
<b>Closing net assets attributable to unitholders</b>		<b>688,005</b>		468,875

# HL Select Global Growth Shares

## Balance Sheet

As at 30th September 2021

	<i>Notes</i>	<i>30/09/21</i> <i>£'000</i>	<i>30/09/20</i> <i>£'000</i>
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		<b>685,910</b>	467,994
<b>Current assets:</b>			
Debtors	11	<b>1,740</b>	1,538
Cash and cash equivalents	12	<b>4,361</b>	916
<b>Total assets</b>		<b>692,011</b>	470,448
<b>LIABILITIES</b>			
<b>Creditors:</b>			
Distribution payable on income units	10	–	(64)
Bank overdraft	12	<b>(802)</b>	–
Other creditors	13	<b>(3,204)</b>	(1,509)
<b>Total liabilities</b>		<b>(4,006)</b>	(1,573)
<b>Net assets attributable to unitholders</b>		<b>688,005</b>	468,875

# HL Select Global Growth Shares

## Notes to the Financial Statements

### For the year ended 30th September 2021

#### 1 Statement of Compliance

The statement of compliance for note 1 is provided on page 15 of the Summary of Significant Accounting Policies Applicable to All Funds.

#### 2 Summary of Significant Accounting Policies

The accounting policies for note 2 are provided on pages 15 and 16 of the Summary of Significant Accounting Policies Applicable to All Funds.

#### 3 Distribution Policies

The distribution policies for note 3 are provided on pages 16 and 17 of the Summary of Significant Accounting Policies Applicable to All Funds.

#### 4 Risk Management Policies

The risk management policies for note 4 are provided on pages 17 to 19 of the Summary of Significant Accounting Policies Applicable to All Funds.

#### 5 Net Capital Gains

	<i>30/09/21</i> <i>£'000</i>	<i>30/09/20</i> <i>£'000</i>
The net capital gains during the year comprise:		
Non-derivative securities	<b>118,459</b>	78,184
Currency gains/(losses)	<b>229</b>	(207)
Transaction charges	<b>(1)</b>	(2)
<b>Total Net Capital Gains</b>	<b>118,687</b>	77,975

The net capital gains/(losses) figure above includes movement of unrealised gains and realised gains of £77,290,111 and £41,168,421 respectively. (30th September 2020: £58,895,123 and £19,288,789 respectively). The prior year figures were restated to show the movement of gains and losses.

# HL Select Global Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 6 Purchases, Sales and Transaction Costs

The following table shows portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 66.

#### Analysis of direct transaction costs for the year ended 30th September 2020:

	Principal 2021 £'000	Commissions 2021 £'000	Taxes 2021 £'000	Total Cost 2021 £'000	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Equities	283,605	–	256	283,861	–	0.09
Transaction cost % of purchases		–	0.09			
<b>Sales</b>						
Equities	184,591	(1)	(110)	184,480	–	0.06
Transaction cost % of sales		–	(0.02)			
Total cost of the Fund's average NAV (%)		–	0.06			

#### Analysis of direct transaction costs for the period ended 30th September 2020:

	Principal 2020 £'000	Commissions 2020 £'000	Taxes 2020 £'000	Total Cost 2020 £'000	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Equities	247,269	153	180	247,602	0.06	0.07
Transaction cost % of purchases		0.06	0.07			
<b>Sales</b>						
Equities	220,679	(121)	(7)	220,551	0.05	–
Transaction cost % of sales		0.05	–			
Total cost of the Fund's average NAV (%)		0.07	0.05			

# HL Select Global Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 6 Purchases, Sales and Transaction Costs (continued)

#### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.06% (30th September 2020: 0.08%). This spread represents the difference between the values determined by reference to the bid and offer prices of investments at 11:00 am on the last business day of the accounting period, expressed as a percentage of the value determined by reference to the offer price. Please note that in practice where the Fund owns dual-priced investments, it deals at cancellation and creation prices rather than bid and offer prices, and so the figure above is not fully representative of the Fund's actual dealing spread.

### 7 Revenue

	30/09/21	30/09/20
	£'000	£'000
Annual management charge rebates	–	22
Franked UK dividends	214	850
Offshore dividend CIS revenue	77	482
Overseas dividends	3,259	2,167
<b>Total Revenue</b>	<b>3,550</b>	<b>3,521</b>

### 8 Expenses

	30/09/21	30/09/20
	£'000	£'000
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Manager's periodic charge	3,422	2,187
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee and Depositary's fee	57	38
Safe custody fee	31	23
	88	61
<b>Other expenses:</b>		
Audit fee	8	7
VAT on audit fee	2	1
Accounting and administration fee	48	41
Automated transaction provider fee	14	15
Publication costs	8	6
Registrar fees	68	64
	148	134
<b>Total Expenses</b>	<b>3,658</b>	<b>2,382</b>

# HL Select Global Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 9 Taxation

	30/09/21 £'000	30/09/20 £'000
<b>(a) Analysis of charge for the year</b>		
Overseas withholding tax	<b>273</b>	182
Total current tax charge (note 9b)	<b>273</b>	182
Deferred tax (note 9c)	–	–
<b>Total Taxation</b>	<b>273</b>	182

### (b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised fund 20% (2020: 20%). The differences are explained below:

	30/09/21 £'000	30/09/20 £'000
Net (expense)/revenue before taxation	<b>(109)</b>	1,138
Corporation Tax at 20%	<b>(22)</b>	228
Effects of:		
Excess management expenses not utilised	<b>732</b>	472
Non-taxable dividends	<b>(58)</b>	(267)
Non-taxable overseas dividends	<b>(652)</b>	(433)
Overseas withholding tax	<b>273</b>	182
<b>Total tax charge for the year (note 9a)</b>	<b>273</b>	182

### (c) Deferred tax charge for the year

Provision at the start of the year	–	–
Deferred tax charge in the year	–	–
<b>Provision at the end of the year</b>	<b>–</b>	<b>–</b>

The Fund has not recognised a deferred tax asset of £1,374,799 (30th September 2020: £643,245) as a result of excess management expenses of £6,873,996 (30th September 2020: £3,216,223). These expenses are not expected to be utilised in the foreseeable future unless the nature of the Fund or its investment objective changes.

# HL Select Global Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 10 Distributions

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

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Interim accumulation	–	377
Interim distribution	–	51
Final accumulation	–	487
Final distribution	–	64
	<hr/>	<hr/>
	–	979
Add: Revenue deducted on cancellation of units	–	40
Deduct: Revenue received on issue of units	–	(63)
	<hr/>	<hr/>
Net distribution for the year	–	956
	<hr/>	<hr/>
Interest	<b>1</b>	1
	<hr/>	<hr/>
<b>Total Distribution</b>	<b>1</b>	957
	<hr/>	<hr/>

Details of the distribution per unit are set out in the distribution tables on page 82.

### 11 Debtors

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Amounts receivable for issue of units	<b>1,371</b>	1,123
Annual management charge rebates	–	4
Franked UK dividends receivable	–	112
Overseas dividends receivable	<b>256</b>	231
Overseas tax recoverable	<b>77</b>	40
Prepaid expenses	<b>36</b>	28
	<hr/>	<hr/>
<b>Total Debtors</b>	<b>1,740</b>	1,538
	<hr/>	<hr/>

# HL Select Global Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 12 Cash and Cash Equivalents

	30/09/21	30/09/20
	£'000	£'000
Bank balances	3,762	789
Overseas balances	599	127
<b>Total bank balances</b>	<b>4,361</b>	916
Bank overdrafts	(802)	–
<b>Total bank overdrafts</b>	<b>(802)</b>	–

### 13 Other Creditors

	30/09/21	30/09/20
	£'000	£'000
Accrued expenses	477	362
Amounts payable for cancellation of units	654	1,147
Purchases awaiting settlement	2,073	–
<b>Total Other Creditors</b>	<b>3,204</b>	1,509

Transaction charges, trustee fees and safe custody fees paid to Northern Trust Global Investor Services Limited are shown in notes 5 and 8. The balance due to the Trustee at the year end in respect of these fees was £22,945 (30th September 2020: £20,376).

### 14 Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30th September 2020: £Nil).

### 15 Related Parties

Hargreaves Lansdown Fund Managers Limited (the "Manager") is a related party by virtue of having the ability to act in respect of the operations of the Fund. It also acts as a principal in respect of all transactions of units in the Fund.

Management fees paid during the year or due to the Manager are shown in note 8 and note 13. Details of the units issued and cancelled by the Manager are shown in the Statement of Change in Net Asset Attributable to Unitholders and amounts due to or from the Manager in respect to unit transactions as at the balance sheet date are disclosed under note 11 and note 13. The balance due to the Manager at the year end in respect of management fees was £358,386 (30th September 2020: £244,000).

Hargreaves Lansdown Nominees Limited, a fellow subsidiary of the Manager held units in the Fund as follows:

	30/09/21	30/09/20
Class A Accumulation units	99.98%	99.72%
Class A Income units	100.00%	99.75%

# HL Select Global Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 15 Related Parties (continued)

Hargreaves Lansdown Nominees Limited is a non-trading company which holds investments on behalf of clients of the Hargreaves Lansdown Group of Companies.

At the year end, HL Select Global Growth Shares held no shares in any Fund or Collective Investment Scheme managed by associated companies of the Manager (30th September 2020: £Nil).

### 16 Unit Class

The Fund currently has one class of units: Class A. The distribution per unit is given in the distribution tables on page 82. All units have the same rights on winding up.

The Manager's service charge for the class of each unit is as follows:

Class A 0.60%

The following table shows the units in issue during the year:

<i>Class</i>	<i>Opening Units</i>	<i>Units Created</i>	<i>Units Liquidated</i>	<i>Units Converted</i>	<i>Closing Units</i>
Class A Accumulation	322,098,540	127,242,431	(63,798,175)	(146,757)	385,396,039
Class A Income	42,335,949	13,373,404	(7,819,850)	147,359	48,036,862

### 17 Risk Disclosures

#### Market Price Risk

Market price risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

A 5% increase in the prices of the Fund's portfolio would have the effect of increasing the return and net assets by £34,295,519 (30th September 2020: £23,399,715). A 5% decrease would have an equal and opposite effect.

# HL Select Global Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 17 Risk Disclosures (continued)

#### Currency Risk

Currency risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

Currency exposure as at 30th September 2021

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Australian Dollar	4	26,174	26,178
Canadian Dollar	5	30,993	30,998
Danish Kroner	28	–	28
Euro	50	60,030	60,080
Hong Kong Dollar	1	14,703	14,704
Japanese Yen	1	–	1
New Zealand Dollar	7	–	7
Sterling	1,419	50,055	51,474
Swedish Krona	190	17,990	18,180
US Dollar	390	485,965	486,355
	<b>2,095</b>	<b>685,910</b>	<b>688,005</b>

Currency exposure as at 30th September 2020

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Australian Dollar	5	17,525	17,530
Canadian Dollar	8	11,859	11,867
Danish Kroner	29	–	29
Euro	11	37,163	37,174
Hong Kong Dollar	–	11,172	11,172
Japanese Yen	1	–	1
New Zealand Dollar	7	–	7
Sterling	714	75,714	76,428
Swedish Krona	–	10,991	10,991
US Dollar	106	303,570	303,676
	<b>881</b>	<b>467,994</b>	<b>468,875</b>

#### Interest Rate Risk

Interest rate risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Fund does not have any significant direct interest rate risk except for cash balances and as such no comparative information is presented.

# HL Select Global Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 17 Risk Disclosures (continued)

#### Liquidity Risk

Liquidity risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Manager monitors the Fund's liquidity position on a regular basis with regard to maintaining a reasonable level of liquidity.

In order to manage its liquidity under such circumstances, the Fund utilises its borrowing facility which allows it to borrow up to 10% of its NAV and the Manager retains an overdraft facility which can be used to borrow money to help with short term liquidity.

As discussed in Note 4, the Manager assesses how much of the investments can be realised in one day, under normal and stressed market conditions based on average daily volume for the previous 30 days for each investment. Normal conditions assume the ability to participate on 20% of daily volume for each investment whilst stressed conditions assume the ability to participate on only 10% of daily volume. Based on this analysis, as of 30th September 2021, was 73.96% (30th September 2020: 84.64%) of the investments could be disposed under normal conditions and 61.60% (30th September 2020: 73.15%) under stressed market conditions.

#### Counterparty Risk

Counterparty risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Fund does not have any significant counterparty risk exposures.

#### Credit Risk

Credit risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 19.

The Fund's maximum exposure to credit in the event that the counterparties fail to perform their obligations as at 30th September 2021 in relation to each class of recognised financial assets including derivatives, is the carrying amount of those assets in the Balance Sheet.

The Fund will be exposed to credit risk of the Depository, regarding cash balances held. In the event of insolvency or bankruptcy of the Depository, the Trust will be treated as general creditors of the Trustee.

The Fund only transacts with counterparties that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies. The long term credit rating of the parent company of the Trustee and Depository, Northern Trust Corporation, as at 30th September 2021 was AA- (30th September 2020: AA-) (Standard & Poor's rating).

#### Fair Value

Fair value - in the opinion of the Manager, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet and their fair value. Investments are carried at their fair value while other financial assets and liabilities are valued at amortised cost which materially equates to their fair value.

# HL Select Global Growth Shares

## Notes to the Financial Statements (continued)

For the year ended 30th September 2021

### 17 Risk Disclosures (continued)

#### Fair Value (continued)

##### Valuation technique as at 30th September 2021

	<i>Level 1</i> £'000	<i>Level 2</i> £'000	<i>Level 3</i> £'000	<i>Total</i> £'000
<b>Assets</b>				
Equities	<b>685,910</b>	–	–	<b>685,910</b>
Total	<b>685,910</b>	–	–	<b>685,910</b>

##### Valuation technique as at 30th September 2020

	<i>Level 1</i> £'000	<i>Level 2</i> £'000	<i>Level 3</i> £'000	<i>Total</i> £'000
Assets				
Equities	467,994	–	–	467,994
Total	467,994	–	–	467,994

#### 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 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.

### 18 Post Balance Sheet Events

The impact of latest published NAV per unit classes as at the close of business on 16th December 2021 compared to the published NAV per unit classes at the year-end is shown below.

<i>Class</i>	<i>Unit Price</i>		<i>Movement</i> %
	<i>30th September 2021</i>	<i>16th December 2021</i>	
Class A Accumulation	158.85	159.75	0.57
Class A Income	158.20	159.10	0.57

# HL Select Global Growth Shares

## Distribution Tables

For the year ended 30th September 2021

In pence per unit

### Interim distribution for the period ended 31st March 2021

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2021*</i>	<i>31st May 2020</i>
Group 1	–	–	–	0.1309
Group 2	–	–	–	0.1309

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2021*</i>	<i>31st May 2020</i>
Group 1	–	–	–	0.1281
Group 2	–	–	–	0.1281

Group 1 - Units created prior to 1st October 2020

Group 2 - Units created on or after 1st October 2020

### Final distribution for the year ended 30th September 2021

	<i>Net</i>		<i>Payable</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2021*</i>	<i>30th Nov 2020</i>
Group 1	–	–	–	0.1511
Group 2	–	–	–	0.1511

	<i>Net</i>		<i>Payable</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2021*</i>	<i>30th Nov 2020</i>
Group 1	–	–	–	0.1505
Group 2	–	–	–	0.1505

Group 1 - Units created prior to 1st April 2021

Group 2 - Units created on or after 1st April 2021

\* Expenses exceeded revenue during the period, as a result no distributions were paid.



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