

# HL MULTI-MANAGER STRATEGIC BOND TRUST

**Annual Report & Financial Statements**  
for the year ended 30th September 2020

# 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  
L N Gardhouse  
C F Hill (resigned 5th December 2019)  
P M Johnson  
J Misselbrook (appointed 3rd July 2020)\*  
S P Robertson (resigned 8th October 2020)\*  
J E Styles (resigned 9th October 2019)\*  
J A Troiano (appointed 1st January 2020)\*  
C J Worle (resigned 6th December 2019)

\*Non-Executive Directors

## **Trustee and Depositary:**

Northern Trust Global Services SE, UK Branch  
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)*

## **Dealing and Registration:**

Northern Trust Global Services SE, UK Branch  
PO. Box 3733  
Royal Wootton Bassett  
Swindon SN4 4BG  
Telephone: 0333 300 0360  
Fax: 020 7982 3924

## **Auditor:**

Ernst & Young LLP  
25 Churchill Place  
London E14 5EY

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# Manager's Investment Report

## For the year ended 30th September 2020

### Investment objective

The investment objective of the HL Multi-Manager Strategic Bond Trust (the "Trust") is to maximise total returns principally in the form of income.

### Investment policy

The Trust will seek to invest, either directly or indirectly via other collective investment schemes and exchange traded funds, in a broad spectrum of floating and fixed interest securities, including UK corporate bonds, UK high yield bonds, non-UK sovereign bonds, non-UK corporate bonds, convertible bonds, preference shares, gilts and index-linked gilts along with individual gilts, individual index-linked gilts and cash. There are no overall constraints on the Trust in terms of duration and credit ratings.

The Trust may from time to time be invested principally in other (regulated and unregulated) collective investment schemes, subject to the Rules for Non-UCITS Retail Schemes. The underlying funds in which the Trust will invest will generally be established in Europe (including the UK, Jersey and Guernsey).

In addition, the Trust may, directly or indirectly, invest in other transferable securities (including closed ended funds), money market instruments, deposits and warrants to the extent permitted for Non-UCITS Retail Schemes under the Rules. The Trust may also use derivative instruments and forwards transactions for the limited purposes of efficient portfolio management, including hedging.

The Trust's investment strategy means the Trust is eligible for inclusion within The Investment Association's "Sterling Strategic Bond Sector", as the Trust's stated intention is to invest at least 80% of the Trust's assets in sterling denominated (or hedged back to sterling) fixed interest securities. This excludes convertibles, preference shares and Permanent Interest Bearing Shares. Further details may be found on The Investment Association's website: [www.theinvestmentassociation.org](http://www.theinvestmentassociation.org).

In order to achieve the investment objective of the Trust, the Manager may allocate all or a portion of the Trust's assets to one or more Sub-Advisers. Each Sub-Adviser will use its own methodology for managing its allocated portion of the Trust's portfolio, subject at all times to the Manager's oversight and the Trust's investment objective and policy as outlined above. The Manager may, at its discretion, choose to retain the investment management of some or all of the Trust's portfolio.

### Performance review

Over the twelve month period to 30th September 2020, the price of the Trust's A accumulation unit has increased from 195.02 pence to 202.02 pence, a rise of 3.59%. Over the same period, the IA £ Strategic Bond peer group returned an average gain of 3.22%.

Since close of the initial offer period (2nd February 2009) to 30th September 2020, the price of the accumulation units has increased from 100 pence to 202.02 pence, a rise of 102.02%. Over the same period, the IA £ Strategic Bond peer group returned an average 105.06%.

	30/09/15 to 30/09/16	30/09/16 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
HL Multi-Manager Strategic Bond Trust	7.38%	3.14%	0.11%	5.90%	3.59%
IA £ Strategic Bond	8.17%	2.90%	-0.01%	6.78%	3.22%

Past performance is not a guide to future returns.

**Source: Lipper for Investment Management to 30/09/2020, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2015 to 30/09/2018. Bid to NAV from 30/09/2018 to 30/09/2020. Distribution Re-invested Net of basic rate tax up to 31/03/2017 and Gross of tax from 31/03/2017.**

# Manager's Investment Report (continued)

## For the year ended 30th September 2020

### Performance review (continued)

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

Purchases	£'000	Sales	£'000
Artemis Corporate Bond	60,514	Fidelity MoneyBuilder Income	47,699
M&G Global Macro Bond	26,161	M&G UK Inflation Linked Corporate	
M&G Optimal Income	14,075	Bond	37,668
Royal London Sterling Extra Yield Bond	10,009	Royal London Sterling Extra Yield Bond	36,154
Liontrust Strategic Bond	5,001	Morgan Stanley Sterling Corporate	
		Bond	28,211
		M&G Strategic Corporate Bond	21,505
		Invesco Tactical Bond	18,245
		M&G Global Macro Bond	13,463
		Artemis Strategic Bond	8,895
		M&G Optimal Income	6,995
		Royal London Corporate Bond	6,201
Total purchases during the year were	115,760	Total sales during the year were	235,522

**Hargreaves Lansdown Fund Managers Limited**  
*1st October 2020*

# Portfolio Statement

## As at 30th September 2020

<i>Holding</i>	<i>Investment</i>	<i>Bid market valuation £'000</i>	<i>Percentage of total net assets %</i>
<b>Fixed Interest Funds – 99.89% (100.01%)</b>			
59,332,740	Artemis Corporate Bond	63,842	6.80
123,353,827	Artemis Strategic Bond	71,040	7.56
45,474,971	Fidelity MoneyBuilder Income	57,981	6.17
95,423,938	Invesco Tactical Bond	119,795	12.75
148,309,090	Jupiter Strategic Bond	99,530	10.60
62,362,531	Liontrust Strategic Bond	65,737	7.00
50,260,445	M&G Global Macro Bond	71,315	7.59
60,225,313	M&G Optimal Income	88,248	9.39
5,159,906	M&G Strategic Corporate Bond	58,072	6.18
39,274,488	M&G UK Inflation Linked Corporate Bond	47,400	5.05
48,716,568	Morgan Stanley Sterling Corporate Bond	56,940	6.06
52,972,837	Royal London Corporate Bond	57,052	6.07
84,703,591	Royal London Sterling Extra Yield Bond	81,459	8.67
		<b>938,411</b>	<b>99.89</b>
<b>Portfolio of investments – 99.89% (100.01%)</b>			
	Net other assets/liabilities – 0.11% (-0.01%)	1,007	0.11
	<b>Net assets</b>	<b>939,418</b>	<b>100.00</b>

The percentages in brackets show the equivalent sector comparatives as at 30th September 2019.

All investments are in income shares/units unless otherwise stated.

## General Information

Launch Date:	2nd February 2009
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 – 5% Annual – 0.75%

\* 29th February in a leap year.

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

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/multi-manager-funds>. Copies may be obtained from Hargreaves Lansdown Fund Managers Limited, P.O. Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG or directly from the Manager - Hargreaves Lansdown Fund Managers Limited, One College Square South, Anchor Road, Bristol, BS1 5HL.

## General Information (continued)

### 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 Trust attributable to units of that class by:

- taking the proportion of the net asset value of the relevant Trust attributable to the units of the class concerned at the valuation point of that Trust;
- 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 Trust is 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 Trust may be valued at other times.

### 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 four 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.

### 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.



# General Information (continued)

## 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.

## 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) will publish an Assessment of Value covering the financial year ended 30th September 2020. These statements will be available on Hargreaves Lansdown's website ([www.hl.co.uk](http://www.hl.co.uk)).

## Remuneration

In accordance with the requirements of the Alternative Investment Fund Managers Directive (AIFMD), Hargreaves Lansdown Fund Managers Limited (HLFM) is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under AIFMD.

That legislation requires an Alternative Investment Fund Manager (AIFM) to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management and do not encourage risk taking that is inconsistent with the risk profile and the rules of the funds it manages, nor impair compliance with the AIFM's duty to act in the best interest of the funds.

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 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 key risk takers as defined by AIFMD, including those whose time is allocated between group entities, for the financial year ended 30th June 2020 is analysed below:

Fixed Remuneration	£1,166,258
Variable Remuneration	£1,347,554
Total	£2,513,812
Full Time Equivalent number of staff:	6.0

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

## General Information (continued)

### Leverage

In accordance with the Alternative Investment Funds Management Directive (AIFMD) the Manager is required to disclose the 'leverage' of the Trust. Leverage is defined as any method by which the Trust increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined by either 'gross method' or 'commitment method' and the Trust must not exceed maximum exposures under both methods.

The 'gross' method shall be the sum of the absolute value of all positions and each derivative position will be converted into the equivalent position in the underlying assets. The 'gross' method shall exclude the value of any cash and cash equivalents from the sum of the absolute value of all positions. The Manager must set maximum leverage levels and operate the Trust within these levels at all times. The 'commitment' method shall be the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets.

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.

The maximum gross leverage permitted in the Trust is 220%. The maximum commitment leverage permitted in the Trust is 110%. It is expected that the Manager will operate the Trust well within these limits.

As at year end, 30th September 2020, the total leverage in the Trust exceeded 100.00%, the maximum gross leverage in the Trust was 100.41% and the maximum commitment leverage was 100.53% (30th September 2019: gross 100.03%, commitment 100.14%).

## Important Investment Notes

You should be aware of the risks involved in investing in the Trust. These risk warnings must not be taken to be comprehensive, as new risks may arise in the future which could not have been anticipated in advance. If you have any doubts over the suitability of an investment please contact a financial adviser for advice.

The price of units (and the income from them) can go down as well as up, and are not guaranteed. You may not receive back the amount you invest in the Trust.

An investment in the Trust is not intended to be a complete investment programme. Units should be regarded by you as a medium-to-long term investment.

Past performance is not a guide to future performance. The Trust's investment objective is an intended result but there is no guarantee that such a result will be achieved. There are no express or implied assurances as to the likelihood of achieving the Trust's investment objectives, as this will depend (in part) on evolving market conditions and the available investment opportunities over time.

The Trust's net asset value can be influenced by factors such as stock market fluctuations, political and economic events, corporate earnings reports and catastrophic events. This means that in any particular period, the Trust may suffer losses and should not be regarded as a short term investment.

In extreme liquidity conditions, redemptions in the underlying assets, and/or a Trust itself, may need to be deferred or suspended.

Economic factors such as changes in interest rates, inflation, deflation and supply and demand can affect the price of all investments, and so affect the value of your investment in the Trust. As with any investment, inflation will reduce the real value (i.e. purchasing power) of the capital over time.

The Trust is potentially exposed to adverse movements in equity, bond, commodity, currency and other market prices, indices or rates (market risk) or changes in the anticipated or calculated volatility of these movements (volatility risk). This could result in the Trust losing value.

The Trust may deduct charges from capital rather than income. Whilst this policy may allow more income to be distributed to unitholders, it may also have the effect of reducing capital and potential capital growth, as well as potentially increasing capital losses.

The Trust conducts transactions with various counterparties and there is a risk that a counterparty will not deliver an investment (for purchases by the Trust) or cash (for sales by the Trust) after the Trust has fulfilled its responsibilities.

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 under Section 243 of the Financial Services and Markets Act 2000.

The Trust is a 'Non-UCITS Retail Scheme' under the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL") Regulations.

The Trust is categorised as an alternative investment fund under Directive 2011/61/EU of the European Parliament and of the Council of 8th June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and Commission Delegated Regulation (EU) No 231/2013 of 19th December 2012 supplementing the AIFM Directive with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the "AIFMD"). The Manager undertakes portfolio and risk management for the Trust and is therefore an alternative investment fund manager (AIFM) within the terms of AIFMD. The Manager will manage the Trust in accordance with the provisions of the AIFMD, The Alternative Investment Fund Managers Regulations 2013 and the FCA Rules.

## Trust Information

The Comparative Tables on pages 11 to 14 give the performance of each active unit class in the Trust.

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 Trust'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 trust 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 Trust.

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

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the Trust on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Trust Information (continued)

### Comparative Tables

Class A Accumulation Units

#### Change in Net Asset Value per Unit

<i>For the year ended</i>	<i>30/09/20 (pence per unit)</i>	<i>30/09/19 (pence per unit)</i>	<i>30/09/18 (pence per unit)</i>
Opening net asset value per unit	195.02	184.28	183.64
Return before operating charges*	9.38	13.09	2.97
Operating charges (calculated on average price)	(2.38)	(2.35)	(2.33)
Return after operating charges*	7.00	10.74	0.64
Distributions	(4.42)	(5.33)	(4.60)
Distributions on accumulation units	4.42	5.33	4.60
Closing net asset value per unit	202.02	195.02	184.28

\* after direct transaction costs of\*\*:

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### Performance

Return after charges	3.59%	5.83%	0.35%
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### Other information

Closing net asset value (£'000)	208,561	223,247	214,249
Closing number of units	103,239,107	114,475,829	116,260,506
Operating charges†	1.21%	1.25%	1.26%
Direct transaction costs	—%	—%	—%

### Prices^

Highest offer price	—	189.99	192.40
Lowest bid price	—	183.09	183.50
Highest mid price	203.14	195.73	—
Lowest mid price	178.94	181.73	—

\*\* 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. There are no direct transaction costs applied to the trades executed on this Trust.

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

^ On 22nd October 2018, HL Multi-Manager Funds changed from a dual pricing basis (bid and offer) to be single priced.

# Trust Information (continued)

## Comparative Tables (continued)

Class M Accumulation Units

### Change in Net Asset Value per Unit

<i>For the year ended</i>	<i>30/09/20 (pence per unit)</i>	<i>30/09/19 (pence per unit)</i>	<i>30/09/18 (pence per unit)</i>
Opening net asset value per unit	195.04	184.30	183.65
Return before operating charges*	9.38	13.09	2.98
Operating charges (calculated on average price)	(2.38)	(2.35)	(2.33)
Return after operating charges*	7.00	10.74	0.65
Distributions	(4.42)	(5.33)	(4.60)
Distributions on accumulation units	4.42	5.33	4.60
Closing net asset value per unit	202.04	195.04	184.30

\* after direct transaction costs of\*\*:

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### Performance

Return after charges	3.59%	5.83%	0.35%
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### Other information

Closing net asset value (£'000)	138,396	138,762	129,845
Closing number of units	68,498,544	71,146,478	70,452,334
Operating charges†	1.21%	1.25%	1.26%
Direct transaction costs	—%	—%	—%

### Prices^

Highest offer price	—	190.00	192.42
Lowest bid price	—	183.11	183.52
Highest mid price	203.17	195.75	—
Lowest mid price	178.96	181.75	—

\*\* 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. There are no direct transaction costs applied to the trades executed on this Trust.

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

^ On 22nd October 2018, HL Multi-Manager Funds changed from a dual pricing basis (bid and offer) to be single priced.

## Trust Information (continued)

### Comparative Tables (continued)

Class A Income Units

#### Change in Net Asset Value per Unit

	30/09/20 (pence per unit)	30/09/19 (pence per unit)	30/09/18 (pence per unit)
<i>For the year ended</i>			
Opening net asset value per unit	147.26	143.16	146.26
Return before operating charges*	6.96	10.01	2.36
Operating charges (calculated on average price)	(1.78)	(1.81)	(1.83)
Return after operating charges*	5.18	8.20	0.53
Distributions on income units	(3.30)	(4.10)	(3.63)
Closing net asset value per unit	149.14	147.26	143.16

\* after direct transaction costs of\*\*:

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#### Performance

Return after charges	3.52%	5.73%	0.36%
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#### Other information

Closing net asset value (£'000)	556,840	648,434	650,980
Closing number of units	373,355,690	440,324,499	454,737,916
Operating charges†	1.21%	1.25%	1.26%
Direct transaction costs	—%	—%	—%

#### Prices^

Highest offer price	—	147.58	152.45
Lowest bid price	—	142.21	143.16
Highest mid price	150.26	148.63	—
Lowest mid price	133.67	140.51	—

\*\* 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. There are no direct transaction costs applied to the trades executed on this Trust.

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

^ On 22nd October 2018, HL Multi-Manager Funds changed from a dual pricing basis (bid and offer) to be single priced.



# Trust Information (continued)

## Comparative Tables (continued)

Class M Income Units

### Change in Net Asset Value per Unit

	30/09/20 (pence per unit)	30/09/19 (pence per unit)	30/09/18 (pence per unit)
<i>For the year ended</i>			
Opening net asset value per unit	147.28	143.17	146.28
Return before operating charges*	6.98	10.02	2.35
Operating charges (calculated on average price)	(1.78)	(1.81)	(1.83)
Return after operating charges*	5.20	8.21	0.52
Distributions on income units	(3.30)	(4.10)	(3.63)
Closing net asset value per unit	149.18	147.28	143.17

\* after direct transaction costs of\*\*:

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### Performance

Return after charges	3.53%	5.73%	0.36%
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### Other information

Closing net asset value (£'000)	35,621	40,306	39,086
Closing number of units	23,877,627	27,366,657	27,299,926
Operating charges†	1.21%	1.25%	1.26%
Direct transaction costs	—%	—%	—%

### Prices^

Highest offer price	—	147.58	152.45
Lowest bid price	—	142.23	143.17
Highest mid price	150.30	148.64	—
Lowest mid price	133.68	140.53	—

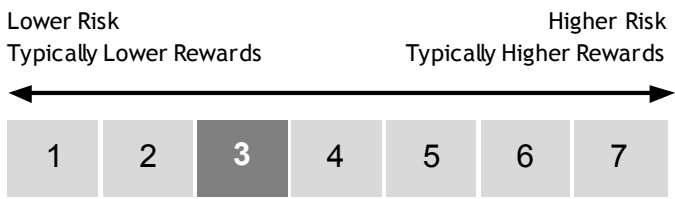
\*\* Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases. There are no direct transaction costs applied to the trades executed on this Trust.

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

^ On 22nd October 2018, HL Multi-Manager Funds changed from a dual pricing basis (bid and offer) to be single priced.

# Trust Information (continued)

## Synthetic Risk and Reward Indicator (“SRRI”)



The Trust is ranked at 3 because trusts of this type have experienced low to medium rises and falls in value in the past.

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

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

Even a trust 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.

## 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 losses 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**  
(Chief Investment Officer)  
*21st December 2020*

**R J Byett**  
(Group Director of Risk & Compliance)

# **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 Multi-Manager Strategic Bond Trust (the "Trust") for the year ended 30th September 2020**

The Depositary in its capacity as Trustee of the HL Multi-Manager Strategic Bond 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 the Alternative Investment Fund Manager ("the AIFM") 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 AIFM:

- (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, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

**Northern Trust Global Services SE, UK Branch**  
UK Trustee and Depositary Services  
*21st December 2020*

# Independent Auditor's Report to the Unitholders of the HL Multi-Manager Strategic Bond Trust

## Opinion

We have audited the financial statements of HL Multi-Manager Strategic Bond Trust (the "Trust") for the year ended 30th September 2020 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables and accounting policies of the Trust, which include a summary of significant account 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 as at 30th September 2020 and of the net revenue and the net capital gains on the scheme property of the Trust 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 sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

## 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.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

# Independent Auditor's Report to the Unitholders of the HL Multi-Manager Strategic Bond Trust (continued)

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

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

We have nothing to report in respect of the following matters 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 16, the Manager is responsible for the preparation of the 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 wind up or terminate 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

# **Independent Auditor's Report to the Unitholders of the HL Multi-Manager Strategic Bond Trust (continued)**

## **Use of our report**

This report is made solely to the unitholders of the Trust, 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 unitholders of the Trust 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 unitholders of the Trust as a body, for our audit work, for this report, or for the opinions we have formed.

**Ernst & Young LLP**

Statutory Auditor

London

*21st December 2020*

## Statement of Total Return

For the year ended 30th September 2020

	Notes	30/09/20		30/09/19	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	5		<b>8,248</b>		30,615
Revenue	7	<b>30,035</b>		36,993	
Expenses	8	<b>(7,659)</b>		(8,145)	
Interest payable and similar charges	10	<b>(16)</b>		(2)	
Net revenue before taxation		<b>22,360</b>		28,846	
Taxation	9	<b>(145)</b>		(128)	
Net revenue after taxation			<b>22,215</b>		28,718
<b>Total return before distributions</b>			<b>30,463</b>		59,333
Distributions	10		<b>(22,517)</b>		(29,664)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>7,946</b>		29,669

## Statement of Change in Net Assets Attributable to Unitholders

For the year ended 30th September 2020

	30/09/20		30/09/19	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>1,050,749</b>		1,034,160
Amounts receivable on issue of units	<b>92,675</b>		128,324	
Amounts payable on cancellation of units	<b>(219,882)</b>		(151,339)	
		<b>(127,207)</b>		(23,015)
Dilution levy		<b>(2)</b>		—
Change in net assets attributable to unitholders from investment activities		<b>7,946</b>		29,669
Retained distribution on accumulation units		<b>7,932</b>		9,935
<b>Closing net assets attributable to unitholders</b>		<b>939,418</b>		1,050,749



# Balance Sheet

## As at 30th September 2020

	Notes	30/09/20 £'000	30/09/19 £'000
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		<b>938,411</b>	1,050,805
<b>Current assets:</b>			
Debtors	11	<b>6,630</b>	7,051
Cash and cash equivalents	12	<b>1,437</b>	2,241
<b>Total assets</b>		<b>946,478</b>	1,060,097
<b>LIABILITIES</b>			
<b>Creditors:</b>			
Distribution payable on income units	10	<b>(1,126)</b>	(3,734)
Bank overdraft	12	<b>(1,100)</b>	(1,986)
Other creditors	13	<b>(4,834)</b>	(3,628)
<b>Total liabilities</b>		<b>(7,060)</b>	(9,348)
<b>Net assets attributable to unitholders</b>		<b>939,418</b>	1,050,749

# Notes to the Financial Statements

## For the year ended 30th September 2020

### 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.

The outbreak of the novel coronavirus (COVID-19), declared by the World Health Organisation as the pandemic on 11th March 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The Manager is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice.

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 authorized 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 working from home 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 Scheme'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 2020, being the last business day of the accounting period. Collective Investment Schemes are valued at cancellation prices or quoted bid prices for dual priced funds and at quoted prices for single priced funds.

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.

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2020

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

#### (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 period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Total Return.

#### (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. Equalisation received on distributions from underlying collective investment schemes is recognised as a return of capital. The majority of underlying investments refund a percentage of their annual management fee to the Trust, and this is recognised on an accruals basis and included within either capital or revenue depending on the underlying collective investment schemes' distribution policy in relation to the annual management fee.

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 (other than those relating to the sale and purchase of investments which are charged to capital) are charged against revenue. 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 Trust's investment decisions accumulates during each accounting year. If, at the end of the accounting year, revenue exceeds expenses, the net revenue of the Trust is available to be distributed to unitholders. In order to conduct a controlled revenue flow to unitholders, interim distributions may be made at the Manager's discretion, up to a maximum of the revenue available for the period. 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 Manager elected to make monthly distributions from 1st October 2014. The distributions are paid as interest distributions.

#### (b) Distributions from Collective Investment Schemes

Equalisation received on distributions from the underlying collective investment schemes is included in the distribution for the year. Non-dividend revenue from offshore reporting funds is recognised when declared as reportable income, and treated as revenue for taxation and distribution purposes.

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2020

### 3 Distribution Policies (continued)

#### (c) 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.

#### (d) Unclaimed Distributions

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

#### (e) 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 Trust'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.

#### (f) 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 pursuing its investment objectives, the Trust holds financial instruments which comprise collective investment schemes and other investments, cash balances and debtors and creditors that arise directly from its operations. The Manager reviews (and agrees with the Trustee) policies for managing the risks associated with these instruments and they are summarised below. During 2020, the Manager introduced enhanced liquidity risk monitoring and management procedures; otherwise these policies have been consistent to prior year and have remained unchanged since the beginning of the accounting period to which the financial statements relate. The risk management policies of the Manager are explained in more detail in the Prospectus for the Trust.

#### Market Price Risk

The primary risk facing the Trust is market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement. The Manager's policies for managing the market price risk are summarised below and have been applied consistently throughout the year.

The Trust's investment portfolio is exposed to market price fluctuations which are monitored daily by the Manager in pursuance of the investment objective and policy set out on page 1. Adherence to the investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Scheme Particulars and in the collective investment schemes Sourcebook published by the Financial Conduct Authority mitigate the risk of excessive exposure to any particular type of investment or issuer and ultimately the market risk.

#### 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 Trust has three principal areas where it has exposure to foreign currency risk:

- i) Movements in exchange rates affecting the value of investments (being either the collective investment schemes in which the Trust invests where these are denominated in a currency other than GBP, or the underlying investments of those collective investment schemes where denominated in a currency other than GBP);

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2020

### 4 Risk Management Policies (continued)

- 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, none of the net assets of the Trust were denominated in currencies other than GBP.

Therefore, the Balance Sheet and the Statement of Total Return will not be affected by exchange rate movements.

All cash holdings are held in GBP. Currency risk comes from exposure to underlying collective investment schemes not denominated in GBP. The currency risk is not actively managed by the Manager but where it is indirectly exposed the currency risk is managed by the underlying collective investment scheme managers. Where there is exposure to funds not denominated in GBP the exposure to these funds is measured and monitored daily.

#### 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 underlying collective investment schemes may expose the Trust indirectly to interest rate risk, as part of their investment strategy which is monitored and managed by the investment managers of those underlying collective investment schemes.

The Trust has minimal direct interest rate risk which only applies to bank balances and overdrafts. Interest on the Trust's 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 Trust 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 Trust is the redemption of any units that investors wish to sell. The Trust's assets comprise readily realisable positions in collective investment schemes and direct holdings in transferable securities, the majority of which can be readily sold.

The Trust has little exposure to cash flow risk. A cash balance is held within the Trust to deal with typical redemptions and on a daily basis, the Manager is aware of the cash movements within the Trust. The Trust has the ability to borrow money - 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.

The Trust adopted enhanced liquidity risk management procedures during the financial year. Liquidity of the Trust is monitored and tested on a daily basis by assessing the liquidity of underlying fund holdings (using data provided monthly by the external managers of these funds) and directly held assets. This includes the estimated liquidity of Trust assets over various time periods (based on recent market volumes) and the time required to fully liquidate all Trust assets. Investor redemption activity is also monitored daily and analysed over various intervals of up to two years. Stress testing is undertaken periodically to identify where significant liquidity risks may exist and how changes in investor redemption behaviour and prevailing market conditions may affect the ability to readily realise the sale of Trust assets. During the previous financial year, no significant risks were identified with regard to investor redemption behaviour, prevailing market conditions or the liquidity of Trust assets. Based on this analysis, as of 30th September 2020, 84.71% of the portfolio could be sold under normal conditions and 84.71% under stressed conditions. The increased estimated liquidity vs 2019 is the result of more detailed liquidity analysis introduced during 2020 and increased market liquidity during 2020.

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2020

### 4 Risk Management Policies (continued)

#### Liquidity Risk (continued)

During the 2020 financial year, the HL MM funds changed their daily liquidity monitoring approach to use a 20% participation rate in normal market conditions from the previously used 5% participation rate. This was done to bring monitoring in line with the approach taken by most fund groups. The 10% participation rate used to simulate stressed conditions remains unchanged.

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

The Trust's main liability is instructions from investors to redeem units with no notice. In order to honour such instructions the Trust holds highly liquid assets which can be redeemed at short notice.

#### Counterparty Risk

Certain transactions in investments that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. The Trust only buys and sells investments through Fund Managers which have been approved by the Manager as an acceptable counterparty. These are reviewed on an ongoing basis.

#### 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 Trust.

The Trust's maximum exposure to credit risk, in the event that the counterparties fail to perform their obligations as of 30th September 2020, in relation to each class of recognised financial assets is the carrying amount of those assets in the balance sheet. This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

### 5 Net Capital Gains

	30/09/20 £'000	30/09/19 £'000
The net capital gains during the year comprise:		
Non-derivative securities	7,368	29,156
Currency gains	–	3
Transaction charges	(3)	(1)
Equalisation received on distributions from underlying funds	157	818
Annual management charge rebates	726	639
<b>Total Net Capital Gains</b>	<b>8,248</b>	<b>30,615</b>

The net capital gains figure above includes realised losses and unrealised gains of £45,994,881 and £53,363,266 respectively. (30th September 2019 includes realised losses and unrealised losses of £29,428,466 and £58,585,116 respectively). The realised losses on investments in the accounting period include amounts previously recognised as unrealised gains in the prior accounting period.

### 6 Purchases, Sales and Transaction Costs

Investments have been bought and sold at the dealt price with no further transaction costs added to purchases or deducted from sales.

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2020

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

#### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was Nil% (30th September 2019: Nil)%. 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 Trust 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 Trust's actual dealing spread.

### 7 Revenue

	30/09/20	30/09/19
	£'000	£'000
Annual management charge rebates	1,430	1,425
Bank interest	1	8
Distributions from underlying funds	22,915	28,165
Offshore interest CIS revenue	5,689	7,395
<b>Total Revenue</b>	<b>30,035</b>	<b>36,993</b>

### 8 Expenses

	30/09/20	30/09/19
	£'000	£'000
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Manager's periodic charge	7,395	7,797
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee and Depositary's fee	92	97
Safe custody fee	1	1
	<b>93</b>	<b>98</b>
<b>Other expenses:</b>		
Audit fee	7	8
VAT on audit fee	1	1
Accounting and administration fee	51	83
Automated transaction provider fee	33	76
Monthly distribution fee	32	32
Publication costs	9	7
Registrar fees	38	43
	<b>171</b>	<b>250</b>
<b>Total Expenses</b>	<b>7,659</b>	<b>8,145</b>

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2020

### 9 Taxation

	30/09/20 £'000	30/09/19 £'000
<b>(a) Analysis of charge for the year</b>		
Corporation tax	<u>145</u>	<u>128</u>
Total current tax charge (note 9b)	<b>145</b>	128
Deferred tax (note 9c)	<u>–</u>	<u>–</u>
<b>Total Taxation</b>	<b>145</b>	128

### (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%) (2019: 20%). The differences are explained below:

	30/09/20 £'000	30/09/19 £'000
Net revenue before taxation	<u>22,360</u>	<u>28,846</u>
Corporation Tax at 20%	<b>4,472</b>	5,769
Effects of:		
Income tax related to interest distributions	<b>(4,472)</b>	(5,769)
Tax effect on capital management charge rebates	<u>145</u>	<u>128</u>
<b>Total tax charge for the year (note 9a)</b>	<b>145</b>	128

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

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

At the year end, the Trust has no potential deferred tax asset as there were no carried forward surplus management expenses (30th September 2019: £Nil).



# Notes to the Financial Statements (continued)

## For the year ended 30th September 2020

### 10 Distributions

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

	30/09/20	30/09/19
	£'000	£'000
Interim accumulations	7,279	8,013
Interim distributions	13,127	15,831
Final accumulation	653	1,922
Final distribution	1,126	3,734
	<b>22,185</b>	29,500
Add: Revenue deducted on cancellation of units	606	911
Deduct: Revenue received on issue of units	(274)	(747)
Net distribution for the year	<b>22,517</b>	29,664
Interest	16	2
<b>Total Distribution</b>	<b>22,533</b>	29,666

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

Net revenue after taxation	22,215	28,718
Equalisation received on distributions from underlying funds	157	818
Tax effect on expenses offset against capital	145	128
	<b>22,517</b>	29,664

Details of the distribution per unit are set out in the distribution tables on pages 35 to 40.

### 11 Debtors

	30/09/20	30/09/19
	£'000	£'000
Amounts receivable for issue of units	589	801
Annual management charge rebates	1,248	732
Distributions from underlying funds	2,795	3,669
Sales awaiting settlement	1,998	1,849
<b>Total Debtors</b>	<b>6,630</b>	7,051

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2020

### 12 Cash and Cash Equivalents

	30/09/20	30/09/19
	£'000	£'000
Bank balances	1,437	2,241
Bank overdraft	(1,100)	(1,986)
<b>Net Cash and Cash Equivalents</b>	<b>337</b>	<b>255</b>

### 13 Other Creditors

	30/09/20	30/09/19
	£'000	£'000
Accrued expenses	674	753
Amounts payable for cancellation of units	2,019	2,747
Corporation tax payable	145	128
Purchases awaiting settlement	1,996	–
<b>Total Other Creditors</b>	<b>4,834</b>	<b>3,628</b>

### 14 Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30th September 2019: £Nil).

### 15 Related Parties

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

Management fees paid to the Manager are shown in note 8 and details of the units issued and cancelled by the Manager are shown in the Statement of Change in Net Asset Attributable to Unitholders. The balance due to the Manager at the year end in respect of management fees was £575,968 (30th September 2019: £650,654).

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

	30/09/2020	30/09/2019
Class A Accumulation units	98.84%	99.39%
Class M Accumulation units	99.78%	100.00%
Class A Income units	99.71%	99.74%
Class M Income units	99.99%	100.00%

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

### 16 Unit Classes

The Trust currently has two classes of units: Class A and Class M. The distribution per unit is given in the distribution tables on pages 35 to 40. All units have the same rights on winding up.

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

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2020

### 16 Unit Classes (continued)

Class A	0.75%
Class M	0.75%

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	114,475,829	14,534,456	(25,802,823)	31,645	103,239,107
Class M Accumulation	71,146,478	14,279,726	(16,925,205)	(2,455)	68,498,544
Class A Income	440,324,499	21,810,665	(88,740,003)	(39,471)	373,355,690
Class M Income	27,366,657	3,415,597	(6,904,627)	–	23,877,627

### 17 Risk Disclosures

#### Market Price Risk

Market price risk - risk management policies surrounding this risk are discussed in note 4 on pages 25 to 27.

A 5% increase in the value of the Trust's portfolio would have the effect of increasing the return and net assets by £46,920,558 (30th September 2019: £52,540,237). 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 25 to 27.

There was no currency exposure at the year end (30th September 2019: Nil) as the Trust's assets and liabilities were all in GBP and as such no sensitivity risk analysis is presented.

#### Interest Rate Risk

Interest rate risk - risk management policies surrounding this risk are discussed in note 4 on pages 25 to 27.

The Trust has minimal direct interest rate risk which only applies to bank balances and overdrafts. Interest on the Trust's 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 - risk management policies surrounding this risk are discussed in note 4 on pages 25 to 27.

The Manager monitors the Trust's liquidity position on a regular basis with regard to maintaining a reasonable level of liquidity. Investments in managed funds may not be readily realisable due to lock-up periods, extended settlement periods, withdrawal notice periods, or in extraordinary cases periods in which redemptions are suspended due to adverse market conditions.

In order to manage its liquidity under such circumstances, the Trust utilises its borrowing facility which allows 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 this analysis, as of 30th September 2020, 84.71% (30th September 2019: 56.43%) of the investments could be disposed under normal conditions and 84.71% (30th September 2019: 56.43%) under stressed market conditions.

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2020

### 17 Risk Disclosures (continued)

#### Liquidity Risk (continued)

During the 2020 financial year, the HL MM funds changed their daily liquidity monitoring approach to use a 20% participation rate in normal market conditions from the previously used 5% participation rate. This was done to bring monitoring in line with the approach taken by most fund groups. The 10% participation rate used to simulate stressed conditions remains unchanged.

#### Counterparty Risk

Counterparty risk - risk management policies surrounding this risk are discussed in note 4 on pages 25 to 27.

The Trust 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 25 to 27.

At 30th September 2020, the Trust only held collective investment schemes. Therefore, the Trust does not have any credit risk exposures.

#### 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 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Assets</b>				
Collective Investment Schemes	–	938,411	–	938,411
<b>Total</b>	<b>–</b>	<b>938,411</b>	<b>–</b>	<b>938,411</b>

#### Valuation technique as at 30th September 2019

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Assets</b>				
Collective Investment Schemes	–	1,050,805	–	1,050,805
<b>Total</b>	<b>–</b>	<b>1,050,805</b>	<b>–</b>	<b>1,050,805</b>

The Trust invests into collective investment schemes which are not exchange traded. Investments in collective investment schemes are valued based on the NAV per unit/share published by their administrators and are classified as Level 2.

#### Level 1

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

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2020

### 17 Risk Disclosures (continued)

#### Fair Value (continued)

##### 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 2020 compared to the published NAV per unit classes as at year-end is shown below.

<i>Class</i>	<i>Unit Price</i> <i>30th September 2020</i>	<i>Unit Price</i> <i>16th December 2020</i>	<i>Increase %</i>
Class A Accumulation	202.02	208.00	2.96
Class M Accumulation	202.04	208.03	2.96
Class A Income	149.43	153.05	2.42
Class M Income	149.47	153.09	2.42

# Distribution Tables

## For the year ended 30th September 2020

In pence per unit

### First interim distribution for the period ended 31st October 2019

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2019</i>	<i>30th Nov 2018</i>
Group 1	0.4238	—	0.4238	0.3862
Group 2	0.0019	0.4219	0.4238	0.3862

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2019</i>	<i>30th Nov 2018</i>
Group 1	0.4238	—	0.4238	0.3863
Group 2	0.0020	0.4218	0.4238	0.3863

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2019</i>	<i>30th Nov 2018</i>
Group 1	0.3200	—	0.3200	0.3000
Group 2	0.0015	0.3185	0.3200	0.3000

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2019</i>	<i>30th Nov 2018</i>
Group 1	0.3200	—	0.3200	0.3000
Group 2	0.0015	0.3185	0.3200	0.3000

Group 1 - Units created prior to 1st October 2019

Group 2 - Units created on or after 1st October 2019

### Second interim distribution for the period ended 30th November 2019

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Dec 2019</i>	<i>31st Dec 2018</i>
Group 1	0.4247	—	0.4247	0.3870
Group 2	—	0.4247	0.4247	0.3870

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Dec 2019</i>	<i>31st Dec 2018</i>
Group 1	0.4247	—	0.4247	0.3870
Group 2	—	0.4247	0.4247	0.3870

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Dec 2019</i>	<i>31st Dec 2018</i>
Group 1	0.3200	—	0.3200	0.3000
Group 2	—	0.3200	0.3200	0.3000

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Dec 2019</i>	<i>31st Dec 2018</i>
Group 1	0.3200	—	0.3200	0.3000
Group 2	—	0.3200	0.3200	0.3000

Group 1 - Units created prior to 1st November 2019

Group 2 - Units created on or after 1st November 2019

# Distribution Tables (continued)

For the year ended 30th September 2020

In pence per unit

## Third interim distribution for the period ended 31st December 2019

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jan 2020</i>	<i>31st Jan 2019</i>
Group 1	0.4256	—	0.4256	0.3878
Group 2	—	0.4256	0.4256	0.3878

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jan 2020</i>	<i>31st Jan 2019</i>
Group 1	0.4257	—	0.4257	0.3879
Group 2	—	0.4257	0.4257	0.3879

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jan 2020</i>	<i>31st Jan 2019</i>
Group 1	0.3200	—	0.3200	0.3000
Group 2	—	0.3200	0.3200	0.3000

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jan 2020</i>	<i>31st Jan 2019</i>
Group 1	0.3200	—	0.3200	0.3000
Group 2	—	0.3200	0.3200	0.3000

Group 1 - Units created prior to 1st December 2019

Group 2 - Units created on or after 1st December 2019

## Fourth interim distribution for the period ended 31st January 2020

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>29th Feb 2020</i>	<i>28th Feb 2019</i>
Group 1	0.4266	—	0.4266	0.3887
Group 2	—	0.4266	0.4266	0.3887

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>29th Feb 2020</i>	<i>28th Feb 2019</i>
Group 1	0.4266	—	0.4266	0.3887
Group 2	—	0.4266	0.4266	0.3887

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>29th Feb 2020</i>	<i>28th Feb 2019</i>
Group 1	0.3200	—	0.3200	0.3000
Group 2	—	0.3200	0.3200	0.3000

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>29th Feb 2020</i>	<i>28th Feb 2019</i>
Group 1	0.3200	—	0.3200	0.3000
Group 2	—	0.3200	0.3200	0.3000

Group 1 - Units created prior to 1st January 2020

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

# Distribution Tables (continued)

For the year ended 30th September 2020

In pence per unit

## Fifth interim distribution for the period ended 29th February 2020

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Mar 2020</i>	<i>31st Mar 2019</i>
Group 1	0.4275	—	0.4275	0.3895
Group 2	—	0.4275	0.4275	0.3895

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Mar 2020</i>	<i>31st Mar 2019</i>
Group 1	0.4275	—	0.4275	0.3895
Group 2	—	0.4275	0.4275	0.3895

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Mar 2020</i>	<i>31st Mar 2019</i>
Group 1	0.3200	—	0.3200	0.3000
Group 2	—	0.3200	0.3200	0.3000

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Mar 2020</i>	<i>31st Mar 2019</i>
Group 1	0.3200	—	0.3200	0.3000
Group 2	—	0.3200	0.3200	0.3000

Group 1 - Units created prior to 1st February 2020

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

## Sixth interim distribution for the period ended 31st March 2020

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Apr 2020</i>	<i>30th Apr 2019</i>
Group 1	0.4284	—	0.4284	0.3903
Group 2	—	0.4284	0.4284	0.3903

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Apr 2020</i>	<i>30th Apr 2019</i>
Group 1	0.4284	—	0.4284	0.3903
Group 2	—	0.4284	0.4284	0.3903

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Apr 2020</i>	<i>30th Apr 2019</i>
Group 1	0.3200	—	0.3200	0.3000
Group 2	—	0.3200	0.3200	0.3000

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Apr 2020</i>	<i>30th Apr 2019</i>
Group 1	0.3201	—	0.3201	0.3000
Group 2	—	0.3201	0.3201	0.3000

Group 1 - Units created prior to 1st March 2020

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



# Distribution Tables (continued)

For the year ended 30th September 2020

In pence per unit

## Seventh interim distribution for the period ended 30th April 2020

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2020</i>	<i>31st May 2019</i>
Group 1	0.2952	—	0.2952	0.3911
Group 2	0.0029	0.2923	0.2952	0.3911

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2020</i>	<i>31st May 2019</i>
Group 1	0.2952	—	0.2952	0.3911
Group 2	0.0028	0.2924	0.2952	0.3911

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2020</i>	<i>31st May 2019</i>
Group 1	0.2200	—	0.2200	0.3000
Group 2	0.0021	0.2179	0.2200	0.3000

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2020</i>	<i>31st May 2019</i>
Group 1	0.2201	—	0.2201	0.3000
Group 2	0.0021	0.2180	0.2201	0.3000

Group 1 - Units created prior to 1st April 2020

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

## Eighth interim distribution for the period ended 31st May 2020

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Jun 2020</i>	<i>30th Jun 2019</i>
Group 1	0.2956	—	0.2956	0.3919
Group 2	—	0.2956	0.2956	0.3919

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Jun 2020</i>	<i>30th Jun 2019</i>
Group 1	0.2957	—	0.2957	0.3920
Group 2	—	0.2957	0.2957	0.3920

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Jun 2020</i>	<i>30th Jun 2019</i>
Group 1	0.2200	—	0.2200	0.3000
Group 2	—	0.2200	0.2200	0.3000

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Jun 2020</i>	<i>30th Jun 2019</i>
Group 1	0.2201	—	0.2201	0.3000
Group 2	—	0.2201	0.2201	0.3000

Group 1 - Units created prior to 1st May 2020

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

# Distribution Tables (continued)

For the year ended 30th September 2020

In pence per unit

## Ninth interim distribution for the period ended 30th June 2020

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jul 2020</i>	<i>31st Jul 2019</i>
Group 1	0.2961	—	0.2961	0.3927
Group 2	—	0.2961	0.2961	0.3927

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jul 2020</i>	<i>31st Jul 2019</i>
Group 1	0.2962	—	0.2962	0.3928
Group 2	—	0.2962	0.2962	0.3928

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jul 2020</i>	<i>31st Jul 2019</i>
Group 1	0.2200	—	0.2200	0.3000
Group 2	—	0.2200	0.2200	0.3000

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jul 2020</i>	<i>31st Jul 2019</i>
Group 1	0.2201	—	0.2201	0.3000
Group 2	—	0.2201	0.2201	0.3000

Group 1 - Units created prior to 1st June 2020

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

## Tenth interim distribution for the period ended 31st July 2020

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Aug 2020</i>	<i>31st Aug 2019</i>
Group 1	0.2965	—	0.2965	0.3935
Group 2	—	0.2965	0.2965	0.3935

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Aug 2020</i>	<i>31st Aug 2019</i>
Group 1	0.2966	—	0.2966	0.3936
Group 2	—	0.2966	0.2966	0.3936

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Aug 2020</i>	<i>31st Aug 2019</i>
Group 1	0.2200	—	0.2200	0.3000
Group 2	—	0.2200	0.2200	0.3000

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Aug 2020</i>	<i>31st Aug 2019</i>
Group 1	0.2201	—	0.2201	0.3000
Group 2	—	0.2201	0.2201	0.3000

Group 1 - Units created prior to 1st July 2020

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

# Distribution Tables (continued)

For the year ended 30th September 2020

In pence per unit

## Eleventh interim distribution for the period ended 31st August 2020

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Sep 2020</i>	<i>30th Sep 2019</i>
Group 1	0.2970	—	0.2970	0.3943
Group 2	—	0.2970	0.2970	0.3943

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Sep 2020</i>	<i>30th Sep 2019</i>
Group 1	0.2970	—	0.2970	0.3944
Group 2	—	0.2970	0.2970	0.3944

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Sep 2020</i>	<i>30th Sep 2019</i>
Group 1	0.2200	—	0.2200	0.3000
Group 2	—	0.2200	0.2200	0.3000

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Sep 2020</i>	<i>30th Sep 2019</i>
Group 1	0.2201	—	0.2201	0.3000
Group 2	—	0.2201	0.2201	0.3000

Group 1 - Units created prior to 1st August 2020

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

## Final distribution for the year ended 30th September 2020

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Oct 2020</i>	<i>31st Oct 2019</i>
Group 1	0.3799	—	0.3799	1.0359
Group 2	—	0.3799	0.3799	1.0359

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Oct 2020</i>	<i>31st Oct 2019</i>
Group 1	0.3798	—	0.3798	1.0349
Group 2	—	0.3798	0.3798	1.0349

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Oct 2020</i>	<i>31st Oct 2019</i>
Group 1	0.2836	—	0.2836	0.7984
Group 2	—	0.2836	0.2836	0.7984

	<i>Net</i>		<i>Paid</i>	<i>Paid</i>
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Oct 2020</i>	<i>31st Oct 2019</i>
Group 1	0.2823	—	0.2823	0.7982
Group 2	—	0.2823	0.2823	0.7982

Group 1 - Units created prior to 1st September 2020

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



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