

HL MULTI-MANAGER UMBRELLA TRUST

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

Directory

Manager and AIFM:

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

Sub-Advisers:

Artemis Investment Management LLP*
Cassini House
57 St James's Street
London SW1A 1LD

Authorised and Regulated by the Financial Conduct Authority

Franklin Templeton Fund Management Limited*
Cannon Place
78 Cannon Street
London EC4N 6HL

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Troy Asset Management Limited*
33 Davies Street
London W1K 4BP

Authorised and Regulated by the Financial Conduct Authority

J O Hambro Capital Management Limited**
Level 3
1 St James's Market
London SW1Y 4AH

Authorised and Regulated by the Financial Conduct Authority

Aviva Investors Global Services Limited**
St Helen's
1 Undershaft
London EC3P 3DQ

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CRUX Asset Management Limited***
48 Pall Mall
St James's
London SW1Y 5JG

Authorised and Regulated by the Financial Conduct Authority

Directory (continued)

Sub-Advisers: (continued)

Royal London Asset Management Limited (appointed 1st October 2020)**
55 Gracechurch Street
London EC3V 0RL

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Jupiter Asset Management Limited (appointed 25th November 2020)*
Zig Zag Building
70 Victoria Street
London SW1 6SQ

Authorised and Regulated by the Financial Conduct Authority

Majedie Asset Management Limited (appointed 14th January 2021)*
10 Old Bailey
London EC4M 7NG

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* Applicable to HL Multi-Manager UK Growth

** Applicable to HL Multi-Manager High Income

*** Applicable to HL Multi-Manager European

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 Multi-Manager UK Growth

Launch Date:	23rd December 2014
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 – 0.75%

HL Multi-Manager European

Launch Date:	6th February 2015
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 – 0.75%

HL Multi-Manager Asia & Emerging Markets

Launch Date:	6th April 2015
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 – 0.75%

HL Multi-Manager Strategic Assets

Launch Date:	26th January 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 – 0.69%

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

General Information (continued)

HL Multi-Manager High Income

Launch Date:	17th March 2016
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 – 0.69%

* 29th February in a leap year.

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

The HL Multi-Manager 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 Funds which are 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, Sunderland SR43 4AS 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 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.

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), 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.

Fund Cross Holdings

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

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)

Taxation - Capital Gains (continued)

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.

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. The Assessment of Value covering the financial year ended 30th September 2021 will be published no later than 31st January 2022.

General Information (continued)

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 2021 is analysed below:

Fixed Remuneration	£1,177,275
Variable Remuneration	£1,280,769
Total	£2,458,044
Full Time Equivalent number of staff:	6.1

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 Funds. Leverage is defined as any method by which a fund increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined by either 'gross' or 'commitment method' and the Funds 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 Funds 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 Funds. 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 Fund. There are no collateral, asset re-use or guarantee arrangements involved in the Manager's current approach to leverage.

The leverage limits and the actual maximum leverage employed at the balance sheet date were:

	Gross Leverage		
	Max limit	Actual 2021 max	Actual 2020 max
HL Multi-Manager UK Growth	132%	101.41%	105.58%
HL Multi-Manager European	220%	100.02%	101.75%
HL Multi-Manager Asia & Emerging Markets	220%	100.82%	100.42%
HL Multi-Manager Strategic Assets	220%	101.90%	100.32%
HL Multi-Manager High Income	220%	100.33%	102.07%

	Commitment Leverage		
	Max limit	Actual 2021 max	Actual 2020 max
HL Multi-Manager UK Growth	110%	100.93%	104.96%
HL Multi-Manager European	110%	100.00%	102.37%
HL Multi-Manager Asia & Emerging Markets	110%	100.88%	100.32%
HL Multi-Manager Strategic Assets	110%	102.29%	100.53%
HL Multi-Manager High Income	110%	100.57%	102.15%

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 Funds 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. 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 a Fund 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. Each Fund'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 Fund's investment objectives, as this will depend (in part) on evolving market conditions and the available investment opportunities over time.

The Fund'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 Fund 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 Fund 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 a Fund. As with any investment, inflation will reduce the real value (i.e. purchasing power) of the capital over time.

All Funds are 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 Fund losing value.

Certain Funds 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 Funds conduct transactions with various counterparties and there is a risk that a 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.

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 5th December 2014. It was granted authorisation by order of the FCA on 5th December 2014.

The Trust is a 'Non-UCITS Retail Scheme' for the purposes of the Rules. This means that units in the Trust are available for investment for all classes of investor in the UK. A Non-UCITS Retail Scheme does not benefit from certain passporting rights under the UCITS Directive (a European Council Directive of 20th December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities).

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.

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 the Trustee and Depositary.

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 Multi-Manager Umbrella Trust (the "Trust") for the year ended 30th September 2021

The Depositary in its capacity as Trustee of the HL Multi-Manager 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 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 Regulations and the Scheme documents of the Trust 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 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 Multi-Manager Umbrella Trust

Opinion

We have audited the financial statements of HL Multi-Manager 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 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 in 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 Multi-Manager 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 Instrument of Incorporation;
- 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 matters in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules 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 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.

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 Multi-Manager 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, the Trust Deed 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 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 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. Collective investment schemes are valued at cancellation prices or quoted bid prices for dual priced funds and at quoted prices for single priced funds.

Investments which are not quoted, or suspended, are stated at the Manager's best estimate of fair value. The Manager's Fair Value Committee, which is independent of the Portfolio Manager's team, provides a recommendation of fair values based on the principles of fair value in accordance with FRS102 and recognised valuation techniques that take account of the cost of the investment, recent arm's length transactions in the same or similar investments, financial performance of the investment, latest dealing prices, achievement or not of key milestones and other relevant factors.

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.

Summary of Significant Accounting Policies

Applicable to All Funds (continued)

For the year ended 30th September 2021

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 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 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 Fund, 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.

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.

Dividends from suspended/unquoted holdings will be recognised when the right to receive payment is established.

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 (excluding those relating to the sale and purchase of investments) are charged initially against revenue except for HL Multi-Manager High Income 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.

Summary of Significant Accounting Policies

Applicable to All Funds (continued)

For the year ended 30th September 2021

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 is 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 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 distributions are paid as dividend 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.

(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 Funds' 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 Funds hold financial instruments which comprise collective investment schemes and transferable securities, 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. With the exception of the Manager's risk management policies for monitoring liquidity risk, 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 Funds 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.

Summary of Significant Accounting Policies

Applicable to All Funds (continued)

For the year ended 30th September 2021

4 Risk Management Policies (continued)

Market Price Risk (continued)

The Funds' investment portfolios are exposed to market price fluctuations which are monitored daily by the Manager in pursuance of the investment objective and policy set out on pages 20, 47, 69, 86, and 107. 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 Funds have three principal areas where they have exposure to foreign currency risk:

- i) Movements in exchange rates affecting the value of investments (being: 1) the collective investment schemes in which the Funds invest where these are denominated in a currency other than GBP, 2) the underlying investments of those collective investment schemes where denominated in a currency other than GBP or 3) transferable securities held directly by the Funds 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 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.

Currency risk comes from exposure to underlying collective investment schemes and transferable securities 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 collective investment schemes or transferable securities held directly by the 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 Funds 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 Funds have minimal direct interest rate risk which only applies to bank balances and overdrafts. Interest on the Fund's bank balances/overdraft is calculated at a variable rate by reference to GBP bank deposit/overdraft rates or the international equivalent.

Summary of Significant Accounting Policies

Applicable to All Funds (continued)

For the year ended 30th September 2021

4 Risk Management Policies (continued)

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 collective investment schemes and direct holdings in transferable securities, 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.

The Funds adopted enhanced liquidity risk management procedures during the financial year. Liquidity of the Funds 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 the Funds' assets over various time periods (based on recent market volumes) and the time required to fully liquidate all the Funds' 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 the Funds' assets. During the previous financial year, no significant risks were identified with regard to investor redemption behaviour, prevailing market conditions or the liquidity of the Funds' assets. 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:

	Normal Market Conditions	Stressed Market Conditions
HL Multi-Manager UK Growth	96.06%	88.69%
HL Multi-Manager European	94.82%	93.71%
HL Multi-Manager Asia & Emerging Markets	94.90%	94.90%
HL Multi-Manager Strategic Assets	99.89%	99.89%
HL Multi-Manager High Income	86.55%	78.04%

As at 30th September 2020:

	Normal Market Conditions	Stressed Market Conditions
HL Multi-Manager UK Growth	98.71%	98.02%
HL Multi-Manager European	81.57%	81.57%
HL Multi-Manager Asia & Emerging Markets	97.40%	97.40%
HL Multi-Manager Strategic Assets	99.76%	99.76%
HL Multi-Manager High Income	89.66%	88.31%

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 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.

Summary of Significant Accounting Policies

Applicable to All Funds (continued)

For the year ended 30th September 2021

4 Risk Management Policies (continued)

Counterparty Risk

Certain transactions in investments that the Funds enter into expose them to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Funds have fulfilled their responsibilities. The Funds only buy and sell 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 Funds.

The Funds' maximum exposure to credit risk, in the event that the counterparties fail to perform their obligations as of 30th September 2021, 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.

HL Multi-Manager UK Growth

Manager's Investment Report For the year ended 30th September 2021

Investment objective

The investment objective of the HL Multi-Manager UK Growth Fund (the "Fund") is to provide long term capital growth.

Investment policy

The Fund will seek to invest, either directly or indirectly via other collective investment schemes and exchange traded funds, at least 80% of its assets in UK equities. Up to 20% of the Fund's assets may be invested (directly or indirectly) in overseas markets and/or fixed income securities, and other permitted investments.

The Fund 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 Fund will invest will generally be established in Europe (including the UK, Jersey and Guernsey).

Subject to the Fund's investment objective, the other permitted investments in which the Fund may, directly or indirectly, invest include other transferable securities (including closed ended funds), money market instruments, deposits and warrants. The Fund may also use derivative instruments and forward transactions for the limited purposes of efficient portfolio management, including hedging.

In order to achieve the investment objective of the Fund, the Manager may allocate all or a portion of the Fund's assets to one or more Sub-Advisers. Each Sub-Adviser will use its own methodology for managing its allocated portion of the Fund's portfolio, subject at all times to the Manager's oversight and the Fund'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 Fund's portfolio.

Performance review

Over the twelve month period to 30th September 2021, the price of the accumulation units increased from 114.42 pence to 148.49 pence, which represents a return of 29.78%. Over the same period, the IA UK All Companies peer group returned an average of 32.49%.

From the close of the initial offer period (23rd January 2015) to 30th September 2021, the price of the accumulation units has increased from 100 pence to 148.49 pence, a gain of 48.49%. Over the same period, the IA UK All Companies peer group gained an average of 50.49%.

	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	30/09/20 to 30/09/21
HL Multi-Manager UK Growth	14.41%	5.10%	-3.58%	-12.90%	29.78%
IA UK All Companies	13.84%	5.63%	0.08%	-13.13%	32.49%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2021, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2016 to 30/09/2018, Bid to NAV from 30/09/2018 to 30/09/2019, NAV to NAV from 30/09/2019 to 30/09/2021.

HL Multi-Manager UK Growth

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:

Purchases	£'000	Sales	£'000
LF Lindsell Train UK Equity	1,714	Majedie UK Equity	15,476
Boohoo Group	1,703	Merian UK Dynamic Equity	12,242
Electrocomponents	1,369	Marlborough Multi Cap Income	3,775
THG	1,363	J O Hambro UK Equity Income	2,550
Bellway	1,300	Marlborough UK Micro-Cap Growth	2,226
Ascential	992	Jupiter UK Special Situations	1,442
JET2	883	LF Lindsell Train UK Equity	1,144
Gamma Communications	878	Phoenix Group Holdings	931
Unilever	820	THG	868
Unite Group	793	Unite Group	849
Total purchases during the year were	63,028	Total sales during the year were	65,335

As at 30th September 2021, the LF Equity Income Fund position was valued based on the latest available 'indicative price' produced by Link Fund Solutions available at the 11am valuation point. This price reflected relevant developments from the suspension of the Fund up to the date of the valuation and other factors pertinent to the valuation.

On 15th October 2019, Link Fund Solutions announced that, as Authorised Corporate Director, it had terminated Woodford Investment Management's contract to manage the LF Woodford Equity Income Fund with immediate effect. The Fund is in the process of winding up and returning resulting cash to investors at the earliest opportunity. This process began in January 2020 and partial distributions resulted in the Fund as a unitholder receiving proceeds as detailed below;

30/01/2020 – 58.9936 pence per unit - £8,218,754

25/03/2020 – 3.9765 pence per unit - £553,990

26/08/2020 – 5.0869 pence per unit - £708,687

11/12/2020 – 2.7351 pence per unit - £381,043

The capital distributions received have been accounted within the capital gains/losses reported within the statement of total return.

Specialist broker PJT Partners (UK) Limited (Park Hill) was appointed as transition manager to assist in selling the portfolio of unlisted/highly illiquid listed assets. BlackRock Advisors (UK) Limited was appointed as transition manager to prepare the listed portfolio for the winding up of the Fund, which we understand has now been realised.

HL Multi-Manager UK Growth

Manager's Investment Report (continued)

For the year ended 30th September 2021

Performance review (continued)

The name of the LF Woodford Equity Income Fund has been amended to reflect the fact that Woodford Investment Management is no longer the investment manager to the Fund. The name of the Company, the umbrella fund of which the Fund is a sub-fund, has also been amended. Consequently, the name of the Fund changed from "LF Woodford Equity Income Fund" to "LF Equity Income Fund", and the name of the Company changed from "LF Woodford Investment Fund" to "LF Investment Fund".

Hargreaves Lansdown Fund Managers Limited

1st October 2021

HL Multi-Manager UK Growth

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>
UK Funds – 54.98% (74.35%)			
11,677,291	AXA WF - Framlington UK	19,084	10.07
4,441,818	J O Hambro UK Equity Income	17,150	9.05
6,235,157	Jupiter UK Special Situations	16,561	8.74
13,931,602	LF Equity Income≈	484	0.26
8,514,648	LF Lindsell Train UK Equity	17,446	9.21
2,946,000	Marlborough Multi Cap Income	7,151	3.77
1,009,165	Marlborough UK Micro-Cap Growth	13,069	6.90
18,213,011	Threadneedle UK Equity Alpha Income†	13,228	6.98
		104,173	54.98
UK Equities – 40.46% (21.60%)			
118,817	3i Group	1,519	0.80
93,733	3i Infrastructure	290	0.15
6,748	4imprint Group	204	0.11
9,358	Admiral Group	291	0.15
120,096	AJ Bell	485	0.26
46,154	Alpha FX Group	914	0.48
36,407	Anglo American	952	0.50
188,145	Ascential	771	0.41
55,000	Ashmore Group	190	0.10
7,218	Ashtead Group	410	0.22
317,347	Assura	230	0.12
14,186	AstraZeneca	1,270	0.67
40,698	Auction Technology Group	538	0.28
55,205	Auto Trader Group	328	0.17
15,260	Aveva Group	557	0.29
159,729	Aviva	637	0.34
9,000	Avon Protection	175	0.09
25,283	BAE Systems	144	0.08
415,081	Barclays	788	0.41
47,553	Bellway	1,549	0.82
2,833	BHP Group	54	0.03
7,124	Big Yellow Group	101	0.05
38,000	Bodycote	337	0.18
539,013	Boohoo Group	1,253	0.66
174,758	BP	595	0.31
13,260	British American Tobacco	354	0.19
30,227	Burberry Group	550	0.29
102,801	Bytes Technology Group	526	0.28
252,056	C&C Group	590	0.31
155,982	Card Factory	85	0.04
189,098	Centrica	107	0.06
154,233	Chemring Group	495	0.26

HL Multi-Manager UK Growth

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>
UK Equities – 40.46% (21.60%) (continued)			
130,410	CMO Group	258	0.14
51,255	Compass Group	796	0.42
40,702	ConvaTec Group	88	0.05
6,500	Cranswick	234	0.12
7,853	Croda International	666	0.35
130,663	Currys	174	0.09
126,061	Daily Mail & General Trust	1,351	0.71
155,999	De La Rue	288	0.15
8,000	Derwent London	281	0.15
89,243	DFS Furniture	234	0.12
32,744	Diageo	1,187	0.63
11,772	Diploma	340	0.18
203,516	Direct Line Insurance Group	588	0.31
10,329	discoverIE Group	108	0.06
167,075	Domino's Pizza Group	666	0.35
95,630	Dr. Martens	369	0.19
40,753	Dunelm Group	585	0.31
572,417	DX Group	175	0.09
51,241	easyJet	339	0.18
184,263	Electrocomponents	2,010	1.06
26,459	Ergomed	339	0.18
51,148	Essentra	137	0.07
18,000	Euromoney Institutional Investor	184	0.10
28,906	Experian	906	0.48
27,948	Fevertree Drinks	661	0.35
139,607	FirstGroup	121	0.06
95,405	Foresight	416	0.22
29,414	Future	1,103	0.58
2,000	Games Workshop Group	211	0.11
50,151	Gamma Communications	917	0.48
63,498	Genuit Group	443	0.23
85,859	GlaxoSmithKline	1,212	0.64
70,941	Grafton Group	925	0.49
108,000	Grainger	331	0.17
16,272	Greggs	492	0.26
123,524	Hays	202	0.11
26,339	Hiscox	222	0.12
16,201	HomeServe	148	0.08
1,671	Hotel Chocolat Group	7	–
41,500	Howden Joinery Group	374	0.20
27,550	HSBC	108	0.06
189,478	Hyve Group	212	0.11
75,260	IG Group	611	0.32
47,632	Imperial Brands	752	0.40

HL Multi-Manager UK Growth

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>
UK Equities – 40.46% (21.60%) (continued)			
25,000	Inchcape	207	0.11
59,051	Indivior	129	0.07
88,838	Informa	495	0.26
104,353	IntegraFin Holdings	546	0.29
6,254	InterContinental Hotels Group	304	0.16
92,925	International Public Partnerships	151	0.08
6,970	Intertek Group	345	0.18
321,059	ITV	346	0.18
17,118	JD Wetherspoon	179	0.09
55,837	JET2	723	0.38
36,729	JTC	270	0.14
1,343,262	Jubilee Metals Group	208	0.11
57,327	Keystone Law Group	467	0.25
263,273	Kier Group	318	0.17
193,147	Kin & Carta	562	0.30
79,970	Knights Group	345	0.18
71,673	Lancashire Holdings	406	0.21
314,677	Legal & General Group	884	0.47
17,000	Liontrust Asset Management	362	0.19
13,040	London Stock Exchange Group	971	0.51
281,256	LondonMetric Property REIT	686	0.36
62,938	Loungers	181	0.10
80,255	Made.com Group	110	0.06
29,672	Marks & Spencer Group	56	0.03
24,464	Marlowe	206	0.11
70,351	Marshalls	534	0.28
48,880	Mears Group	100	0.05
127,299	Mitie Group	89	0.05
11,101	Mondi	202	0.11
70,485	Moneysupermarket.com Group	150	0.08
28,492	Moonpig Group	93	0.05
43,194	National Grid	386	0.20
209,866	NatWest Group	470	0.25
12,394	Next	1,025	0.54
293,036	NextEnergy Solar Fund	294	0.16
233,128	OSB Group	1,181	0.62
7,450	Oxford Nanopore Technologies	46	0.02
50,000	Pagegroup	313	0.17
50,000	Paragon Banking Group	274	0.14
91,980	Pearson	667	0.35
150,611	Pets at Home Group	742	0.39
153,906	Primary Health Properties	235	0.12
47,378	PZ Cussons	107	0.06
154,352	QinetiQ Group	493	0.26

HL Multi-Manager UK Growth

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>
	UK Equities – 40.46% (21.60%) (continued)		
13,000	Rathbone Brothers	261	0.14
46,894	Reach	169	0.09
18,798	Reckitt Benckiser Group	1,106	0.58
40,000	Redrow	266	0.14
79,715	RELX	1,736	0.92
270,436	Restaurant Group	285	0.15
73,000	Restore	350	0.18
292,551	Revolution Beauty Group	430	0.23
2,412	Rio Tinto	118	0.06
78,000	Rotork	271	0.14
45,580	Royal Dutch Shell 'B'	757	0.40
22,000	RWS Holdings	140	0.07
108,165	S4 Capital	897	0.47
90,484	Sabre Insurance Group	199	0.11
9,833	Safestore	105	0.06
51,779	Sage Group	370	0.20
9,956	Schroders	359	0.19
127,394	Secure Income REIT	534	0.28
110,701	Seraphine Group	210	0.11
464,498	Serco Group	625	0.33
9,265	Smith & Nephew	121	0.06
55,086	Smiths Group	795	0.42
7,000	Spectris	273	0.14
260,531	Spirent Communications	733	0.39
143,513	SSP Group	398	0.21
60,385	St James's Place	915	0.48
16,594	Standard Chartered	73	0.04
74,561	SThree	432	0.23
32,648	Supreme	62	0.03
67,313	Synthomer	335	0.18
92,890	Taylor Wimpey	145	0.08
458,864	Tesco	1,178	0.62
81,642	THG	430	0.23
32,200	Travis Perkins	499	0.26
32,974	Unilever	1,336	0.71
15,000	Unite Group	166	0.09
120,659	Vesuvius	585	0.31
14,787	Victrex	357	0.19
29,005	Vistry Group	348	0.18
20,000	Vitec Group	303	0.16
63,000	Volution Group	317	0.17
31,946	Watches of Switzerland Group	304	0.16
19,180	Weir Group	321	0.17
10,699	WH Smith	184	0.10

HL Multi-Manager UK Growth

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>
	UK Equities – 40.46% (21.60%) (continued)		
1,170	Whitbread	39	0.02
98,488	Wickes Group	226	0.12
9,699	Wizz Air	495	0.26
47,417	Wm Morrison Supermarkets	139	0.07
8,905	WPP	89	0.05
		76,704	40.46
	Canada Equities – 0.04% (0.00%)		
5,310	Barrick Gold	69	0.04
	Denmark Equities – 0.06% (0.00%)		
54	AP Moller - Maersk	111	0.06
	France Equities – 0.04% (0.00%)		
2,203	Total	79	0.04
	Ireland Equities – 0.23% (0.25%)		
124,482	Origin Enterprises	337	0.18
6,516	Ryanair	93	0.05
		430	0.23
	Japan Equities – 0.28% (0.00%)		
1,500	Nintendo	536	0.28
	Netherlands Equities – 0.82% (1.12%)		
12,465	Corbion	450	0.24
39,615	Koninklijke KPN	93	0.05
3,559	Koninklijke Philips	119	0.06
467	NXP Semiconductors	69	0.04
10,196	Wolters Kluwer	814	0.43
		1,545	0.82
	Spain Equities – 0.13% (0.22%)		
17,339	Ebro Foods	245	0.13
	Switzerland Equities – 0.38% (0.39%)		
6,358	Nestle	573	0.30

HL Multi-Manager UK Growth

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>
	Switzerland Equities – 0.38% (0.39%) (continued)		
561	Roche	153	0.08
		726	0.38
	US Equities – 1.60% (1.32%)		
3,838	American Express	489	0.26
2,203	CME Group	321	0.17
1,100	eBay	57	0.03
1,157	Equifax	221	0.12
971	Etsy	148	0.08
4,021	Medtronic	378	0.20
1,738	Newmont	69	0.04
8,496	Paychex	681	0.36
4,174	Procter & Gamble	441	0.23
1,222	Visa	206	0.11
		3,011	1.60
	Forward FX Currency Contracts – 0.00% (-0.01%)		
EUR (2,021,000)	Sold EUR, Bought GBP 1,738,383 for settlement on 10/12/2021	(5)	–
JPY (71,870,000)	Sold JPY, Bought GBP 474,098 for settlement on 10/12/2021	(3)	–
		(8)	–
	Portfolio of investments – 99.02% (99.24%)	187,621	99.02
	Net other assets – 0.98% (0.76%)	1,862	0.98
	Net assets	189,483	100.00

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

All Collective Investment Schemes are in accumulation shares/units unless otherwise stated.

† Income shares/units.

≠ Suspended security since 3rd June 2019.

HL Multi-Manager UK Growth

Portfolio Statement (continued)

As at 30th September 2021

≈ The name of the LF Woodford Equity Income Fund has been amended to reflect the fact that Woodford Investment Management is no longer the investment manager to the Fund. The name of the Company, the umbrella fund of which the Fund is a sub-fund, has also been amended. Consequently, the name of the Fund changed from "LF Woodford Equity Income Fund" to "LF Equity Income Fund", and the name of the Company changed from "LF Woodford Investment Fund" to "LF Investment Fund".

On 15th October 2019, Link Fund Solutions announced that, as Authorised Corporate Director, it had terminated Woodford Investment Management's contract to manage the LF Woodford Equity Income Fund with immediate effect. The Fund is in the process of winding up and returning resulting cash to investors at the earliest opportunity. This process began in January 2020 and partial distributions were made to unitholders on 30th January, 25th March, 26th August and 11th December 2020.

Specialist broker PJT Partners (UK) Limited (Park Hill) was appointed as transition manager to assist in selling the portfolio of unlisted/highly illiquid listed assets. BlackRock Advisors (UK) Limited was appointed as transition manager to prepare the listed portfolio for the winding up of the Fund, which we understand has now been realised.

As at 30th September 2021, the LF Equity Income Fund position was valued based on the latest available price at the 11am valuation point produced by Link Fund Solutions. This price reflected relevant developments from the suspension of the Fund up to the date of the valuation and other factors pertinent to the valuation.

HL Multi-Manager UK Growth

Fund Information

The Comparative Table on page 32 gives the performance of the only active unit class in the Fund.

The 'Return after charges' disclosed in the Comparative Table 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.

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 Fund 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.

HL Multi-Manager UK Growth

Fund Information (continued)

Comparative Table

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	114.42	131.34	136.20
Return before operating charges*	35.78	(15.29)	(3.13)
Operating charges (calculated on average price)	(1.81)	(1.63)	(1.73)
Return after operating charges*	33.97	(16.92)	(4.86)
Distributions	(1.85)	(2.48)	(2.96)
Distributions on accumulation units	1.85	2.48	2.96
Closing net asset value per unit	148.39	114.42	131.34

* after direct transaction costs of**:

	0.11	0.07	0.08
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Performance

Return after charges	29.69%	(12.88)%	(3.57)%
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Other information

Closing net asset value (£'000)	189,483	149,023	192,224
Closing number of units	127,694,415	130,239,714	146,356,978
Operating charges†	1.32%	1.33%	1.35%
Direct transaction costs	0.08%	0.06%	0.06%

Prices[^]

Highest offer price	–	–	140.79
Lowest bid price	–	–	126.67
Highest mid price	153.13	141.85	133.93
Lowest mid price	110.49	89.30	117.34

** 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.

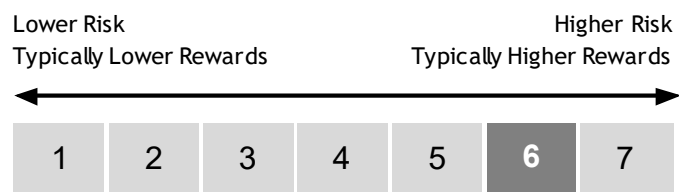
† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic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

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

HL Multi-Manager UK Growth

Fund Information (continued)

Synthetic Risk and Reward Indicator ("SRRI")



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 changed from 5 to 6.

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 Multi-Manager UK Growth

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		41,203		(27,629)
Revenue	7	4,082		4,824	
Expenses	8	(1,753)		(1,503)	
Interest payable and similar charges	10	(5)		(10)	
Net revenue before taxation		2,324		3,311	
Taxation	9	(19)		(5)	
Net revenue after taxation			2,305		3,306
Total return before distributions			43,508		(24,323)
Distributions	10		(2,362)		(3,483)
Change in net assets attributable to unitholders from investment activities			41,146		(27,806)

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
Opening net assets attributable to unitholders		149,023		192,224
Amounts receivable on issue of units	20,359		20,886	
Amounts payable on cancellation of units	(23,396)		(39,613)	
		(3,037)		(18,727)
Dilution levy		2		9
Change in net assets attributable to unitholders from investment activities		41,146		(27,806)
Retained distribution on accumulation units		2,349		3,323
Closing net assets attributable to unitholders		189,483		149,023

HL Multi-Manager UK Growth

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>
ASSETS			
Fixed assets:			
Investments		187,629	147,901
Current assets:			
Debtors	11	821	929
Cash and cash equivalents	12	1,696	1,474
Total assets		190,146	150,304
LIABILITIES			
Investment liabilities		(8)	(10)
Creditors:			
Bank overdraft	12	–	(637)
Other creditors	13	(655)	(634)
Total liabilities		(663)	(1,281)
Net assets attributable to unitholders		189,483	149,023

HL Multi-Manager UK Growth

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 to 17 of the Summary of Significant Accounting Policies Applicable to All Funds.

3 Distribution Policies

The distribution policies for note 3 are provided on page 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 20 of the Summary of Significant Accounting Policies Applicable to All Funds.

5 Net Capital Gains/(Losses)

	<i>30/09/21</i> <i>£'000</i>	<i>30/09/20</i> <i>£'000</i>
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	40,833	(27,969)
Currency gains	17	84
Forward currency contracts	118	(136)
Transaction charges	(8)	(8)
Equalisation received on distributions from underlying funds	9	121
Annual management charge rebates	234	279
Total Net Capital Gains/(Losses)	41,203	(27,629)

The net capital gains/(losses) figure above includes movement of unrealised gains/(losses) and realised gains of £37,941,535 and £2,890,718 respectively. (30th September 2020: £(34,249,261) and £6,280,160 respectively).

HL Multi-Manager UK Growth

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 31.

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
Purchases						
Collective Investment Schemes	2,615	–	–	2,615	–	–
Equities	60,284	4	125	60,413	0.01	0.21
Transaction cost % of purchases		0.01	0.20			
Sales						
Collective Investment Schemes	38,855	–	–	38,855	–	–
Equities	26,491	(3)	(8)	26,480	0.01	0.03
Transaction cost % of sales		–	0.01			
Total cost of the Fund's average NAV (%)		–	0.08			

HL Multi-Manager UK Growth

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

6 Purchases, Sales and Transaction Costs (continued)

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
Purchases						
Collective Investment Schemes	21,665	–	–	21,665	–	–
Equities	25,894	9	99	26,002	0.03	0.38
Transaction cost % of purchases		0.02	0.21			
Sales						
Collective Investment Schemes	44,350	–	–	44,350	–	–
Equities	12,965	(5)	–	12,960	0.04	–
Transaction cost % of sales		0.01	–			
Total cost of the Fund's average NAV (%)		0.01	0.06			

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.13% (30th September 2020: 0.05%). 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
Annual management charge rebates	57	114
Bank interest	–	1
Distributions from underlying funds	1,925	3,263
Franked PID revenue	7	14
Franked UK dividends	1,605	783
Offshore dividend CIS revenue	180	494
Overseas dividends	235	104
Unfranked PID revenue	73	51
Total Revenue	4,082	4,824

HL Multi-Manager UK Growth

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

8 Expenses

	30/09/21 £'000	30/09/20 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	<u>1,314</u>	<u>1,276</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee and Depositary's fee	19	18
Safe custody fee	<u>2</u>	<u>2</u>
	21	20
Other expenses:		
Audit fee	8	8
VAT on audit fee	2	1
Accounting and administration fee	23	31
Automated transaction provider fee	6	6
Publication costs	2	2
Registrar fees	24	11
Sub-adviser fee	<u>353</u>	<u>148</u>
	418	207
Total Expenses	<u>1,753</u>	<u>1,503</u>

9 Taxation

	30/09/21 £'000	30/09/20 £'000
(a) Analysis of charge for the year		
Overseas withholding tax	<u>19</u>	<u>5</u>
Total current tax charge (note 9b)	19	5
Deferred tax (note 9c)	<u>-</u>	<u>-</u>
Total Taxation	<u>19</u>	<u>5</u>

HL Multi-Manager UK Growth

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

9 Taxation (continued)

(b) Factors affecting 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>2,324</u>	<u>3,311</u>
Corporation Tax at 20%	465	662
Effects of:		
Excess management expenses not utilised	279	215
Non-taxable dividends	(744)	(911)
Non-taxable overseas dividends	(47)	(21)
Overseas withholding tax	19	5
Tax effect on capital management charge rebates	47	56
Tax payable in different periods	–	(1)
Total tax charge for the year (note 9a)	<u>19</u>	<u>5</u>
(c) Deferred tax charge for the year		
Provision at the start of the year	–	–
Deferred tax charge in the year	–	–
Provision at the end of the year	<u>–</u>	<u>–</u>

The Fund has not recognised a deferred tax asset of £1,526,029 (30th September 2020: £1,247,980) as a result of excess management expenses of £7,630,143 (30th September 2020: £6,239,899). These expenses are not expected to be utilised in the foreseeable future unless the nature of the Fund or its investment objective changes.

HL Multi-Manager UK Growth

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	733	1,796
Final accumulation	1,616	1,527
	2,349	3,323
Add: Revenue deducted on cancellation of units	92	303
Deduct: Revenue received on issue of units	(79)	(143)
Net distribution for the year	2,362	3,483
Interest	5	10
Total Distribution	2,367	3,493

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

Net revenue after taxation	2,305	3,306
Equalisation received on distributions from underlying funds	10	121
Tax effect on expenses offset against capital	47	56
	2,362	3,483

Details of the distribution per unit are set out in the distribution tables on page 48.

11 Debtors

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Amounts receivable for issue of units	166	50
Annual management charge rebates	177	183
Franked UK dividends receivable	199	69
Overseas dividends receivable	22	8
Overseas tax recoverable	8	2
Sales awaiting settlement	238	607
Unfranked PID recoverable	11	10
Total Debtors	821	929

HL Multi-Manager UK Growth

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

12 Cash and Cash Equivalents

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Bank balances	1,696	1,474
Total bank balances	1,696	1,474
Bank overdrafts	–	(637)
Total bank overdrafts	–	(637)

13 Other Creditors

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Accrued expenses	181	159
Amounts payable for cancellation of units	367	456
Purchases awaiting settlement	107	19
Total Other Creditors	655	634

Transaction charges, trustee fees and safe custody fees paid to Northern Trust 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 £9,956 (30th September 2020: £8,352).

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. Management fee rebates received during the year or due from the Manager are shown in note 5, note 7 and note 11. 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 of 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 £118,876 (30th September 2020: £92,692).

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

	<i>30/09/20</i>	<i>30/09/20</i>
Class A Accumulation units	99.86%	99.94%

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

HL Multi-Manager UK Growth

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

15 Related Parties (continued)

At the year end, HL Multi-Manager UK Growth held no shares in any Fund or collective investment scheme managed by associated companies of the Manager (30th September 2020: £Nil).

As at year end, the Manager has five third party sub-advisors appointed to provide investment management and advisory services to the Manager in respect of the Fund. The sub-adviser fees paid to these sub-advisors are disclosed in note 8 and amounts due to sub-advisors as the balance sheet are disclosed under note 13.

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 48. All units have the same rights on winding up.

The Manager's service charge for the class of each unit up to 28th June 2021 is as follows:

Class A	0.75%
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Effective 28th June 2021, the Manager's service charge is calculated using the following tiered rates.

Less than £1 billion	0.75%
Equal to or greater than £1 billion but less than £2 billion	0.70%
Equal to or greater than £2 billion but less than £3 billion	0.65%
Equal to or greater than £3 billion	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>Closing Units</i>
Class A Accumulation	130,239,714	14,959,059	(17,504,358)	127,694,415

17 Risk Disclosures

Market Price Risk

Market price risk – risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

A 5% increase in the prices of the Fund's portfolio would have the effect of increasing the return and net assets by £9,381,048 (30th September 2020: £7,394,562). A 5% decrease would have an equal and opposite effect.

HL Multi-Manager UK Growth

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 20.

Currency exposure as at 30th September 2021

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Danish Kroner	–	111	111
Euro	3	486	489
Japanese Yen	–	59	59
Sterling	1,855	183,090	184,945
Swiss Franc	4	726	730
US Dollar	–	3,149	3,149
	1,862	187,621	189,483

Currency exposure as at 30th September 2020

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Euro	2	223	225
Sterling	1,130	145,361	146,491
Swiss Franc	–	582	582
US Dollar	–	1,725	1,725
	1,132	147,891	149,023

A 5% increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £226,938 (30th September 2020: 126,528). A 5% decrease would have an equal and opposite effect.

Interest Rate Risk

Interest rate risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

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

HL Multi-Manager UK Growth

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 20.

The Manager monitors the Fund'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 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, 96.06% (30th September 2020: 98.71%) of the investments could be disposed under normal conditions and 88.69% (30th September 2020: 98.02%) under stressed market conditions.

Counterparty Risk

Counterparty risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

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 20.

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 Multi-Manager UK Growth

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

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Collective Investment Schemes	–	103,689	484	104,173
Equities	83,456	–	–	83,456
Total	83,456	103,689	484	187,629
Liabilities				
Forward Currency Contracts	–	(8)	–	(8)
Total	–	(8)	–	(8)

Valuation technique as at 30th September 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Collective Investment Schemes	–	109,689	1,105	110,794
Equities	37,107	–	–	37,107
Forward Currency Contracts	–	–	–	–
Total	37,107	109,689	1,105	147,901
Liabilities				
Forward Currency Contracts	–	(10)	–	(10)
Total	–	(10)	–	(10)

The Fund 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.

The Fund invested in a collective investment scheme, LF Equity Income Fund (formerly LF Woodford Equity Income Fund), which has been suspended and is categorised within Level 3 of the fair value hierarchy. The Fund's valuation is based on the NAV per unit/share published by the Authorised Corporate Director of the collective investment scheme available at the 11am valuation point on 30th September 2021 which has been adjusted to reflect the relevant developments since the suspension of the collective investment scheme and other factors pertinent to the valuation.

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.

HL Multi-Manager UK Growth

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

17 Risk Disclosures (continued)

Fair Value (continued)

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	148.49	146.50	(1.34)

HL Multi-Manager UK Growth

Distribution Tables

For the year ended 30th September 2021

In pence per unit

Interim accumulation 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>31st May 2021</i>	<i>31st May 2020</i>
Group 1	0.5797	–	0.5797	1.3047
Group 2	0.1613	0.4184	0.5797	1.3047

Group 1 - Units created prior to 1st October 2020

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

Final accumulation 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	1.2653	–	1.2653	1.1726
Group 2	0.6282	0.6371	1.2653	1.1726

Group 1 - Units created prior to 1st April 2021

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

HL Multi-Manager European

Manager's Investment Report

For the year ended 30th September 2021

Investment objective

The investment objective of the HL Multi-Manager European Fund (the "Fund") is to provide long term capital growth.

Investment policy

The Fund will seek to invest, either directly or indirectly via other collective investment schemes and exchange traded funds, at least 80% of its assets in European equities (excluding the UK). Up to 20% of the Fund's assets may be invested (directly or indirectly) in other non-European (including the UK) equity markets and/or fixed income securities, and other permitted investments.

The Fund 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 Fund will invest will generally be established in Europe (including the UK, Jersey and Guernsey).

Subject to the Fund's investment objective, the other permitted investments in which the Fund may, directly or indirectly, invest include other transferable securities (including closed ended funds), money market instruments, deposits and warrants. The Fund may also use derivative instruments and forward transactions for the limited purposes of efficient portfolio management, including hedging.

In order to achieve the investment objective of the Fund, the Manager may allocate all or a portion of the Fund's assets to one or more Sub-Advisers. Each Sub-Adviser will use its own methodology for managing its allocated portion of the Fund's portfolio, subject at all times to the Manager's oversight and the Fund'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 Fund's portfolio.

Performance review

Over the twelve month period to 30th September 2021, the price of the accumulation units increased from 166.25 pence to 202.07 pence, a gain of 21.55%. Over the same period the IA Europe (Excluding UK) peer group returned an average of 22.39%.

From the close of the initial offer period (26th February 2015) to 30th September 2021, the price of the accumulation units has increased from 100 pence to 202.07 pence, a gain of 102.07%. Over the same period, the IA Europe (Excluding UK) peer group returned an average of 82.19%.

	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	30/09/20 to 30/09/21
HL Multi-Manager European	17.75%	6.42%	2.51%	7.70%	21.55%
IA Europe (Excluding UK)	22.09%	1.81%	1.96%	3.48%	22.39%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2021, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2016 to 30/09/2018. Bid to NAV from 30/09/2018 to 30/09/2019, NAV to NAV from 30/09/2019 to 31/09/2021.

HL Multi-Manager European

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:

Purchases	£'000	Sales	£'000
Schroder European	9,838	BlackRock European Dynamic	9,676
Just Eat Takeaway.com	1,046	Threadneedle European Select	5,681
Jupiter European Smaller Companies	1,006	Barings Europe Select	2,000
Grifols	531	Jupiter European Smaller Companies	1,138
GN Store Nord	511	Vivendi	704
Ubisoft Entertainment	468	Airbus	521
Software AG	447	Sulzer	504
Telecom Plus	421	Gamesys Group	469
STMicroelectronics	408	Kerry	460
Visa	405	Ubisoft Entertainment	420
Total purchases during the year were	20,174	Total sales during the year were	28,041

Hargreaves Lansdown Fund Managers
1st October 2021

HL Multi-Manager European

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>
	Europe Funds – 84.46% (84.56%)		
581,116	Barings Europe Select†	30,944	15.34
9,630,594	BlackRock European Dynamic	25,617	12.70
582,922	Jupiter European	20,112	9.97
7,755,580	Jupiter European Smaller Companies	12,067	5.98
5,413,895	Legal & General European Index Trust	30,215	14.97
16,779,883	Schroder European	25,036	12.41
8,822,463	Threadneedle European Select	26,404	13.09
		170,395	84.46
	UK Equities – 0.40% (0.61%)		
28,297	Plus500	397	0.20
32,968	Telecom Plus	402	0.20
		799	0.40
	Austria Equities – 0.73% (0.53%)		
15,374	AMS	207	0.10
27,126	BAWAG Group	1,270	0.63
		1,477	0.73
	China Equities – 0.15% (0.31%)		
2,811	Alibaba Group	308	0.15
	Denmark Equities – 1.00% (0.55%)		
3,160	DSV Panalpina	568	0.28
9,229	GN Store Nord	477	0.24
13,323	Novo Nordisk	960	0.48
		2,005	1.00
	Finland Equities – 0.60% (0.39%)		
40,215	Nordea Bank Abp	385	0.19
22,464	Sampo	829	0.41
		1,214	0.60
	France Equities – 1.83% (2.42%)		
21,192	Bureau Veritas	488	0.24
5,531	EssilorLuxottica	808	0.40
1,004	LVMH Moet Hennessy Louis Vuitton	543	0.27
8,483	Rubis	220	0.11

HL Multi-Manager European

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>
	France Equities – 1.83% (2.42%) (continued)		
7,734	Schneider Electric	953	0.47
31,622	SPIE	536	0.27
15,325	Vivendi	144	0.07
		3,692	1.83
	Germany Equities – 1.81% (2.44%)		
66,649	Aroundtown	346	0.17
8,708	Brenntag	599	0.30
6,368	Deutsche Boerse	774	0.38
3,142	Porsche Automobil	232	0.11
3,979	SAP	404	0.20
13,879	Software	476	0.24
6,297	Stabilus	326	0.16
8,230	Stroeer	506	0.25
		3,663	1.81
	Ireland Equities – 0.36% (0.29%)		
18,616	Smurfit Kappa Group	729	0.36
	Italy Equities – 0.45% (0.51%)		
66,680	FinecoBank Banca Fineco	903	0.45
	Netherlands Equities – 2.03% (1.46%)		
8,248	Aalberts	356	0.18
14,071	Just Eat Takeaway.com	786	0.39
16,275	Prosus	972	0.48
15,324	STMicroelectronics	496	0.25
15,325	Universal Music Group	304	0.15
19,225	Van Lanschot Kempen	441	0.22
8,971	Wolters Kluwer	716	0.36
		4,071	2.03
	Norway Equities – 0.21% (0.19%)		
32,754	Atea	430	0.21
	Spain Equities – 0.30% (0.11%)		
56,010	Grifols	615	0.30

HL Multi-Manager European

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>
	Sweden Equities – 1.05% (1.00%)		
68,919	Bravida	685	0.34
47,863	Coor Service Management	332	0.16
65,267	Dustin	515	0.26
37,604	Trelleborg	593	0.29
		2,125	1.05
	Switzerland Equities – 2.43% (2.72%)		
227	Givaudan	768	0.38
4,308	Kuehne & Nagel International	1,108	0.55
13,515	Novartis	831	0.41
1,710	Roche	466	0.23
403	SGS	872	0.43
33,072	Softwareone	541	0.27
1,060	Zurich Insurance Group	325	0.16
		4,911	2.43
	US Equities – 1.79% (1.18%)		
735	Alphabet	1,469	0.73
1,693	Autodesk	362	0.18
22,295	Cargurus	516	0.26
3,095	Facebook	781	0.39
2,785	Visa	469	0.23
		3,597	1.79
	Forward FX Currency Contracts – 0.00% (0.00%)		
	Portfolio of investments – 99.60% (99.27%)	200,934	99.60
	Net other assets – 0.40% (0.73%)	810	0.40
	Net assets	201,744	100.00

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

All Collective Investment Schemes are in accumulation shares/units unless otherwise stated.

† Income shares/units.

HL Multi-Manager European

Fund Information

The Comparative Table on page 55 gives the performance of the only active unit class in the Fund.

The 'Return after charges' disclosed in the Comparative Table 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 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.

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 Fund 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.

HL Multi-Manager European

Fund Information (continued)

Comparative Table

Class A Accumulation Units

Change in Net Asset Value per Unit

	<i>30/09/21</i> <i>(pence per</i> <i>unit)</i>	<i>30/09/20</i> <i>(pence per</i> <i>unit)</i>	<i>30/09/19</i> <i>(pence per</i> <i>unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	166.12	154.35	149.87
Return before operating charges*	38.31	13.83	6.60
Operating charges (calculated on average price)	(2.41)	(2.06)	(2.12)
Return after operating charges*	35.90	11.77	4.48
Distributions	(0.34)	(0.70)	(1.09)
Distributions on accumulation units	0.34	0.70	1.09
Closing net asset value per unit	202.02	166.12	154.35
* after direct transaction costs of**:	0.01	0.01	–

Performance

Return after charges	21.61%	7.63%	2.99%
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Other information

Closing net asset value (£'000)	201,744	172,860	177,454
Closing number of units	99,861,109	104,055,934	114,967,609
Operating charges†	1.29%	1.34%	1.47%
Direct transaction costs	0.01%	0.01%	–%

Prices[^]

Highest offer price	–	–	155.18
Lowest bid price	–	–	136.05
Highest mid price	211.70	170.14	158.06
Lowest mid price	157.38	116.24	128.83

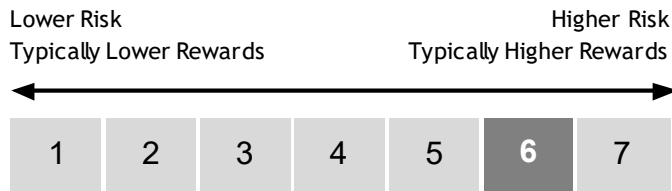
** Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the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

† 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.

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

HL Multi-Manager European Fund Information (continued)

Synthetic Risk and Reward Indicator ("SRRI")



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 Multi-Manager European

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		36,428		10,678
Revenue	7	1,932		1,947	
Expenses	8	(1,654)		(1,344)	
Interest payable and similar charges	10	(3)		–	
Net revenue before taxation		275		603	
Taxation	9	(151)		–	
Net revenue after taxation			124		603
Total return before distributions			36,552		11,281
Distributions	10		(351)		(781)
Change in net assets attributable to unitholders from investment activities			36,201		10,500

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
Opening net assets attributable to unitholders		172,860		177,454
Amounts receivable on issue of units	21,368		19,948	
Amounts payable on cancellation of units	(29,032)		(35,786)	
		(7,664)		(15,838)
Dilution levy		4		2
Change in net assets attributable to unitholders from investment activities		36,201		10,500
Retained distribution on accumulation units		343		742
Closing net assets attributable to unitholders		201,744		172,860

HL Multi-Manager European

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>
ASSETS			
Fixed assets:			
Investments		200,934	171,605
Current assets:			
Debtors	11	882	1,213
Cash and cash equivalents	12	395	1,537
Total assets		202,211	174,355
LIABILITIES			
Creditors:			
Bank overdraft	12	(14)	(537)
Other creditors	13	(453)	(958)
Total liabilities		(467)	(1,495)
Net assets attributable to unitholders		201,744	172,860

HL Multi-Manager European

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 to 17 of the Summary of Significant Accounting Policies Applicable to All Funds.

3 Distribution Policies

The distribution policies for note 3 are provided on page 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 20 of the Summary of Significant Accounting Policies Applicable to All Funds.

5 Net Capital Gains

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
The net capital gains during the year comprise:		
Non-derivative securities	36,214	10,502
Currency (losses)/gains	(9)	1
Transaction charges	(4)	(3)
Equalisation received on distributions from underlying funds	227	178
Total Net Capital Gains	36,428	10,678

The net capital gains figure above includes movement of unrealised gains/(losses) and realised gains of £27,455,022 and £8,758,577 respectively. (30th September 2020: £(5,598,059) and £16,100,054 respectively). The prior year figures were restated to show the movement of gains and losses.

HL Multi-Manager European

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 54.

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
Purchases						
Collective Investment Schemes	11,045	–	–	11,045	–	–
Equities	9,118	–	11	9,129	–	0.12
Transaction cost % of purchases		–	0.05			
Sales						
Collective Investment Schemes	19,043	–	–	19,043	–	–
Equities	9,002	–	(4)	8,998	–	0.04
Transaction cost % of sales		–	0.01			
Total cost of the Fund's average NAV (%)		–	0.01			

HL Multi-Manager European

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

6 Purchases, Sales and Transaction Costs (continued)

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
Purchases						
Collective Investment Schemes	37,975	–	–	37,975	–	–
Equities	26,667	1	1	26,669	–	–
Transaction cost % of purchases		–	–			
Sales						
Collective Investment Schemes	80,910	–	(10)	80,900	–	0.01
Equities	1,376	(1)	–	1,375	0.07	–
Transaction cost % of sales		–	–			
Total cost of the Fund's average NAV (%)		–	0.01			

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.04% (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 £'000	30/09/20 £'000
Annual management charge rebates	154	148
Bank interest	1	–
Distributions from underlying funds	1,244	1,797
Franked stock dividends	16	–
Franked UK dividends	10	–
Overseas dividends	507	2
Total Revenue	1,932	1,947

HL Multi-Manager European

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

8 Expenses

	30/09/21 £'000	30/09/20 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	<u>1,421</u>	<u>1,257</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee and Depositary's fee	20	18
Safe custody fee	<u>4</u>	<u>1</u>
	24	19
Other expenses:		
Audit fee	8	7
VAT on audit fee	2	1
Accounting and administration fee	25	30
Automated transaction provider fee	7	7
Publication costs	2	3
Registrar fees	29	12
Sub-adviser fee	<u>136</u>	<u>8</u>
	209	68
Total Expenses	<u>1,654</u>	<u>1,344</u>

HL Multi-Manager European

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

9 Taxation

	30/09/21 £'000	30/09/20 £'000
(a) Analysis of charge for the year		
Overseas withholding tax	151	–
Total current tax charge (note 9b)	151	–
Deferred tax (note 9c)	–	–
Total Taxation	151	–

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher 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	275	603
Corporation Tax at 20%	55	121
Effects of:		
Excess management expenses not utilised	300	239
Non-taxable dividends	(254)	(359)
Non-taxable overseas dividends	(101)	(1)
Overseas withholding tax	151	–
Total tax charge for the year (note 9a)	151	–

(c) Deferred tax charge for the year

Provision at the start of the year	–	–
Deferred tax charge in the year	–	–
Provision at the end of the year	–	–

The Fund has not recognised a deferred tax asset of £1,519,051 (30th September 2020: £1,219,290) as a result of excess management expenses of £7,595,257 (30th September 2020: £6,096,448). These expenses are not expected to be utilised in the foreseeable future unless the nature of the Fund or its investment objective changes.

HL Multi-Manager European

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	–	677
Final accumulation	343	65
	343	742
Add: Revenue deducted on cancellation of units	13	62
Deduct: Revenue received on issue of units	(5)	(23)
Net distribution for the year	351	781
Interest	3	–
Total Distribution	354	781

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

Net revenue after taxation	124	603
Equalisation received on distributions from underlying funds	227	178
	351	781

Details of the distribution per unit are set out in the distribution tables on page 70.

11 Debtors

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Amounts receivable for issue of units	261	439
Annual management charge rebates	111	124
Distributions from underlying funds	365	623
Overseas dividends receivable	14	2
Overseas tax recoverable	53	–
Sales awaiting settlement	78	25
Total Debtors	882	1,213

HL Multi-Manager European

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	381	1,537
Overseas balances	14	–
Total bank balances	395	1,537
Bank overdrafts	(14)	(537)
Total bank overdrafts	(14)	(537)

13 Other Creditors

	30/09/21	30/09/20
	£'000	£'000
Accrued expenses	132	148
Amounts payable for cancellation of units	321	210
Purchases awaiting settlement	–	600
Total Other Creditors	453	958

Transaction charges, trustee fees and safe custody fees paid to Northern Trust 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 £10,535 (30th September 2020: £8,840).

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. Management fee rebates received during the year or due from the Manager are shown in note 5, note 7 and note 11. 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 £92,919 (30th September 2020: £105,518).

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	99.90%	99.69%

HL Multi-Manager European

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 Multi-Manager European held no shares in any Fund or collective investment scheme managed by associated companies of the Manager (30 September 2020: £Nil).

As at year end, the Manager has one third party sub-advisor appointed to provide investment management and advisory services to the Manager in respect of the Fund. The sub-advisor fees paid to this sub-advisor are disclosed in note 8 and amounts due to sub-advisor as the balance sheet are disclosed under note 13.

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 70. All units have the same rights on winding up.

The Manager's service charge for the class of each unit up to 28th June 2021 is as follows:

Class A	0.75%
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Effective 28th June 2021, the Manager's service charge is calculated using the following tiered rates.

Less than £1 billion	0.75%
Equal to or greater than £1 billion but less than £2 billion	0.70%
Equal to or greater than £2 billion but less than £3 billion	0.65%
Equal to or greater than £3 billion	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>Closing Units</i>
Class A Accumulation	104,055,934	11,499,530	(15,694,355)	99,861,109

17 Risk Disclosures

Market Price Risk

Market price risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

A 5% increase in the prices of the Fund's portfolio would have the effect of increasing the return and net assets by £10,046,721 (30th September 2020: £8,580,268). A 5% decrease would have an equal and opposite effect.

HL Multi-Manager European

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 20.

Currency exposure as at 30th September 2021

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Danish Kroner	2	2,005	2,007
Euro	26	15,770	15,796
Norwegian Krone	–	430	430
Sterling	757	171,194	171,951
Swedish Krona	–	2,510	2,510
Swiss Franc	25	5,119	5,144
US Dollar	–	3,906	3,906
	810	200,934	201,744

Currency exposure as at 30th September 2020

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Danish Kroner	–	950	950
Euro	–	14,543	14,543
Norwegian Krone	–	326	326
Sterling	1,255	146,773	148,028
Swedish Krona	–	1,734	1,734
Swiss Franc	–	4,708	4,708
US Dollar	–	2,571	2,571
	1,255	171,605	172,860

A 5% increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £1,489,672 (30th September 2020: £1,241,569). A 5% decrease would have an equal and opposite effect.

Interest Rate Risk

Interest rate risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

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

HL Multi-Manager European

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 20.

The Manager monitors the Fund'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 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, 94.82% (30th September 2020: 81.57%) of the investments could be disposed under normal conditions and 93.71% (30th September 2020: 81.57%) under stressed market conditions.

Counterparty Risk

Counterparty risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

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 20.

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 Multi-Manager European

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

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Collective Investment Schemes	–	170,395	–	170,395
Equities	30,539	–	–	30,539
Total	30,539	170,395	–	200,934

Valuation technique as at 30th September 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Collective Investment Schemes	–	146,174	–	146,174
Equities	25,431	–	–	25,431
Total	25,431	146,174	–	171,605

The Fund 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.

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		Movement %
	30th September 2021	16th December 2021	
Class A Accumulation	202.07	204.51	1.21

HL Multi-Manager European

Distribution Tables

For the year ended 30th September 2021

In pence per unit

Interim accumulation 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>31st May 2021*</i>	<i>31st May 2020</i>
Group 1	–	–	–	0.6348
Group 2	–	–	–	0.6348

Group 1 - Units created prior to 1st October 2020

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

Final accumulation 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>30th Nov 2021</i>	<i>30th Nov 2020</i>
Group 1	0.3438	–	0.3438	0.1211
Group 2	0.2477	0.0961	0.3438	0.1211

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.

HL Multi-Manager Asia & Emerging Markets

Manager's Investment Report

For the year ended 30th September 2021

Investment objective

The investment objective of the HL Multi-Manager Asia & Emerging Markets Fund (the "Fund") is to provide long term capital growth.

Investment policy

The Fund will seek to invest, either directly or indirectly via other collective investment schemes and exchange traded funds, at least 80% of its assets in equities from Asia and emerging markets. Up to 20% of the Fund's assets may be invested (directly or indirectly) in other regional equity markets and/or fixed income securities, and other permitted investments.

The Fund 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 Fund will invest will generally be established in Europe (including the UK, Jersey and Guernsey).

Subject to the Fund's investment objective, the other permitted investments in which the Fund may, directly or indirectly, invest include other transferable securities (including closed ended funds), money market instruments, deposits and warrants. The Fund may also use derivative instruments and forward transactions for the limited purposes of efficient portfolio management, including hedging.

In order to achieve the investment objective of the Fund, the Manager may allocate all or a portion of the Fund's assets to one or more Sub-Advisers. Each Sub-Adviser will use its own methodology for managing its allocated portion of the Fund's portfolio, subject at all times to the Manager's oversight and the Fund'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 Fund's portfolio.

Performance review

Over the twelve month period to 30th September 2021, the price of the accumulation units increased from 133.14 pence to 154.20 pence, which represents a return of 15.82%. Over the same period the IA Asia Pacific (Excluding Japan) peer group returned an average of 15.32% and the IA Global Emerging Markets sector increased by an average of 18.60%.

From the close of the initial offer period (29th April 2015) to 30th September 2021, the price of the accumulation units has increased from 100.00 pence to 154.20 pence, a gain of 54.20%. Over the same period, the IA Asia Pacific (Excluding Japan) sector made an average gain of 75.66% and the IA Global Emerging Markets sector gained an average of 66.25%.

	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	30/09/20 to 30/09/21
HL Multi-Manager Asia & Emerging Markets	9.86%	-1.19%	7.88%	0.83%	15.82%
IA Asia Pacific (Excluding Japan)	15.44%	4.04%	6.09%	7.59%	15.32%
IA Global Emerging Markets	17.84%	-0.76%	7.30%	2.05%	18.60%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2021, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2016 to 30/09/2018, Bid to NAV from 30/09/2018 to 30/09/2019, NAV to NAV from 30/09/2019.

HL Multi-Manager Asia & Emerging Markets

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:

Purchases	£'000	Sales	£'000
FSSA All China	12,099	Schroder Small Cap Discovery	8,660
Veritas Asian	3,867	Comgest Growth Emerging Markets	8,233
JP Morgan Emerging Markets	2,300	Jupiter Asian Income	2,910
Stewart Investors Asia Pacific Leaders		ASI Emerging Markets Equity	2,070
Sustainability	1,799	Stewart Investors Asia Pacific Leaders	
ASI Latin American Equity	806	Sustainability	2,056
ASI Emerging Markets Equity	253	FSSA Asia All-Cap	1,397
		Schroder Asian Alpha Plus	1,394
		Aberdeen Standard SICAV I Emerging	
		Markets Smaller Companies	1,295
		Veritas Asian	981
		JP Morgan Emerging Markets	806
Total purchases during the year were	21,124	Total sales during the year were	30,896

Hargreaves Lansdown Fund Managers Limited
1st October 2021

HL Multi-Manager Asia & Emerging Markets

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>
	Asia/Emerging Funds – 99.96% (99.89%)		
136,106	Aberdeen Standard SICAV I Asian Smaller Companies	5,891	2.71
311,391	Aberdeen Standard SICAV I Emerging Markets Smaller Companies	6,030	2.77
1,920,917	ASI Emerging Markets Equity	19,424	8.92
9,486,844	ASI Latin American Equity	9,070	4.17
629,123	Comgest Growth Emerging Markets	18,892	8.68
6,587,015	FSSA All China	10,465	4.81
13,934,826	FSSA Asia All-Cap	27,169	12.48
1,641,601	JP Morgan Emerging Markets	21,226	9.75
12,397,318	Jupiter Asian Income	22,700	10.43
13,273,077	Schroder Asian Alpha Plus	18,768	8.62
9,636,712	Schroder Small Cap Discovery	11,227	5.16
2,796,245	Stewart Investors Asia Pacific Leaders Sustainability	29,590	13.59
15,579	Veritas Asian	17,144	7.87
		217,596	99.96
	Portfolio of investments – 99.96% (99.89%)	217,596	99.96
	Net other assets – 0.04% (0.11%)	85	0.04
	Net assets	217,681	100.00

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

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

HL Multi-Manager Asia & Emerging Markets

Fund Information

The Comparative Table on page 75 gives the performance of the only active unit class in the Fund.

The 'Return after charges' disclosed in the Comparative Table 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.

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 Fund 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 market sentiment.

HL Multi-Manager Asia & Emerging Markets

Fund Information (continued)

Comparative Table

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	133.14	132.05	123.36
Return before operating charges*	23.40	3.08	10.68
Operating charges (calculated on average price)	(2.35)	(1.99)	(1.99)
Return after operating charges*	21.05	1.09	8.69
Distributions	(0.60)	(1.30)	(1.18)
Distributions on accumulation units	0.60	1.30	1.18
Closing net asset value per unit	154.19	133.14	132.05

* after direct transaction costs of**:

– – –

Performance

Return after charges 15.81% 0.83% 7.04%

Other information

Closing net asset value (£'000)	217,681	196,149	219,081
Closing number of units	141,172,891	147,329,464	165,907,869
Operating charges†	1.53%	1.56%	1.59%
Direct transaction costs	–%	–%	–%

Prices[^]

Highest offer price	–	–	127.33
Lowest bid price	–	–	113.48
Highest mid price	166.80	139.60	138.07
Lowest mid price	133.60	102.80	114.41

** 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 Fund.

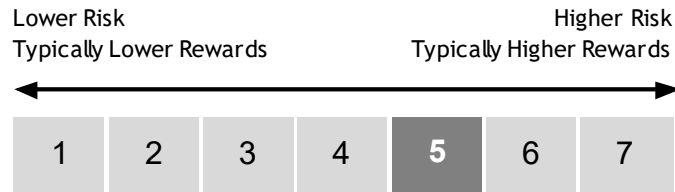
† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. In line with the Investment Association "Disclosure of Fund Charges and Costs" circular published July 2020, the OCF quoted includes costs associated with investment in Packaged Retail and Insurance-based Investment Products (PRIIPs) that were previously excluded from the OCF calculation.

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

HL Multi-Manager Asia & Emerging Markets

Fund Information (continued)

Synthetic Risk and Reward Indicator (“SRRI”)



The Fund is ranked at 5 because funds of this type have experienced moderate to 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 Multi-Manager Asia & Emerging Markets

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		29,688		(1,361)
Revenue	7	2,581		3,570	
Expenses	8	(1,762)		(1,584)	
Interest payable and similar charges	10	(1)		–	
Net revenue before taxation		818		1,986	
Taxation	9	–		–	
Net revenue after taxation			818		1,986
Total return before distributions			30,506		625
Distributions	10		(860)		(2,022)
Change in net assets attributable to unitholders from investment activities			29,646		(1,397)

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
Opening net assets attributable to unitholders		196,149		219,081
Amounts receivable on issue of units	32,674		20,070	
Amounts payable on cancellation of units	(41,631)		(43,540)	
		(8,957)		(23,470)
Change in net assets attributable to unitholders from investment activities		29,646		(1,397)
Retained distribution on accumulation units		843		1,935
Closing net assets attributable to unitholders		217,681		196,149

HL Multi-Manager Asia & Emerging Markets

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>
ASSETS			
Fixed assets:			
Investments		217,596	195,924
Current assets:			
Debtors	11	1,331	1,167
Cash and cash equivalents	12	29	747
Total assets		218,956	197,838
LIABILITIES			
Creditors:			
Bank overdraft	12	(277)	(891)
Other creditors	13	(998)	(798)
Total liabilities		(1,275)	(1,689)
Net assets attributable to unitholders		217,681	196,149

HL Multi-Manager Asia & Emerging Markets

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 pages 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 to 17 of the Summary of Significant Accounting Policies Applicable to All Funds.

3 Distribution Policies

The distribution policies for note 3 are provided on page 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 20 of the Summary of Significant Accounting Policies Applicable to All Funds.

5 Net Capital Gains/(Losses)

	30/09/21 £'000	30/09/20 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	29,579	(1,492)
Currency (losses)/gains	(3)	42
Transaction charges	(2)	(3)
Equalisation received on distributions from underlying funds	24	22
Annual management charge rebates	90	70
Total Net Capital Gains/(Losses)	29,688	(1,361)

The net capital gains/(losses) figure above includes movement of unrealised gains/(losses) and realised gains of £22,347,255 and £7,232,230 respectively. (30th September 2020: £(4,540,237) and £3,048,572 respectively). The prior year figures were restated to show the movement of gains and losses.

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.

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was Nil% (30th September 2020: 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 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.

HL Multi-Manager Asia & Emerging Markets

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

7 Revenue

	30/09/21 £'000	30/09/20 £'000
Annual management charge rebates	739	784
Distributions from underlying funds	1,611	2,472
Offshore dividend CIS revenue	231	314
Total Revenue	2,581	3,570

8 Expenses

	30/09/21 £'000	30/09/20 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	1,652	1,494
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee and Depositary's fee	23	21
Safe custody fee	1	1
	24	22
Other expenses:		
Audit fee	8	7
VAT on audit fee	2	1
Accounting and administration fee	24	31
Automated transaction provider fee	10	10
Publication costs	3	3
Registrar fees	39	16
	86	68
Total Expenses	1,762	1,584

HL Multi-Manager Asia & Emerging Markets

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

9 Taxation

	30/09/21 £'000	30/09/20 £'000
(a) Analysis of charge for the year		
Total current tax charge (note 9b)	—	—
Deferred tax (note 9c)	—	—

(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	818	1,986
Corporation Tax at 20%	164	397
Effects of:		
Excess management expenses not utilised	186	146
Non-taxable dividends	(368)	(557)
Tax effect on capital management charge rebates	18	14
Total tax charge for the year (note 9a)	—	—

(c) Deferred tax charge for the year

Provision at the start of the year	—	—
Deferred tax charge in the year	—	—
Provision at the end of the year	—	—

The Fund has not recognised a deferred tax asset of £955,237 (30th September 2020: £768,541) as a result of excess management expenses of £4,776,186 (30th September 2020: £3,842,707). These expenses are not expected to be utilised in the foreseeable future unless the nature of the Fund or its investment objective changes.

HL Multi-Manager Asia & Emerging Markets

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:

	30/09/21 £'000	30/09/20 £'000
Interim accumulation	–	553
Final accumulation	843	1,382
	843	1,935
Add: Revenue deducted on cancellation of units	40	148
Deduct: Revenue received on issue of units	(23)	(61)
Net distribution for the year	860	2,022
Interest	1	–
Total Distribution	861	2,022

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

Net revenue after taxation	818	1,986
Equalisation received on distributions from underlying funds	24	22
Tax effect on expenses offset against capital	18	14
	860	2,022

Details of the distribution per unit are set out in the distribution tables on page 88.

11 Debtors

	30/09/21 £'000	30/09/20 £'000
Amounts receivable for issue of units	179	140
Annual management charge rebates	499	447
Distributions from underlying funds	306	380
Sales awaiting settlement	347	200
Total Debtors	1,331	1,167

HL Multi-Manager Asia & Emerging Markets

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	29	747
Total bank balances	29	747
Bank overdrafts	(277)	(891)
Total bank overdrafts	(277)	(891)

13 Other Creditors

	30/09/21	30/09/20
	£'000	£'000
Accrued expenses	164	156
Amounts payable for cancellation of units	528	261
Purchases awaiting settlement	306	381
Total Other Creditors	998	798

Transaction charges, trustee fees and safe custody fees paid to Northern Trust 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 £12,158 (30th September 2020: £10,562).

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 Manager 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. Management fee rebates received during the year or due from the Manager are shown in note 5, note 7 and note 11. 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 £136,173 (30th September 2020: £120,381).

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	99.69%	99.81%

HL Multi-Manager Asia & Emerging Markets

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 Multi-Manager Asia & Emerging Markets held no shares in any Fund or collective investment scheme managed by associated companies of the Manager (30 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 88. All units have the same rights on winding up.

The Manager's service charge for the class of each unit up to 28th June 2021 is as follows:

Class A 0.75%

Effective 28th June 2021, the Manager's service charge is calculated using the following tiered rates.

Less than £1 billion	0.75%
Equal to or greater than £1 billion but less than £2 billion	0.70%
Equal to or greater than £2 billion but less than £3 billion	0.65%
Equal to or greater than £3 billion	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>Closing Units</i>
Class A Accumulation	147,329,464	21,169,089	(27,325,662)	141,172,891

17 Risk Disclosures

Market Price Risk

Market price risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

A 5% increase in the prices of the Fund's portfolio would have the effect of increasing the return and net assets by £10,879,800 (30th September 2020: £9,796,185). 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 20.

Currency exposure as at 30th September 2021

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Sterling	85	198,704	198,789
US Dollar	–	18,892	18,892
	<u>85</u>	<u>217,596</u>	<u>217,681</u>

HL Multi-Manager Asia & Emerging Markets

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

17 Risk Disclosures (continued)

Currency Risk (continued)

Currency exposure as at 30th September 2020

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Sterling	225	168,713	168,938
US Dollar	–	27,211	27,211
	<hr/> 225 <hr/>	<hr/> 195,924 <hr/>	<hr/> 196,149 <hr/>

A 5% increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £944,596 (30th September 2020: £1,360,545). A 5% decrease would have an equal and opposite effect.

Interest Rate Risk

Interest rate risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

The Fund has minimal direct interest rate risk which only applies to bank balances and overdrafts. Interest on the Fund'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 17 to 20.

The Manager monitors the Fund'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 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, 94.90% (30th September 2020: 97.40%) of the investments could be disposed under normal conditions and 94.90 % (30th September 2020: 97.40%) under stressed market conditions.

Counterparty Risk

Counterparty risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

The Fund does not have any significant counterparty risk exposures.

HL Multi-Manager Asia & Emerging Markets

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

17 Risk Disclosures (continued)

Credit Risk

Credit risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

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.

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
Assets				
Collective Investment Schemes	–	217,596	–	217,596
Total	–	217,596	–	217,596

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				
Collective Investment Schemes	–	195,924	–	195,924
Total	–	195,924	–	195,924

The Fund 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.

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.

HL Multi-Manager Asia & Emerging Markets

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

17 Risk Disclosures (continued)

Fair Value (continued)

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 as at year end is shown below.

<i>Unit Class</i>	<i>Unit Price</i>		<i>Movement</i>
	<i>30th September 2021</i>	<i>16th December 2021</i>	
Class A Accumulation	154.20	153.75	(0.29)

HL Multi-Manager Asia & Emerging Markets

Distribution Tables

For the year ended 30th September 2021

In pence per unit

Interim accumulation 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>31st May 2021*</i>	<i>31st May 2020</i>
Group 1	–	–	–	0.3622
Group 2	–	–	–	0.3622

Group 1 - Units created prior to 1st October 2020

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

Final accumulation 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	0.5968	–	0.5968	0.9383
Group 2	0.4171	0.1797	0.5968	0.9383

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.

HL Multi-Manager Strategic Assets

Manager's Investment Report For the year ended 30th September 2021

Investment objective

The investment objective of the HL Multi-Manager Strategic Assets Fund (the "Fund") is to provide long term capital growth.

Investment policy

The Fund will seek to invest, either directly or indirectly via other collective investment schemes and exchange traded funds, in a broad range of assets including equities and floating and fixed interest securities. The Fund may also invest (indirectly) in property, currencies and/or commodities. The Fund will take a long term approach to asset allocation and will have flexibility to alter this allocation to meet its capital growth objective.

The Fund 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 Fund will invest will generally be established in Europe (including the UK, Jersey and Guernsey).

Subject to the Fund's investment objective, the other permitted investments in which the Fund may, directly or indirectly, invest include other transferable securities (including closed ended funds), money market instruments, deposits and warrants. The Fund may also use derivative instruments and forward transactions for the limited purposes of efficient portfolio management, including hedging.

In order to achieve the investment objective of the Fund, the Manager may allocate all or a portion of the Fund's assets to one or more Sub-Advisers. Each Sub-Adviser will use its own methodology for managing its allocated portion of the Fund's portfolio, subject at all times to the Manager's oversight and the Fund'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 Fund's portfolio.

Performance review

Over the twelfth month period to 30th September 2021, the price of the accumulation units has increased from 113.08 pence to 123.49 pence, a rise of 9.21%. Over the same period the IA Flexible Investment peer group returned an average of 19.76%.

Since close of the initial offer period (9th February 2016) to 30th September 2021, the price of the accumulation units has increased from 100 pence to 123.49 pence, a rise of 23.49%. Over the same period, the IA Flexible Investment peer group returned an average of 73.63%.

	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	30/09/20 to 30/09/21
HL Multi-Manager Strategic Assets	2.98 %	1.92%	-0.81%	-1.26%	9.21%
IA Flexible Investment	11.25%	5.99%	2.84%	0.62%	19.76%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2021, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2016 to 30/09/2018. Bid to NAV from 30/09/2018 to 30/09/2019, NAV to NAV from 30/09/2019 to 31/09/2021.

HL Multi-Manager Strategic Assets

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:

Purchases	£'000	Sales	£'000
M&G Global Macro Bond	5,155	Artemis Strategic Assets	20,096
Trojan Income	5,154	Odey Allegra International	5,842
BNY Mellon Real Return	4,458	Troy Trojan	4,503
Troy Trojan	3,742	J O Hambro UK Equity Income	3,806
Jupiter Strategic Bond	3,301	BNY Mellon Real Return	1,696
Stewart Investors Asia Pacific Leaders		Stewart Investors Asia Pacific Leaders	
Sustainability	1,797	Sustainability	1,292
Pyrford Global Total Return	751	Trojan Income	1,089
		M&G Global Macro Bond	801
		Invesco Tactical Bond	679
		Jupiter Strategic Bond	300
Total purchases during the year were	24,358	Total sales during the year were	40,279

As at 30th September 2021, the LF Equity Income Fund position was valued based on the latest available 'indicative price' produced by Link Fund Solutions available at the 11am valuation point. This price reflected relevant developments from the suspension of the Fund up to the date of the valuation and other factors pertinent to the valuation.

On 15th October 2019, Link Fund Solutions announced that, as Authorised Corporate Director, it had terminated Woodford Investment Management's contract to manage the LF Woodford Equity Income Fund with immediate effect. The Fund is in the process of winding up and returning resulting cash to investors at the earliest opportunity. This process began in January 2020 and partial distributions resulted in the Fund as a unitholder receiving proceeds as detailed below;

30/01/2020 – 48.4932 pence per unit - £3,039,115

25/03/2020 – 3.2687 pence per unit - £204,853

26/08/2020 – 4.1815 pence per unit - £262,059

11/12/2020 – 2.2483 pence per unit - £140,903

The capital distributions received have been accounted within the capital gains/losses reported within the statement of total return.

Specialist broker PJT Partners (UK) Limited (Park Hill) was appointed as transition manager to assist in selling the portfolio of unlisted/highly illiquid listed assets. BlackRock Advisors (UK) Limited was appointed as transition manager to prepare the listed portfolio for the winding up of the Fund, which we understand has now been realised.

HL Multi-Manager Strategic Assets

Manager's Investment Report (continued)

For the year ended 30th September 2021

Performance review (continued)

The name of the LF Woodford Equity Income Fund has been amended to reflect the fact that Woodford Investment Management is no longer the investment manager to the Fund. The name of the Company, the umbrella fund of which the Fund is a sub-fund, has also been amended. Consequently, the name of the Fund changed from "LF Woodford Equity Income Fund" to "LF Equity Income Fund", and the name of the Company changed from "LF Woodford Investment Fund" to "LF Investment Fund".

Hargreaves Lansdown Fund Managers Limited

1st October 2021

HL Multi-Manager Strategic Assets

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>
	UK Funds – 3.65% (4.20%)		
3,308,606	J O Hambro UK Equity Income	5,936	3.54
6,267,095	LF Equity Income [≠]	178	0.11
		6,114	3.65
	Fixed Interest Funds – 23.43% (19.36%)		
8,602,490	Invesco Tactical Bond	11,203	6.68
17,594,017	Jupiter Strategic Bond	11,736	7.00
8,747,205	M&G Global Macro Bond	11,610	6.93
3,808,383	M&G UK Inflation Linked Corporate Bond	4,724	2.82
		39,273	23.43
	Total Return Funds – 69.80% (74.21%)		
7,446,830	Artemis Strategic Assets [†]	6,487	3.87
29,006,860	BNY Mellon Real Return	33,723	20.12
3,356,110	Pyrford Global Total Return	33,296	19.86
9,129,320	Trojan Income	9,108	5.44
27,566,034	Troy Trojan	34,383	20.51
		116,997	69.80
	Asia/Emerging Funds – 2.99% (2.12%)		
1,538,214	Stewart Investors Asia Pacific Leaders Sustainability	5,015	2.99
	Portfolio of investments – 99.87% (99.89%)	167,399	99.87
	Net other assets – 0.13% (0.11%)	226	0.13
	Net assets	167,625	100.00

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

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

† Accumulation shares/units.

≠ Suspended security since 3rd June 2019.

HL Multi-Manager Strategic Assets

Portfolio Statement (continued)

As at 30th September 2021

≈ The name of the LF Woodford Equity Income Fund has been amended to reflect the fact that Woodford Investment Management is no longer the investment manager to the Fund. The name of the Company, the umbrella fund of which the Fund is a sub-fund, has also been amended. Consequently, the name of the Fund changed from "LF Woodford Equity Income Fund" to "LF Equity Income Fund", and the name of the Company changed from "LF Woodford Investment Fund" to "LF Investment Fund".

On 15th October 2019, Link Fund Solutions announced that, as Authorised Corporate Director, it had terminated Woodford Investment Management's contract to manage the LF Woodford Equity Income Fund with immediate effect. The Fund is in the process of winding up and returning resulting cash to investors at the earliest opportunity. This process began in January 2020 and partial distributions were made to unitholders on 30th January, 25th March, 26th August and 11th December 2020.

Specialist broker PJT Partners (UK) Limited (Park Hill) was appointed as transition manager to assist in selling the portfolio of unlisted/highly illiquid listed assets. BlackRock Advisors (UK) Limited was appointed as transition manager to prepare the listed portfolio for the winding up of the Fund, which we understand has now been realised.

As at 30th September 2021, the LF Equity Income Fund position was valued based on the latest available price at the 11am valuation point produced by Link Fund Solutions. This price reflected relevant developments from the suspension of the Fund up to the date of the valuation and other factors pertinent to the valuation.

HL Multi-Manager Strategic Assets

Fund Information

The Comparative Tables on pages 95 and 96 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.

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 Fund 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.

HL Multi-Manager Strategic Assets

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	113.12	114.52	115.73
Return before operating charges*	12.00	0.16	0.33
Operating charges (calculated on average price)	(1.63)	(1.56)	(1.54)
Return after operating charges*	10.37	(1.40)	(1.21)
Distributions	(1.08)	(1.28)	(1.04)
Distributions on accumulation units	1.08	1.28	1.04
Closing net asset value per unit	123.49	113.12	114.52
* after direct transaction costs of**:	0.01	0.01	–

Performance

Return after charges	9.17%	(1.22)%	(1.05)%
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Other information

Closing net asset value (£'000)	91,001	91,255	101,070
Closing number of units	73,688,396	80,672,497	88,258,620
Operating charges†	1.36%	1.37%	1.43%
Direct transaction costs	0.01%	0.01%	–%

Prices[^]

Highest offer price	–	–	119.33
Lowest bid price	–	–	112.56
Highest mid price	125.07	118.89	116.07
Lowest mid price	111.77	100.56	109.01

** 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.

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

HL Multi-Manager Strategic Assets

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	108.18	110.81	113.02
Return before operating charges*	11.47	0.11	0.29
Operating charges (calculated on average price)	(1.56)	(1.50)	(1.49)
Return after operating charges*	9.91	(1.39)	(1.20)
Distributions on income units	(1.03)	(1.24)	(1.01)
Closing net asset value per unit	117.06	108.18	110.81
* after direct transaction costs of**:	0.01	0.01	–

Performance

Return after charges	9.16%	(1.25)%	(1.06)%
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Other information

Closing net asset value (£'000)	76,624	79,079	89,182
Closing number of units	65,457,461	73,096,645	80,479,194
Operating charges†	1.36%	1.37%	1.43%
Direct transaction costs	0.01%	0.01%	–%

Prices[^]

Highest offer price	–	–	116.52
Lowest bid price	–	–	109.91
Highest mid price	119.06	115.05	112.97
Lowest mid price	106.90	97.31	106.46

** 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.

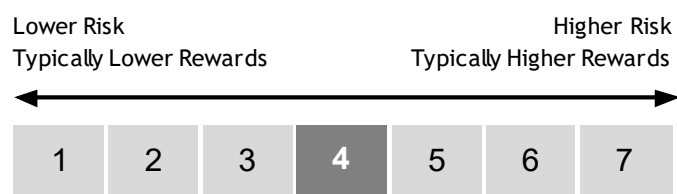
† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic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

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

HL Multi-Manager Strategic Assets

Fund Information (continued)

Synthetic Risk and Reward Indicator ("SRRI")



The Fund is ranked at 4 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. 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 Multi-Manager Strategic Assets

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		13,650		(4,366)
Revenue	7	2,873		3,463	
Expenses	8	(1,373)		(1,440)	
Interest payable and similar charges	10	(3)		(1)	
Net revenue before taxation		1,497		2,022	
Taxation	9	(130)		(117)	
Net revenue after taxation			1,367		1,905
Total return before distributions			15,017		(2,461)
Distributions	10		(1,550)		(2,020)
Change in net assets attributable to unitholders from investment activities			13,467		(4,481)

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
Opening net assets attributable to unitholders		170,334		190,252
Amounts receivable on issue of units	11,219		11,036	
Amounts payable on cancellation of units	(28,205)		(27,519)	
		(16,986)		(16,483)
Change in net assets attributable to unitholders from investment activities		13,467		(4,481)
Retained distribution on accumulation units		810		1,046
Closing net assets attributable to unitholders		167,625		170,334

HL Multi-Manager Strategic Assets

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>
ASSETS			
Fixed assets:			
Investments		167,399	170,142
Current assets:			
Debtors	11	907	1,192
Cash and cash equivalents	12	86	126
Total assets		168,392	171,460
LIABILITIES			
Creditors:			
Distribution payable on income units	10	(331)	(610)
Bank overdraft	12	(98)	–
Other creditors	13	(338)	(516)
Total liabilities		(767)	(1,126)
Net assets attributable to unitholders		167,625	170,334

HL Multi-Manager Strategic Assets

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 to 17 of the Summary of Significant Accounting Policies Applicable to All Funds.

3 Distribution Policies

The distribution policies for note 3 are provided on page 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 20 of the Summary of Significant Accounting Policies Applicable to All Funds.

5 Net Capital Gains/(Losses)

	<i>30/09/21</i> <i>£'000</i>	<i>30/09/20</i> <i>£'000</i>
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	13,319	(4,620)
Transaction charges	(2)	(2)
Equalisation received on distributions from underlying funds	145	79
Annual management charge rebates	188	177
Total Net Capital Gains/(Losses)	13,650	(4,366)

The net capital gains/(losses) figure above includes movement of unrealised gains/(losses) and realised gains of £12,202,324 and £1,116,335 respectively. (30th September 2020: £(6,891,718) and £2,271,525 respectively). The prior year figures were restated to show the movement of gains and losses.

HL Multi-Manager Strategic Assets

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 94.

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
Purchases						
Collective Investment Schemes	24,358	–	–	24,358	–	–
Transaction cost % of purchases		–	–			
Sales						
Collective Investment Schemes	40,290	–	(11)	40,279	–	0.03
Transaction cost % of sales		–	0.03			
Total cost of the Fund's average NAV (%)		–	0.01			

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
Purchases						
Collective Investment Schemes	29,848	–	–	29,848	–	–
Transaction cost % of purchases		–	–			
Sales						
Collective Investment Schemes	42,295	–	(11)	42,284	–	0.03
Transaction cost % of sales		–	0.03			
Total cost of the Fund's average NAV (%)		–	0.01			

HL Multi-Manager Strategic Assets

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 Nil% (30th September 2020: 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 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>
Annual management charge rebates	224	256
Bank interest	1	1
Distributions from underlying funds	1,826	2,014
Offshore dividend CIS revenue	–	492
Offshore interest CIS revenue	822	700
Total Revenue	2,873	3,463

HL Multi-Manager Strategic Assets

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

8 Expenses

	30/09/21 £'000	30/09/20 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	<u>1,255</u>	<u>1,347</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee and Depositary's fee	20	18
Safe custody fee	<u>1</u>	<u>1</u>
	21	19
Other expenses:		
Audit fee	8	7
VAT on audit fee	2	1
Accounting and administration fee	24	30
Automated transaction provider fee	11	10
Publication costs	3	4
Registrar fees	<u>49</u>	<u>22</u>
	97	74
Total Expenses	<u>1,373</u>	<u>1,440</u>

9 Taxation

	30/09/21 £'000	30/09/20 £'000
(a) Analysis of charge for the year		
Corporation tax	<u>130</u>	<u>117</u>
Total current tax charge (note 9b)	130	117
Deferred tax (note 9c)	<u>–</u>	<u>–</u>
Total Taxation	<u>130</u>	<u>117</u>

HL Multi-Manager Strategic Assets

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>1,497</u>	2,022
Corporation Tax at 20%	299	404
Effects of:		
Non-taxable dividends	(207)	(323)
Tax effect on capital management charge rebates	<u>38</u>	36
Total tax charge for the year (note 9a)	<u>130</u>	<u>117</u>

(c) Deferred tax charge for the year

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

The Fund has not recognised a deferred tax asset of £Nil (30th September 2020: £Nil) as a result of excess management expenses of £Nil (30th September 2020: £Nil). 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 accumulation	419	348
Interim distribution	361	309
Final accumulation	391	698
Final distribution	<u>331</u>	<u>610</u>
	1,502	1,965
Add: Revenue deducted on cancellation of units	80	81
Deduct: Revenue received on issue of units	<u>(32)</u>	<u>(26)</u>
Net distribution for the year	<u>1,550</u>	<u>2,020</u>
Interest	<u>3</u>	<u>1</u>
Total Distribution	<u>1,553</u>	<u>2,021</u>

HL Multi-Manager Strategic Assets

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	1,367	1,905
Equalisation received on distributions from underlying funds	145	79
Tax effect on expenses offset against capital	38	36
	1,550	2,020

Details of the distribution per unit are set out in the distribution tables on page 110.

11 Debtors

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Amounts receivable for issue of units	78	197
Annual management charge rebates	240	259
Distributions from underlying funds	589	637
Income tax recoverable	–	99
Total Debtors	907	1,192

12 Cash and Cash Equivalents

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Bank balances	86	126
Total bank balances	86	126
Bank overdrafts	(98)	–
Total bank overdrafts	(98)	–

13 Other Creditors

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Accrued expenses	122	141
Amounts payable for cancellation of units	183	339
Corporation tax payable	33	15
Purchases awaiting settlement	–	21
Total Other Creditors	338	516

Transaction charges, trustee fees and safe custody fees paid to Northern Trust 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 £9,630 (30th September 2020: £8,296).

HL Multi-Manager Strategic Assets

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

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. Management fee rebates received during the year or due from the Manager are shown in note 5, note 7 and note 11. 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 £95,977 (30th September 2020: £105,409).

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	99.55%	99.54%
Class A Income units	99.51%	99.86%

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 Multi-Manager Strategic Assets 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 110. All units have the same rights on winding up.

The Manager's service charge for the class of each unit up to 28th June 2021 is as follows:

Class A	0.75%
---------	-------

Effective 28th June 2021, the Manager's service charge is calculated using the following tiered rates.

Less than £1 billion	0.69%
Equal to or greater than £1 billion but less than £2 billion	0.64%
Equal to or greater than £2 billion but less than £3 billion	0.60%
Equal to or greater than £3 billion	0.55%

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	80,672,497	5,965,968	(12,935,166)	(14,903)	73,688,396
Class A Income	73,096,645	3,552,335	(11,207,173)	15,654	65,457,461

HL Multi-Manager Strategic Assets

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

17 Risk Disclosures

Market Price Risk

Market price risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

A 5% increase in the prices of the Fund's portfolio would have the effect of increasing the return and net assets by £8,369,940 (30th September 2020: £8,507,077). 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 20.

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 20.

The Fund has minimal direct interest rate risk which only applies to bank balances and overdrafts. Interest on the Fund'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 17 to 20.

The Manager monitors the Fund'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 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, 99.89% (30th September 2020: 99.76%) of the investments could be disposed under normal conditions and 99.89% (30th September 2020: 99.76%) under stressed market conditions.

Counterparty Risk

Counterparty risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

The Fund does not have any significant counterparty risk exposures.

HL Multi-Manager Strategic Assets

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

17 Risk Disclosures (continued)

Credit Risk

Credit risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

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.

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
Assets				
Collective Investment Schemes	–	167,221	178	167,399
Total	–	167,221	178	167,399

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				
Collective Investment Schemes	–	169,733	409	170,142
Total	–	169,733	409	170,142

The Fund 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.

The Fund invested in a collective investment scheme, LF Equity Income Fund (formerly LF Woodford Equity Income Fund), which has been suspended during the year and is categorised within Level 3 of the fair value hierarchy. The Fund's valuation is based on the NAV per unit/share published by the Authorised Corporate Director of the collective investment scheme available at the 11am valuation point on 30th September 2021 which has been adjusted to reflect the relevant developments since the suspension of the collective investment scheme and other factors pertinent to the valuation.

HL Multi-Manager Strategic Assets

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

17 Risk Disclosures (continued)

Fair Value (continued)

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	123.49	124.77	1.04
Class A Income	117.56	118.27	0.60

HL Multi-Manager Strategic Assets

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>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2021</i>	<i>31st May 2020</i>
Group 1	0.5481	–	0.5481	0.4178
Group 2	0.1125	0.4356	0.5481	0.4178

<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	0.5227	–	0.5227	0.4044
Group 2	0.1210	0.4017	0.5227	0.4044

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>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2021</i>	<i>30th Nov 2020</i>
Group 1	0.5305	–	0.5305	0.8656
Group 2	0.2426	0.2879	0.5305	0.8656

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2021</i>	<i>30th Nov 2020</i>
Group 1	0.5053	–	0.5053	0.8351
Group 2	0.2579	0.2474	0.5053	0.8351

Group 1 - Units created prior to 1st April 2021

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

HL Multi-Manager High Income

Manager's Investment Report

For the year ended 30th September 2021

Investment objective

The investment objective of the HL Multi-Manager High Income Fund (the "Fund") is to provide returns principally in the form of income.

Investment policy

The Fund will seek to invest, either directly or indirectly via other collective investment schemes and exchange traded funds, in a broad range of assets including equities and floating and fixed interest securities. The Fund may also invest (indirectly) in property. The Fund will flexibly allocate across these asset classes targeting an above average level of income.

The Fund 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 Fund will invest will generally be established in Europe (including the UK, Jersey and Guernsey).

Subject to the Fund's investment objective, the other permitted investments in which the Fund may, directly or indirectly, invest include other transferable securities (including closed ended funds), money market instruments, deposits and warrants. The Fund may also use derivative instruments and forward transactions for the limited purposes of efficient portfolio management, including hedging.

In order to achieve the investment objective of the Fund, the Manager may allocate all or a portion of the Fund's assets to one or more Sub-Advisers. Each Sub-Adviser will use its own methodology for managing its allocated portion of the Fund's portfolio, subject at all times to the Manager's oversight and the Fund'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 Fund's portfolio.

Performance review

Over the twelve month period to 30th September 2021, the price of the accumulation units has increased from 110.62 pence to 133.67 pence, a rise of 20.84%. Over the same period, the IA Flexible Investment peer group returned an average 19.76%.

Since close of the initial offer period (13th April 2016) to 30th September 2021, the price of the accumulation units has increased from 100 pence to 133.67 pence, a rise of 33.67%. Over the same period the IA Flexible Investment peer group returned an average 61.04%.

	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	30/09/20 to 30/09/21
HL Multi-Manager High Income	8.35%	2.98%	0.66%	-8.83%	20.84%
IA Flexible Investment	11.25%	5.99%	2.84%	0.62%	19.76%

Past performance is not a guide to future returns.

Source : Lipper for Investment Management to 30/09/2021, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2016 to 30/09/2018, Bid to NAV from 30/09/2018 to 30/09/2019, NAV to NAV from 30/09/2019 to 30/09/2021.

HL Multi-Manager High Income

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:

Purchases	£'000	Sales	£'000
Liontrust GF High Yield Bond	10,025	Royal London Sterling Extra Yield Bond	43,391
M&G Emerging Markets Bond	3,664	Royal London Corporate Bond	22,379
Jupiter Strategic Bond	3,501	Marlborough Multi Cap Income	5,668
Fidelity Extra Income	2,003	Jupiter Asian Income	2,787
Conduit	1,631	Countryside Properties	2,579
Phoenix Group Holdings	1,542	Wm Morrison Supermarkets	2,461
Santander UK 10.063% Perpetual	1,292	Lloyds Banking Group	2,353
National Grid	1,225	Legal & General Group	2,143
NatWest Group	1,190	Threadneedle UK Equity Alpha Income	2,034
Co-operative	1,182	EdenTree Higher Income	1,983
Total purchases during the year were	123,568	Total sales during the year were	139,790

Hargreaves Lansdown Fund Managers Limited
1st October 2021

HL Multi-Manager High Income

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>
	UK Funds – 20.70% (20.30%)		
30,642,424	Marlborough Multi Cap Income	49,512	9.22
84,806,296	Threadneedle UK Equity Alpha Income	61,595	11.48
		111,107	20.70
	Fixed Interest Funds – 23.14% (35.89%)		
26,993,627	Fidelity Extra Income	35,254	6.57
67,090,066	Jupiter Strategic Bond	44,749	8.34
2,456,794	Liontrust GF High Yield Bond	25,711	4.79
15,266,152	M&G Emerging Markets Bond	18,478	3.44
		124,192	23.14
	Europe Funds – 3.99% (4.27%)		
18,312,377	BlackRock Continental European Income	21,407	3.99
	Mixed Assets Funds – 14.93% (15.08%)		
30,592,275	Artemis High Income	24,630	4.59
39,622,502	EdenTree Higher Income	55,511	10.34
		80,141	14.93
	Asia/Emerging Funds – 7.21% (7.64%)		
25,856,137	Jupiter Asian Income	38,720	7.21
	UK Equities – 17.94% (16.57%)		
15,063	4imprint Group	456	0.08
350,675	Abrdn	893	0.17
118,421	Anglo American	3,097	0.58
545,493	Aviva	2,174	0.40
136,528	Babcock International Group	509	0.10
191,477	BAE Systems	1,090	0.20
183,556	Balfour Beatty	502	0.09
1,389,907	Barclays	2,639	0.49
94,472	Beazley	356	0.07
33,533	Bellway	1,092	0.20
34,953	BHP Group	662	0.12
1,042,354	BP	3,547	0.66
136,724	Brewin Dolphin	514	0.10
73,056	Britvic	656	0.12
387,628	Central Asia Metals	859	0.16
275,247	Chemring Group	884	0.16
207,051	Cineworld Group	160	0.03

HL Multi-Manager High Income

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>
	UK Equities – 17.94% (16.57%) (continued)		
52,392	Close Brothers Group	810	0.15
84,232	Compass Group	1,307	0.24
306,460	Conduit	1,451	0.27
585,060	Costain Group	334	0.06
112,176	Countryside Properties	569	0.11
453,235	Currys	605	0.11
293,690	Devro	637	0.12
721,245	DFS Furniture	1,890	0.35
1,023,670	Diversified Gas & Oil	1,204	0.22
2,190,165	Dolphin Capital Investors	88	0.02
178,620	Drax Group	879	0.16
611,573	DS Smith	2,539	0.47
82,104	easyJet	544	0.10
24,511	Endeavour Mining	412	0.08
229,441	Eurocell	578	0.11
7,940	Ferguson	830	0.15
11,134	Fevertree Drinks	263	0.05
639,634	FirstGroup	553	0.10
247,124	Galliford Try	448	0.08
239,436	GCP Student Living	508	0.09
90,735	Genuit Group	633	0.12
830,895	Glencore	2,898	0.54
74,808	Grafton Group	976	0.18
520,256	Greencoat UK Winds	690	0.13
89,972	Gresham House Energy Storage Fund	111	0.02
77,729	Headlam Group	390	0.07
1,511,734	Hipgnosis Songs Fund	1,869	0.35
348,847	Ibstock	732	0.14
55,037	Imperial Brands	869	0.16
70,133	Intermediate Capital Group	1,438	0.27
248,421	International Personal Finance	354	0.07
1,691,840	ITV	1,826	0.34
126,330	Keller Group	1,201	0.22
84,984	Kenmare Resources	365	0.07
481,905	Kier Group	581	0.11
1,223,113	Legal & General Group	3,436	0.64
790,189	Lookers	519	0.10
719,984	Melrose Industries	1,252	0.23
234,386	Morses Club	183	0.03
82,714	National Express Group	199	0.04
219,642	National Grid	1,965	0.37
767,975	NatWest Group	1,722	0.32
188,734	Norcros	564	0.10
87,996	Pagegroup	551	0.10

HL Multi-Manager High Income

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>
	UK Equities – 17.94% (16.57%) (continued)		
85,919	Palace Capital	204	0.04
289,688	Paragon Banking Group	1,589	0.30
181,379	Petrofac	300	0.06
486,171	Phoenix Group Holdings	3,142	0.59
41,295	Polar Capital Holdings	329	0.06
55,731	Prudential	804	0.15
456,013	Randall & Quilter Investment	784	0.15
41,557	Rathbone Brothers	833	0.16
1,078,198	Raven Property Group	350	0.06
418,218	Real Estate Investors	167	0.03
228,435	Redde Northgate	922	0.17
41,860	Rio Tinto	2,053	0.38
67,025	Royal Dutch Shell 'B'	1,114	0.21
132,102	Sage Group	944	0.18
300,000	Santander UK	534	0.10
1,187,796	Savannah Energy	230	0.04
20,447	Schroders	738	0.14
463,065	Severfield	354	0.07
53,807	Shaftesbury	333	0.06
62,207	SSE	983	0.18
60,214	St James's Place	913	0.17
134,374	Stagecoach Group	114	0.02
441,453	Standard Chartered	1,931	0.36
171,724	SThree	996	0.19
866,665	Tesco	2,225	0.41
541,304	TP ICAP	875	0.16
364,429	Tritax Big Box REIT	774	0.14
151,993	Tyman	640	0.12
302,372	U & I Group	269	0.05
52,849	Ultra Electronics	1,722	0.32
158,066	Vistry Group	1,895	0.35
2,212,507	Vodafone Group	2,533	0.47
52,523	Weir Group	881	0.16
29,355	Wm Morrison Supermarkets	86	0.02
203,122	WPP	2,040	0.38
		96,464	17.94
	Ireland Equities – 0.14% (0.07%)		
19,786	Smurfit Kappa Group	775	0.14

HL Multi-Manager High Income

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>
	US Equities – 0.00% (0.00%)		
1,393	Jackson Financial	28	–
	Corporate Bonds – 11.73% (0.00%)		
GBP 250,000	3i Group 5.75% 03/12/2032	333	0.06
GBP 100,000	AA Bond 3.25% 31/07/2050	102	0.02
EUR 200,000	Abertis Infraestructuras Finance 3.248% Perpetual	176	0.03
GBP 500,000	Aggregated Micro Power Infrastructure 2 8.00% 17/10/2036	500	0.09
NOK 2,000,000	Aker Horizons 3.70% 15/08/2025	166	0.03
EUR 400,000	Allianz 2.625% Perpetual	347	0.06
USD 200,000	Allianz 3.20% Perpetual	144	0.03
USD 600,000	Altera Shuttle Tankers 6.723% 18/10/2024	415	0.08
GBP 800,000	Anglian Water Osprey Financing 4.00% 08/03/2026	867	0.16
GBP 198,000	Annington Funding 2.924% 06/10/2051	–	–
EUR 109,000	APCOA Parking 4.625% 15/01/2027	95	0.02
GBP 600,000	APT Pipelines 3.50% 22/03/2030	655	0.12
GBP 240,000	Aroundtown 3.625% 10/04/2031	266	0.05
GBP 400,000	Asciano Finance 5.00% 19/09/2023	427	0.08
GBP 257,147	Aspire Defence Finance 4.674% 31/03/2040	387	0.07
GBP 200,000	AT&T 7.00% 30/04/2040	320	0.06
GBP 700,000	Aviva 6.875% 20/05/2058	1,089	0.20
GBP 200,000	Banco Santander 2.25% 04/10/2032	199	0.04
GBP 500,000	Barclays 5.875% Perpetual	529	0.10
GBP 400,000	Barclays 6.375% Perpetual	442	0.08
GBP 350,000	BAT International Finance 2.25% 26/06/2028	347	0.06
USD 300,000	Bayport Management 11.50% 14/06/2022	218	0.04
NOK 2,899,999	Beerenberg 8.45% 13/11/2023	253	0.05
GBP 100,000	Berkeley 2.50% 11/08/2031	97	0.02
GBP 600,000	BP Capital Markets 4.25% Perpetual	637	0.12
USD 600,000	BP Capital Markets 4.875% Perpetual	490	0.09
GBP 500,000	Bracken MidCo1 8.875% 15/10/2023	511	0.09
EUR 175,000	British American Tobacco 3.75% Perpetual	150	0.03
GBP 325,000	British Land 5.264% 24/09/2035	418	0.08
USD 500,000	Brooge Petroleum and Gas Investment FZE 8.50% 24/09/2025	374	0.07
GBP 200,000	Bruntwood Investments 6.00% 25/02/2025	205	0.04
NOK 5,000,000	Bulk Infrastructure 5.03% 15/10/2024	434	0.08
GBP 200,000	BUPA Finance 4.00% Perpetual	197	0.04
GBP 400,000	Canary Wharf Finance II 5.952% 22/01/2035	556	0.10
GBP 1,000,000	Centrica 5.25% 10/04/2075	1,067	0.20
USD 200,000	Charles Schwab 4.00% Perpetual	155	0.03
USD 394,000	Cheung Kong Infrastructure Finance BVI 4.20% Perpetual	293	0.05
GBP 600,000	Citigroup Capital XVIII 0.912% 28/06/2067	528	0.10

HL Multi-Manager High Income

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>
	Corporate Bonds – 11.73% (0.00%) (continued)		
GBP 100,000	Close Brothers Group 2.00% 11/09/2031	100	0.02
GBP 1,000,000	Co-operative 7.50% 08/07/2026	1,195	0.22
GBP 131,000	CPUK Finance 4.50% 28/08/2027	133	0.02
GBP 400,000	CPUK Finance 6.50% 28/08/2026	421	0.08
GBP 100,000	Credit Agricole 1.874% 09/12/2031	99	0.02
GBP 500,000	Credit Agricole 7.50% Perpetual	586	0.11
GBP 250,000	Daily Mail & General Trust 6.375% 21/06/2027	275	0.05
USD 500,000	DNO 8.375% 29/05/2024	385	0.07
GBP 149,000	Dwr Cymru (Financing) UK 2.375% 31/03/2034	150	0.03
USD 717,392	Eagle Bulk Shipco 8.25% 28/11/2022	546	0.10
EUR 400,000	East Renewable 13.50% 21/05/2021	344	0.06
GBP 1,000,000	Electricite de France 5.875% Perpetual	1,132	0.21
GBP 300,000	Electricite de France 6.00% 23/01/2114	516	0.10
EUR 101,000	Eni 2.75% Perpetual	88	0.02
GBP 287,172	Equity Release Funding No. 3 5.05% 26/04/2033	357	0.07
USD 150,000	Euronav Luxembourg 6.25% 14/09/2026	113	0.02
EUR 169,811	European Energy 3.75% 16/09/2025	146	0.03
EUR 272,000	European Energy 6.125% 22/09/3020	240	0.04
GBP 480,000	Eversholt Funding 3.529% 07/08/2042	532	0.10
GBP 236,000	First Abu Dhabi Bank 0.875% 09/12/2025	232	0.04
GBP 100,000	Gatwick Funding 2.50% 15/04/2032	99	0.02
GBP 200,000	GB Social Housing 5.193% 12/02/2038	268	0.05
GBP 700,000	GE Capital UK Funding Unlimited 5.875% 18/01/2033	944	0.18
USD 1,000,000	General Electric 3.514% Perpetual	726	0.13
GBP 88,273	Great Rolling Stock 6.875% 27/07/2035	165	0.03
GBP 130,000	Hastoe Capital 5.60% 27/03/2042	190	0.04
GBP 97,928	Haven Funding 8.125% 30/09/2037	164	0.03
GBP 800,000	Heathrow Finance 4.375% 01/03/2027	812	0.15
GBP 136,000	Heathrow Funding 2.625% 16/03/2028	136	0.03
EUR 200,000	Heimstaden 4.25% 09/03/2026	174	0.03
EUR 176,000	Heimstaden Bostad 3.00% Perpetual	150	0.03
USD 200,000	HSBC 4.60% Perpetual	150	0.03
GBP 600,000	HSBC 5.875% Perpetual	659	0.12
GBP 300,000	HSBC 6.75% 11/09/2028	383	0.07
GBP 500,000	HSBC Bank 4.75% 24/03/2046	663	0.12
GBP 250,000	HSBC Bank 5.375% 22/08/2033	326	0.06
GBP 599,000	InterContinental Hotels Group 3.375% 08/10/2028	638	0.12
GBP 500,000	Intu (SGS) Finance 4.625% 17/03/2028	326	0.06
GBP 400,000	Investec 6.75% Perpetual	420	0.08
GBP 350,000	Investec Bank 4.25% 24/07/2028	365	0.07
USD 371,000	Ithaca Energy North Sea 9.00% 15/07/2026	282	0.05
GBP 189,000	Jerrold Finco 5.25% 15/01/2027	196	0.04
GBP 400,000	John Lewis 4.25% 18/12/2034	415	0.08
USD 200,000	Julius Baer 3.625% Perpetual	146	0.03

HL Multi-Manager High Income

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>
	Corporate Bonds – 11.73% (0.00%) (continued)		
GBP 200,000	Just Group 5.00% Perpetual	199	0.04
GBP 200,000	Just Group 9.00% 26/10/2026	262	0.05
NOK 5,000,000	Klaveness Combination Carriers 5.21% 11/02/2025	429	0.08
GBP 500,000	Leeds Building Society 3.75% 25/04/2029	534	0.10
GBP 500,000	Legal & General Group 5.50% 27/06/2064	628	0.12
GBP 242,000	Lendinvest Secured Income 5.25% 10/08/2022	242	0.04
GBP 214,000	Libra Longhurst Treasury 2 3.25% 15/05/2043	246	0.05
NOK 1,500,000	Lime Petroleum 8.48% 09/01/2024	131	0.02
GBP 664,000	Lloyds Banking Group 2.707% 03/12/2035	671	0.12
GBP 500,000	Lloyds Banking Group 7.875% Perpetual	638	0.12
GBP 500,000	M&G 6.25% 20/10/2068	646	0.12
GBP 600,000	M&G 6.34% 19/12/2063	771	0.14
GBP 950,000	Metrocentre Finance 8.75% 06/12/2028	513	0.10
GBP 24,502	Mitchells & Butlers Finance 5.574% 15/12/2030	85	0.02
GBP 300,000	Morhomes 3.40% 19/02/2038	332	0.06
USD 606,041	MPC Container Ships Invest 4.937% 22/03/2023	455	0.08
GBP 244,000	National Australia Bank 1.699% 15/09/2031	241	0.04
GBP 405,000	National Express Group 2.375% 20/11/2028	413	0.08
GBP 199,000	National Express Group 4.25% Perpetual	206	0.04
GBP 190,000	NatWest Group 2.105% 28/11/2031	190	0.04
GBP 200,000	NatWest Group 5.125% Perpetual	215	0.04
USD 500,000	Navigator 8.00% 10/09/2025	388	0.07
USD 200,000	Nordea Bank Abp 3.75% Perpetual	146	0.03
GBP 150,000	Notting Hill Genesis 5.25% 07/07/2042	222	0.04
EUR 100,000	Oeyfjellet Wind Investment 2.75% 14/09/2026	86	0.02
USD 500,000	OKEA 6.693% 28/06/2023	385	0.07
GBP 100,000	Orsted 2.50% 18/02/3021	99	0.02
GBP 500,000	Peel Land & Property Investments 8.375% 30/04/2040	517	0.10
GBP 349,000	Pension Insurance 3.625% 21/10/2032	362	0.07
GBP 400,000	Pension Insurance 5.625% 20/09/2030	484	0.09
GBP 458,363	Peterborough Progress Health 5.58% 02/10/2042	685	0.13
GBP 800,000	Phoenix Group 5.75% Perpetual	868	0.16
GBP 250,000	Phoenix Group 5.867% 13/06/2029	303	0.06
GBP 117,016	Places for People Homes 6.625% 30/09/2038	215	0.04
GBP 241,000	Poplar Harca 4.843% 30/09/2043	300	0.06
GBP 505,152	Premiertel 6.175% 08/05/2032	722	0.13
GBP 400,000	Provident Financial 8.25% 04/06/2023	414	0.08
GBP 300,000	Prudential 6.125% 19/12/2031	406	0.08
GBP 302,000	Punch Finance 6.125% 30/06/2026	309	0.06
GBP 292,000	QBE Insurance 2.50% 13/09/2038	287	0.05
GBP 324,352	RMPA Services 5.337% 30/09/2038	593	0.11
GBP 133,000	Rolls-Royce 5.75% 15/10/2027	148	0.03
GBP 250,000	Rothsay Life 3.375% 12/07/2026	267	0.05
GBP 400,000	Rothschild Continuation Finance CI 9.00% Perpetual	462	0.09

HL Multi-Manager High Income

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>
Corporate Bonds – 11.73% (0.00%) (continued)			
GBP 800,000	Santander UK 10.063% Perpetual	1,409	0.26
GBP 175,000	Saxon Weald Capital 5.375% 06/06/2042	238	0.04
GBP 200,000	Scottish Power UK 6.375% 31/05/2041	316	0.06
GBP 750,000	Scottish Widows 7.00% 16/06/2043	1,148	0.21
EUR 400,000	SGL TransInternational 6.75% 04/11/2024	350	0.06
GBP 150,000	Shaftesbury Carnaby 2.487% 30/09/2031	148	0.03
USD 400,000	Siccar Point Energy Bonds 9.00% 04/03/2026	304	0.06
GBP 300,000	Society of Lloyd's 4.875% 07/02/2047	340	0.06
GBP 250,000	SSE 8.375% 20/11/2028	357	0.07
GBP 400,000	Stagecoach Group 4.00% 29/09/2025	434	0.08
GBP 400,000	Standard Chartered 5.125% 06/06/2034	497	0.09
EUR 180,000	Stichting AK Rabobank Certificaten 2.188% Perpetual	224	0.04
NOK 9,000,000	Stolt-Nielsen 4.10% 20/02/2024	768	0.14
GBP 500,000	Stonegate Pub Co Financing 2019 8.25% 31/07/2025	526	0.10
GBP 97,761	Telereal Securitisation 1.366% 10/12/2031	97	0.02
GBP 100,000	Telereal Securitisation 1.963% 10/12/2033	101	0.02
GBP 1,000,000	Telereal Securitisation 3.027% 10/12/2031	990	0.18
GBP 101,490	Telereal Securitisation 5.948% 10/12/2031	195	0.04
GBP 458,660	Tesco Property Finance 4 5.801% 13/10/2040	629	0.12
GBP 286,128	Tesco Property Finance 5 5.661% 13/10/2041	384	0.07
GBP 400,000	Thames Water Kemble Finance 4.625% 19/05/2026	417	0.08
GBP 459,000	Thames Water Utilities Finance 7.738% 09/04/2058	999	0.19
GBP 200,000	Time Warner Cable 5.75% 02/06/2031	254	0.05
EUR 285,000	Tulip Oil Netherlands Offshore 8.75% 12/11/2024	257	0.05
GBP 166,000	Uliving@Essex3 LLP 2.72% 31/08/2066	148	0.03
GBP 385,044	UPP Bond 1 Issuer plc 4.902% 28/02/2040	532	0.10
GBP 102,000	Vattenfall 2.50% 29/06/2083	102	0.02
GBP 750,000	Virgin Money UK 7.875% 14/12/2028	848	0.16
GBP 500,000	Virgin Money UK 8.00% Perpetual	528	0.10
USD 186,000	Vodafone Group 5.125% 04/06/2081	143	0.03
USD 418,000	Waldorf Production UK 9.75% 01/10/2024	317	0.06
GBP 260,000	Welltower 4.50% 01/12/2034	317	0.06
GBP 227,000	Workspace Group 2.25% 11/03/2028	226	0.04
GBP 500,000	Yorkshire Building Society 3.375% 13/09/2028	532	0.10
USD 285,000	Zurich Finance Ireland Designated Activity 3.00% 19/04/2051	211	0.04
		62,777	11.73
Government Bonds – 0.21% (0.00%)			
GBP 705,840	Income Contingent Student Loans 2 (2007-2009) 2.50% 24/07/2058	696	0.13

HL Multi-Manager High Income

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>
	Government Bonds – 0.21% (0.00%) (continued)		
USD 600,000	Temasek Financial 2.75% 02/08/2061	439	0.08
		1,135	0.21
	Forward FX Currency Contracts – -0.04% (0.00%)		
EUR (160,000)	Sold EUR, Bought GBP 137,164 for settlement on 06/12/2021	(1)	–
EUR (165,000)	Sold EUR, Bought GBP 141,312 for settlement on 06/12/2021	(1)	–
EUR (200,000)	Sold EUR, Bought GBP 170,924 for settlement on 06/12/2021	(2)	–
EUR (2,450,000)	Sold EUR, Bought GBP 2,106,575 for settlement on 06/12/2021	(7)	–
NOK (22,000,000)	Sold NOK, Bought GBP 1,835,024 for settlement on 06/12/2021	(22)	(0.01)
USD (380,000)	Sold USD, Bought GBP 281,285 for settlement on 06/12/2021	(1)	–
USD (110,000)	Sold USD, Bought GBP 79,443 for settlement on 06/12/2021	(2)	–
USD (8,300,000)	Sold USD, Bought GBP 6,004,010 for settlement on 06/12/2021	(163)	-0.03
		(199)	(0.04)
	Portfolio of investments – 99.95% (99.82%)	536,547	99.95
	Net other assets – 0.05% (0.18%)	263	0.05
	Net assets	536,810	100.00

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

All Collective Investment Schemes are in income shares/units unless otherwise stated.

HL Multi-Manager High Income

Fund Information

The Comparative Tables on pages 122 and 123 gives 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 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.

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 Fund 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.

HL Multi-Manager High Income

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	110.57	121.33	120.43
Return before operating charges*	24.48	(9.31)	2.39
Operating charges (calculated on average price)	(1.57)	(1.45)	(1.49)
Return after operating charges*	22.91	(10.76)	0.90
Distributions	(4.75)	(4.78)	(5.25)
Distributions on accumulation units	4.75	4.78	5.25
Closing net asset value per unit	133.48	110.57	121.33
* after direct transaction costs of**:	0.04	0.06	–

Performance

Return after charges	20.72%	(8.87)%	0.75%
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Other information

Closing net asset value (£'000)	118,677	101,046	123,129
Closing number of units	88,906,948	91,383,001	101,484,541
Operating charges†	1.24%	1.25%	1.27%
Direct transaction costs	0.03%	0.05%	–%

Prices[^]

Highest offer price	–	–	124.26
Lowest bid price	–	–	115.68
Highest mid price	136.17	127.75	121.92
Lowest mid price	109.09	94.21	110.55

** 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.

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

HL Multi-Manager High Income

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	91.53	104.75	108.72
Return before operating charges*	20.07	(7.93)	1.99
Operating charges (calculated on average price)	(1.28)	(1.23)	(1.32)
Return after operating charges*	18.79	(9.16)	0.67
Distributions on income units	(3.87)	(4.06)	(4.64)
Closing net asset value per unit	106.45	91.53	104.75
* after direct transaction costs of**:	0.04	0.05	–

Performance

Return after charges	20.53%	(8.74)%	0.62%
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Other information

Closing net asset value (£'000)	418,132	372,791	434,427
Closing number of units	392,809,125	407,269,448	414,740,323
Operating charges†	1.24%	1.25%	1.27%
Direct transaction costs	0.03%	0.05%	–%

Prices[^]

Highest offer price	–	–	112.16
Lowest bid price	–	–	104.44
Highest mid price	109.45	109.27	106.97
Lowest mid price	90.03	79.91	99.08

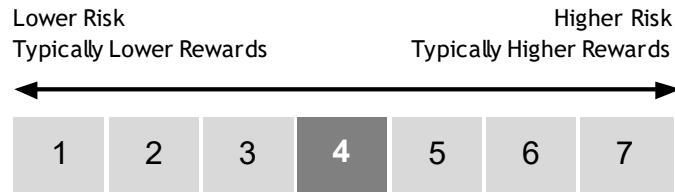
** Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the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

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

HL Multi-Manager High Income Fund Information (continued)

Synthetic Risk and Reward Indicator ("SRRI")



The Fund is ranked at 4 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. The risk and reward rating remained 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 Multi-Manager High Income

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		80,210		(65,667)
Revenue	7	21,671		22,659	
Expenses	8	(4,612)		(4,255)	
Interest payable and similar charges	10	(23)		(32)	
Net revenue before taxation		17,036		18,372	
Taxation	9	(1,272)		(1,133)	
Net revenue after taxation			15,764		17,239
Total return before distributions			95,974		(48,428)
Distributions	10		(19,696)		(21,554)
Change in net assets attributable to unitholders from investment activities			76,278		(69,982)

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
Opening net assets attributable to unitholders		473,837		557,556
Amounts receivable on issue of units	60,085		60,003	
Amounts payable on cancellation of units	(77,614)		(78,380)	
		(17,529)		(18,377)
Dilution levy		–		2
Change in net assets attributable to unitholders from investment activities		76,278		(69,982)
Retained distribution on accumulation units		4,224		4,638
Closing net assets attributable to unitholders		536,810		473,837

HL Multi-Manager High Income

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>
ASSETS			
Fixed assets:			
Investments		536,746	472,979
Current assets:			
Debtors	11	4,776	3,629
Cash and cash equivalents	12	1,889	1,647
Total assets		543,411	478,255
LIABILITIES			
Investment liabilities		(199)	–
Creditors:			
Distribution payable on income units	10	(3,313)	(1,874)
Bank overdraft	12	(1,010)	–
Other creditors	13	(2,079)	(2,544)
Total liabilities		(6,601)	(4,418)
Net assets attributable to unitholders		536,810	473,837

HL Multi-Manager High Income

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 to 17 of the Summary of Significant Accounting Policies Applicable to All Funds.

3 Distribution Policies

The distribution policies for note 3 are provided on page 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 20 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	79,188	(67,570)
Currency losses	(119)	–
Forward currency contracts	239	–
Transaction charges	(15)	(6)
Equalisation received on distributions from underlying funds	74	662
Annual management charge rebates	843	1,247
Total Net Capital Gains/(Losses)	80,210	(65,667)

The net capital gains/(losses) figure above includes movement of unrealised gains/(losses) and realised gains/(losses) of £76,009,581 and £3,178,235 respectively. (30th September 2020: £(63,793,277) and £(3,776,324) respectively). The prior year figures were restated to show the movement of gains and losses.

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 121.

HL Multi-Manager High Income

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

6 Purchases, Sales and Transaction Costs (continued)

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
Purchases						
Bonds	73,035	–	3	73,038	–	–
Collective Investment Schemes	19,696	–	–	19,696	–	–
Equities	30,688	11	136	30,834	0.04	0.44
Transaction cost % of purchases		0.01	0.11			
Sales						
Bonds	11,004	–	–	11,004	–	–
Collective Investment Schemes	80,739	–	–	80,739	–	–
Equities	48,074	(21)	(6)	48,047	0.04	0.01
Transaction cost % of sales		(0.02)	–			
Total cost of the Fund's average NAV (%)		0.01	0.03			

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
Purchases						
Collective Investment Schemes	74,926	–	–	74,926	–	–
Equities	129,371	25	246	129,642	0.02	0.19
Transaction cost % of purchases		0.01	0.12			
Sales						
Collective Investment Schemes	192,142	–	–	192,142	–	–
Equities	21,788	(11)	(1)	21,776	0.05	–
Transaction cost % of sales		0.01	–			
Total cost of the Fund's average NAV (%)		0.01	0.05			

HL Multi-Manager High Income

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 0.17% (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

	<i>30/09/21</i>	<i>30/09/20</i>
	<i>£'000</i>	<i>£'000</i>
Annual management charge rebates	194	196
Bank interest	3	1
Distributions from underlying funds	13,006	17,665
Franked PID revenue	9	–
Franked UK dividends	3,174	1,706
Interest on debt securities	2,647	–
Offshore interest CIS revenue	2,103	2,955
Overseas dividends	493	115
Unfranked PID revenue	42	21
Total Revenue	21,671	22,659

HL Multi-Manager High Income

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

8 Expenses

	30/09/21 £'000	30/09/20 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	<u>3,847</u>	<u>3,861</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee and Depositary's fee	50	49
Safe custody fee	<u>3</u>	<u>2</u>
	53	51
Other expenses:		
Audit fee	8	7
VAT on audit fee	2	1
Accounting and administration fee	44	53
Automated transaction provider fee	14	14
Monthly distribution fee	47	19
Publication costs	4	5
Registrar fees	23	23
Sub-adviser fee	<u>570</u>	<u>221</u>
	712	343
Total Expenses	<u>4,612</u>	<u>4,255</u>

9 Taxation

	30/09/21 £'000	30/09/20 £'000
(a) Analysis of charge for the year		
Corporation tax	1,257	1,124
Overseas withholding tax	<u>15</u>	<u>9</u>
Total current tax charge (note 9b)	1,272	1,133
Deferred tax (note 9c)	<u>-</u>	<u>-</u>
Total Taxation	<u>1,272</u>	<u>1,133</u>

HL Multi-Manager High Income

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

9 Taxation (continued)

(b) Factors affecting 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	17,036	18,372
Corporation Tax at 20%	3,407	3,675
Effects of:		
Non-taxable dividends	(2,220)	(2,777)
Non-taxable overseas dividends	(99)	(23)
Overseas withholding tax	15	9
Tax effect on capital management charge rebates	169	250
Tax payable in different periods	–	(1)
Total tax charge for the year (note 9a)	1,272	1,133

(c) Deferred tax charge for the year

Provision at the start of the year	–	–
Deferred tax charge in the year	–	–
Provision at the end of the year	–	–

At the year end, the Fund has no potential deferred tax asset as there were no carried forward surplus management expenses (30th September 2020: £Nil).

HL Multi-Manager High Income

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 accumulations	3,295	4,137
Interim distributions	12,093	14,936
Final accumulation	929	501
Final distribution	3,313	1,874
	19,630	21,448
Add: Revenue deducted on cancellation of units	259	353
Deduct: Revenue received on issue of units	(193)	(247)
Net distribution for the year	19,696	21,554
Interest	23	32
Total Distribution	19,719	21,586

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

Net revenue after taxation	15,764	17,239
Expenses offset against capital	4,613	4,255
Equalisation received on distributions from underlying funds	73	662
Tax effect on expenses offset against capital	(754)	(602)
	19,696	21,554

Details of the distribution per unit are set out in the distribution tables on pages 139 to 142.

HL Multi-Manager High Income

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

11 Debtors

	30/09/21	30/09/20
	£'000	£'000
Amounts receivable for issue of units	451	319
Annual management charge rebates	641	661
Bond interest receivable	817	–
Corporation tax recoverable	–	233
Currency deals awaiting settlement	1	–
Distributions from underlying funds	1,934	1,852
Franked UK dividends receivable	170	73
Overseas dividends receivable	47	1
PID tax recoverable	–	1
Sales awaiting settlement	713	487
Unfranked PID recoverable	2	2
Total Debtors	4,776	3,629

12 Cash and Cash Equivalents

	30/09/21	30/09/20
	£'000	£'000
Bank balances	1,222	1,639
Overseas balances	667	8
Total bank balances	1,889	1,647
Bank overdrafts	(1,010)	–
Total bank overdrafts	(1,010)	–

13 Other Creditors

	30/09/21	30/09/20
	£'000	£'000
Accrued expenses	329	434
Amounts payable for cancellation of units	586	1,163
Corporation tax payable	378	–
Purchases awaiting settlement	786	947
Total Other Creditors	2,079	2,544

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 £26,065.08 (30th September 2020: £24,426).

HL Multi-Manager High Income

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

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. Management fee rebates received during the year or due from the Manager are shown in note 5, note 7 and note 11. 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 £201,434 (30th September 2020: £293,939).

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	99.68%	99.53%
Class A Income units	99.36%	99.40%

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, the Fund held no shares in any Fund or collective investment scheme managed by associated companies of the Manager (30th September 2020: £Nil).

As at year end, the Manager has two third party sub-advisors appointed to provide investment management and advisory services to the Manager in respect of the Fund. The sub-adviser fees paid to these sub-advisors are disclosed in note 8 and amounts due to sub-advisors as the balance sheet are disclosed under note 13.

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 139 to 142. All units have the same rights on winding up.

The Manager's service charge for the class of each unit up to 28th June 2021 is as follows:

Class A	0.75%
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Effective 28th June 2021, the Manager's service charge is calculated using the following tiered rates.

Less than £1 billion	0.69%
Equal to or greater than £1 billion but less than £2 billion	0.64%
Equal to or greater than £2 billion but less than £3 billion	0.60%
Equal to or greater than £3 billion	0.55%

HL Multi-Manager High Income

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

16 Unit Class (continued)

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	91,383,001	10,681,435	(13,078,371)	(79,117)	88,906,948
Class A Income	407,269,448	45,166,244	(59,724,174)	97,607	392,809,125

17 Risk Disclosures

Market Price Risk

Market price risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

A 5% increase in the prices of the Fund's portfolio would have the effect of increasing the return and net assets by £26,827,314 (30th September 2020: £23,648,970). 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 20.

Currency exposure as at 30th September 2021

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Euro	4	2,818	2,822
Norwegian Krone	–	2,158	2,158
Sterling	846	523,868	524,714
US Dollar	29	7,087	7,116
	879	535,931	536,810

Currency exposure as at 30th September 2020

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Euro	8	–	8
Sterling	850	472,979	473,829
	858	472,979	473,837

A 5% increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £605 (30th September 2020: £425). A 5% decrease would have an equal and opposite effect.

HL Multi-Manager High Income

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 20.

Interest rate risk exposure as at 30th September 2021

Currency	Fixed rate financial assets & liabilities £'000	Floating rate financial assets & liabilities £'000	Non-interest bearing financial assets & liabilities £'000	Total £'000	Weighted average fixed interest rate %	Weighted average period for which rate is fixed years
Euro	956	(691)	–	265	6.63	2.49
Norwegian Krone	–	324	–	324	–	–
US Dollar	3,368	(2,645)	28	751	7.02	7.89
	4,324	(3,012)	28	1,340	13.65	10.38
Sterling	32,323	30,957	472,190	535,470	3.50	14.22
Total	36,647	27,945	472,218	536,810	17.15	24.60

Liquidity Risk

Liquidity risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

The Manager monitors the Fund'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 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, 86.55% (30th September 2020: 89.66%) of the investments could be disposed under normal conditions and 78.04% (30th September 2020: 88.31%) under stressed market conditions.

Counterparty Risk

Counterparty risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

The Fund does not have any significant counterparty risk exposures.

HL Multi-Manager High Income

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

17 Risk Disclosures (continued)

Credit Risk

Credit risk - risk management policies surrounding this risk are discussed in note 4 on pages 17 to 20.

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.

Valuation technique as at 30th September 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Collective Investment Schemes	–	375,567	–	375,567
Debt Securities	696	63,216	–	63,912
Equities	97,267	–	–	97,267
Total	97,963	438,783	–	536,746
Liabilities				
Forward Currency Contracts	–	(199)	–	(199)
Total	–	(199)	–	(199)

Valuation technique as at 30th September 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Collective Investment Schemes	–	394,148	–	394,148
Equities	78,663	–	168	78,831
Total	78,663	394,148	168	472,979

The Fund 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.

HL Multi-Manager High Income

Notes to the Financial Statements (continued)

For the year ended 30th September 2021

17 Risk Disclosures (continued)

Fair Value (continued)

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	133.67	134.44	0.58
Class A Income	107.44	106.58	(0.80)

HL Multi-Manager High Income

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	0.3322	–	0.3322	0.4343
Group 2	0.0419	0.2903	0.3322	0.4343

<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	0.2750	–	0.2750	0.3750
Group 2	0.0348	0.2402	0.2750	0.3750

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	0.3332	–	0.3332	0.4359
Group 2	0.0517	0.2815	0.3332	0.4359

<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	0.2750	–	0.2750	0.3750
Group 2	0.0427	0.2323	0.2750	0.3750

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	0.3341	–	0.3341	0.4374
Group 2	0.0673	0.2668	0.3341	0.4374

<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	0.2750	–	0.2750	0.3750
Group 2	0.0554	0.2196	0.2750	0.3750

Group 1 - Units created prior to 1st December 2020

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

HL Multi-Manager High Income

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	0.3351	–	0.3351	0.4389
Group 2	0.0608	0.2743	0.3351	0.4389

<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	0.2750	–	0.2750	0.3750
Group 2	0.0499	0.2251	0.2750	0.3750

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	0.3360	–	0.3360	0.4405
Group 2	0.0415	0.2945	0.3360	0.4405

<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	0.2750	–	0.2750	0.3750
Group 2	0.0340	0.2410	0.2750	0.3750

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	0.3369	–	0.3369	0.4421
Group 2	0.0668	0.2701	0.3369	0.4421

<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	0.2750	–	0.2750	0.3750
Group 2	0.0544	0.2206	0.2750	0.3750

Group 1 - Units created prior to 1st March 2021

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

HL Multi-Manager High Income

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	0.3378	–	0.3378	0.3257
Group 2	0.0770	0.2608	0.3378	0.3257

<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	0.2750	–	0.2750	0.2750
Group 2	0.0626	0.2124	0.2750	0.2750

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	0.3387	–	0.3387	0.3267
Group 2	0.0489	0.2898	0.3387	0.3267

<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	0.2750	–	0.2750	0.2750
Group 2	0.0397	0.2353	0.2750	0.2750

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	0.3395	–	0.3395	0.3276
Group 2	0.0491	0.2904	0.3395	0.3276

<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	0.2750	–	0.2750	0.2750
Group 2	0.0396	0.2354	0.2750	0.2750

Group 1 - Units created prior to 1st June 2021

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

HL Multi-Manager High Income

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	0.3404	–	0.3404	0.3286
Group 2	0.0247	0.3157	0.3404	0.3286

<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	0.2750	–	0.2750	0.2750
Group 2	0.0406	0.2344	0.2750	0.2750

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	0.3413	–	0.3413	–
Group 2	0.0592	0.2821	0.3413	–

<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	0.2750	–	0.2750	–
Group 2	0.0352	0.2398	0.2750	–

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	1.0446	–	1.0446	0.5478
Group 2	0.1659	0.8787	1.0446	0.5478

<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	0.8433	–	0.8433	0.4602
Group 2	0.1400	0.7033	0.8433	0.4602

Group 1 - Units created prior to 1st September 2021

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



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