

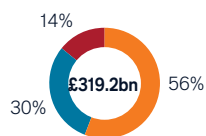
# INTERIM REPORT & ACCOUNTS

For the six months ended 31 December 2021



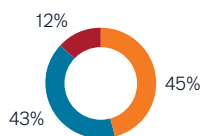
# Who are Janus Henderson Investors?

## Global Strength



Assets under management

North America EMEA & LatAm Asia Pacific



Over 340 Investment professionals



More than 2,000 employees



25 Offices worldwide



Over 4,300 companies met by investment teams in 2020

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

## Who we are

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

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

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

## Why Janus Henderson Investors

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

### Active because active matters

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

### Global strength to deliver local solutions

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

### Empowering clients through Knowledge Shared

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

# Contents

Authorised Corporate Director's (ACD) report	Page 1
Director's statement	Page 2
Market review	Page 4
Aggregated notes to the financial statements	Page 5
<b>Financial statements</b>	
Janus Henderson Absolute Return Fixed Income Fund	Page 6
Janus Henderson All Stocks Credit Fund	Page 32
Janus Henderson Asset-Backed Securities Fund	Page 54
Janus Henderson European Smaller Companies Fund	Page 74
Janus Henderson Index Linked Bond Fund	Page 90
Janus Henderson Institutional Long Dated Credit Fund	Page 106
Janus Henderson Institutional Long Dated Gilt Fund	Page 123
Janus Henderson Institutional Short Duration Bond Fund	Page 140
Janus Henderson Institutional UK Gilt Fund	Page 156
Janus Henderson Preference & Bond Fund	Page 173
Janus Henderson Strategic Bond Fund	Page 187
Janus Henderson UK Equity Income & Growth Fund	Page 214
Janus Henderson UK Smaller Companies Fund	Page 235
<b>Appendix - additional information</b>	
Securities financing transactions	Page 251
Further information	Page 254

## Authorised Corporate Director's (ACD) report for the six months ended 31 December 2021

We are pleased to present the Interim Report and Accounts for Janus Henderson UK & Europe Funds (the 'Company') for the period ended 31 December 2021.

### Authorised status

The Company is an open-ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC70 and authorised by the Financial Conduct Authority (FCA) with effect from 21 June 2000. It is a United Kingdom Undertaking for Collective Investment in Transferable Securities (UK UCITS) scheme structured as an umbrella company, comprising of twelve active sub-funds ('funds'), complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the Company is governed by the OEIC Regulations, COLL, its Instrument of Incorporation and Prospectus.

The Company has an unlimited duration. Shareholders are not liable for the debts of the Company.

### Segregation of assets

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 investment policy applicable to that fund.

### Statement of Authorised Corporate Director's (ACD) responsibilities

The FCA's COLL requires the ACD to prepare financial statements for each annual accounting year and interim accounting period, which give a true and fair view, in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014, UK Generally Accepted Accounting Practice (UK GAAP) (UK Accounting Standards, comprising the Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland), of the financial affairs of the Company and their revenue/expenditure for the period. The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, Prospectus and the OEIC Regulations. The ACD is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Brexit update

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

### Value assessment

The board of Henderson Investment Funds Limited (HIFL) present the value assessment report for the period to 31 December 2020, made available on our website [www.janushenderson.com](http://www.janushenderson.com). Access by this link (<https://www.janushenderson.com/en-gb/investor/notice/value-assessment-report>).

The FCA, the UK's financial services regulator, requires all fund management groups to perform a detailed assessment of whether funds are providing value to investors, and publish an annual statement summarising the outcome of this process, known as the value assessment. Our report is published by HIFL, the Board of the ACD (the body responsible for an investment fund) and summarises the period to 31 December 2020.

The value assessment considers a minimum of seven criteria set by the FCA; while investment performance and quality of service are clearly important factors, costs and charges paid by investors are also key considerations. At Janus Henderson, ensuring value is delivered to investors has always been central to our process and therefore the value assessment is an extension to the existing ongoing monitoring processes that provide oversight of how the funds are managed on your behalf.

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

### COVID-19

The outbreak of the novel coronavirus ('COVID-19') and subsequent global pandemic began impacting financial markets and economies during the first quarter of 2020. The worldwide spread of the virus led to uncertainty on an unprecedented scale. The impact of COVID-19 has been taken into account in the measurement of the assets and liabilities in the primary statements for the period to 31 December 2021.

## Authorised Corporate Director's (ACD) report (continued)

### Director's statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority. I hereby certify the investment reviews and financial statements on behalf of the Directors of Henderson Investment Funds Limited.



G Foggin  
(Director)

24 February 2022

## Authorised Corporate Director's (ACD) report (continued)

### Service providers

	Name	Address	Regulator
<b>Authorised Corporate Director</b>	<b>Henderson Investment Funds Limited</b> Member of the Investment Association  The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Dealing - 0845 608 8703 Enquiries - 0800 832 832	Authorised and regulated by the Financial Conduct Authority
<b>Directors of the ACD</b>	R Chaudhuri A Crooke G Foggin G Fogo S Hillenbrand H J de Sausmarez P Shea* F Smith* * Independent		
<b>Investment Manager</b>	<b>Henderson Global Investors Limited</b> The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
<b>Shareholder Administrator</b>	<b>SS&amp;C Financial Services International Limited and SS&amp;C Financial Services Europe Limited</b>	SS&C House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	<b>NatWest Trustee and Depository Services Limited</b> The ultimate holding company is Royal Bank of Scotland Group plc	250 Bishopsgate London EC2M 4AA	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority
<b>Independent Auditors</b>	<b>PricewaterhouseCoopers LLP</b>	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
<b>Legal Adviser</b>	<b>Eversheds Sutherland (International) LLP</b>	One Wood Street London EC2V 7WS	The Law Society

Global equities rose during the period to 31 December 2021 (MSCI World Index +10.1% in sterling and +8.0% in US dollar terms), on the continued roll-out of COVID-19 vaccines, positive earnings momentum, and relief that the impact of the Omicron variant of COVID-19 would probably not be as bad as initially feared. Markets had sold off towards the end of November as it was announced that the more infectious Omicron strain had been discovered. Rising energy costs and supply chain problems also pressured stocks, as did concerns about inflation, which prompted major central banks to turn increasingly hawkish.

In the UK, the FTSE All Share Index increased by 6.5% in sterling terms, buoyed by loosening lockdown restrictions early in the period and some favourable corporate results. Easing worries about Omicron near the end of the year allowed investors to shrug off worries about record high COVID-19 infections in the UK and the return of some restrictions. The market fell sharply towards the end of November as it was announced that the new strain had been detected and could be more resistant to vaccines. Persistently high inflation – the annual rate hit a 10-year high of 5.1% in November, up from 2.0% in July – prompted the Bank of England to announce in December that it would raise interest rates by 15 basis points to 0.25%. The UK economy remained smaller than its pre-pandemic level as growth slowed to 1.1% over the third quarter, from 5.4% over the second quarter, while the labour market was strong despite the end of the government's furlough scheme.

European equities moved higher (FTSE World Europe ex UK Index +5.8% in sterling and +7.3% in euro terms), helped by some strong corporate results, receding worries about the Omicron variant, and continued monetary policy support. The return of restrictions in several countries as COVID-19 infections soared, the emergence of the Omicron variant, and rising prices – the Eurozone annual inflation rate hit a record 5.0% in December, up from 2.2% in July – limited the gains in equities. The European Central Bank maintained its monetary policy support. However, it said in December that it would halt its pandemic emergency purchase programme in early 2022, although it would continue to buy bonds under an older scheme. Eurozone GDP expanded by 2.2% over the third quarter, unchanged from the previous quarter.

In the US, the S&P 500 Index rose by 13.9% in sterling and 11.7% in US dollar terms, as generally upbeat corporate results, the approval of new stimulus measures, and easing worries about the pandemic helped the main indices hit record highs. Concerns about the Omicron strain and surging prices – annual inflation reached a near 40-year high of 6.8% in November, up from 5.4% in July – weighed on sentiment. In response to the pricing pressures, the US Federal Reserve (Fed) said, in December, that it would bring forward plans to halt its huge asset-purchasing scheme and expected to raise interest rates three times in 2022. US GDP expanded by an annualised 2.3% in the third quarter, down from 6.7% growth in second quarter. The economy continued to add jobs, while initial jobless claims trended downwards. The US dollar strengthened, helped by the prospect of monetary policy tightening.

In Japan, the TOPIX was up by 1.8% in sterling and 3.5% in Japanese yen terms, as optimism about the roll-out of COVID-19 vaccinations early in the period and easing restrictions outweighed worries about the Omicron strain. The resignation of Prime Minister Yoshihide Suga triggered a rally in September, on expectations that his successor would implement new measures to boost the economy. The new Prime Minister, Fumio Kishida, and the ruling Liberal Democratic Party defied expectations to win a majority in a snap general election at the end of October. The market was supported in November by the government's announcement of a huge new spending package. The core inflation rate, which excludes fresh food prices, rose by 0.5% year on year in November, after gains of 0.1% in each of the two preceding months. The Bank of Japan said in December that it would wind down its emergency asset-purchasing programme. The economy contracted by an annualised 3.6% in the third quarter, following 1.5% growth in the second quarter.

In Asia, the MSCI AC Asia Pacific ex Japan Index fell by 7.2% in sterling and 9.0% in US dollar terms, led by a decline in China and anxiety about the pandemic. Chinese stocks slumped as COVID-19 outbreaks in the country, a slowing economy, the property sector's debt problems, electricity rationing, and a regulatory crackdown weighed on sentiment. South Korean shares declined on concerns about the Omicron strain and record high COVID-19 infections in the country. Rallying technology shares and solid corporate results boosted Taiwan's market and helped the benchmark TAIEX hit a series of record highs. Australian stocks were slightly higher in sterling terms, although they fell in US dollar terms because of foreign exchange fluctuations. Easing lockdown restrictions and rises in commodity prices buoyed sentiment and allowed investors to overlook worries about the Omicron strain.

The MSCI Emerging Markets Index declined by 7.3% in sterling and 9.1% in US dollar terms, as concerns about the pandemic unnerved investors. Indian stocks rose strongly as GDP rebounded and economic optimism helped the benchmark S&P BSE Sensex Index hit record highs in October. Shares were generally weaker thereafter, given worries about high valuations and the pandemic. Brazilian equities sank on discontent over the leadership of President Jair Bolsonaro and on worries about government plans to increase welfare spending. Russia's market was slightly higher in sterling terms but unchanged in US dollar terms as rising tensions between Moscow and the West limited the benefits of oil price gains. Turkish stocks weakened in sterling and US dollar terms as the central bank cut interest rates despite soaring inflation. As a result, the lira weakened to record lows against the US dollar. South African equities dropped as investors worried about the emergence of the Omicron variant, power cuts and monetary policy tightening by global central banks.

In fixed income, the JPM Global Government Bond Index was unchanged in sterling and dropped by 1.9% in US dollar terms. Yields on core government bond markets – the US, UK, Germany and Japan – were generally higher. The yield on US benchmark 10-year Treasury bonds rose as the Fed turned increasingly hawkish and indicated in December that it could raise interest rates three times in 2022. There were similar upward moves in UK 10-year gilt and German 10-year bund yields. In corporate debt markets, companies issued about US\$5.5trn in bonds in 2021, down by less than 3% from the previous year, as they continued to take advantage of historically low borrowing costs.

In commodity markets, oil prices were higher overall. Prices hit multi-year highs in October as supplies tightened, although they slumped the following month as the Omicron variant was discovered, before recovering in December. US benchmark West Texas Intermediate ended the period at about US\$75 per barrel, a gain of about 2%. Gold prices strengthened modestly as they benefited from uncertainty caused by the Omicron variant and concerns about elevated inflation. Copper prices gained, having reached near-record highs in October before reversing course as the demand outlook weakened. Prices finished the year positively, however, as it emerged that China's imports of the metal had increased.



## Accounting policies

### Basis of preparation

The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the SORP for UK Authorised Funds issued by the IMA in May 2014, FRS 102, the FCA's COLL and the Company's Instrument of Incorporation and Prospectus. The financial statements for all funds except Janus Henderson Preference & Bond Fund have been prepared on a going concern basis.

The financial statements for Janus Henderson Preference & Bond Fund have been prepared on a basis other than going concern as the ACD has merged this fund with Janus Henderson Fixed Interest Monthly Income Fund on 18 March 2021. The ACD intends to terminate this fund at a future date after the removal of illiquid stocks. There has been no impact on the financial statements or disclosure notes to adjust assets or liabilities to realisable value, other than to reclassify Investments as Current Assets. No adjustments were necessary to provide for the costs of terminating the fund as the ACD will bear any related costs for this fund. The comparatives for this fund have been prepared on a going concern basis.

The accounting policies, distribution policy and potential risks are consistent with those of the financial statements for the year ended 30 June 2021 and are described in those annual accounts.

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

### Cross holdings

31/12/21		Fund Held	
		Janus Henderson Asset-Backed Securities Fund	
		Number of Shares	Market Value £000
<b>Investor Fund</b>	Janus Henderson Index Linked Bond Fund	8,691,646	8,864
<b>Investor Fund</b>	Janus Henderson Institutional UK Gilt Fund	3,228,607	3,293

### 30/06/21

As at 30 June 2021 there were no sub-fund cross holdings within the Janus Henderson UK & Europe Funds.

### Events after the Balance sheet date

#### Janus Henderson Absolute Return Fixed Income Fund

As at 22 February 2022, the Net Asset Value (NAV) of the fund is £149,620,011 which is a decrease of 19.39% from the Balance sheet date. The decrease in NAV is due to net outflows and capital losses from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

#### Janus Henderson Institutional Long Dated Credit Fund

As at 22 February 2022, the NAV of the fund is £140,262,488 which is a decrease of 10.59% from the Balance sheet date. The decrease in NAV is due to net outflows and capital losses from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

#### Janus Henderson Institutional Long Dated Gilt Fund

As at 22 February 2022, the NAV of the fund is £47,770,112 which is a decrease of 12.31% from the Balance sheet date. The decrease in NAV is due to net outflows and capital losses from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

#### Janus Henderson UK Smaller Companies Fund

As at 22 February 2022, the NAV of the fund is £384,623,868 which is a decrease of 14.78% from the Balance sheet date. The decrease in NAV is due to net outflows and capital losses from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

# Janus Henderson Absolute Return Fixed Income Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Daniel Siluk and Jason England

Please note that as of 30 September 2021 Nick Maroutsos no longer co-manages this fund.

### Investment objective and policy

The fund aims to generate a positive return (more than zero), after the deduction of costs and charges, over a rolling 12 month period. An absolute return performance is not guaranteed over this specific, or any other, time period and consequently capital is in fact at risk.

Performance target: To outperform the ICE Bank of America ML 3 month Sterling Government Bill Index by at least 2% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in a global portfolio of bonds of any quality, including high yield (non-investment grade) bonds and asset-backed and mortgage-backed securities, issued by governments or companies. The fund may invest directly or via derivatives (complex financial instruments).

In certain market conditions, the fund may invest more than 35% of its assets in government bonds issued by any one body. The fund will not invest more than 15% of its assets in high yield (non-investment grade) bonds and will never invest in bonds rated lower than B- or B3 (credit agency ratings), or if unrated deemed to be of a comparable quality by the Investment Manager. The Investment Manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk, to manage the fund more efficiently, or to generate additional capital or income for the fund.

The fund is actively managed with reference to the ICE Bank of America ML 3 month Sterling Government Bill Index as this forms the basis of the fund's performance target. The Investment Manager has a high degree of freedom to choose individual investments for the fund.

### Strategy

The Investment Manager manages the fund to act as a 'risk reducer', aiming to provide consistent positive absolute returns in excess of cash with low volatility and capital stability across economic and credit cycles. Exposure to shorter maturity investment grade bonds across global fixed income markets creates steady income generation which is balanced with tactical trades that aim to dampen overall volatility and take advantage of any market mispricing and dislocations. The fund is benchmark agnostic seeking the best risk adjusted opportunities across sectors and countries.

### Performance summary

#### Cumulative performance

	Six months	One year	Since inception
	30 Jun 21 -	31 Dec 20 -	25 Feb 19 -
	31 Dec 21	31 Dec 21	31 Dec 21
	%	%	%
Class I accumulation (Net)	(0.4)	(0.9)	3.7
ICE Bank of America ML 3 month Sterling Government Bill Index	0.0	0.0	0.9
Class I accumulation (Gross)	(0.1)	(0.3)	5.4
ICE Bank of America ML 3 month Sterling Government Bill Index + 2%	1.0	2.0	6.8

#### Discrete performance

	31 Dec 20 -	31 Dec 19 -	25 Feb 19* -
	31 Dec 21	31 Dec 20	31 Dec 19
	%	%	%
Class I accumulation (Net)	(0.9)	2.9	1.7
ICE Bank of America ML 3 month Sterling Government Bill Index	0.0	0.3	0.4
Class I accumulation (Gross)	(0.3)	3.5	2.2
ICE Bank of America ML 3 month Sterling Government Bill Index + 2%	2.0	2.3	2.4

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

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

\* The fund launched on 25 February 2019.

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are as at close of business.

Class I accumulation is disclosed as it is the representative share class.

### Benchmark usage

Index: ICE Bank of America ML 3 month Sterling Government Bill Index

Index usage: Target

Index description: The Bank of America Merrill Lynch 3 month Sterling Government Bill Index is an unmanaged index that is comprised of a single UK Gilt issue with approximately three months to final maturity. It is the basis for the fund's performance target.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

## Significant portfolio changes for the six months ended 31 December 2021

Largest purchases	£000	Largest sales/maturities	£000
Conagra Brands 0.00% 08/07/2021	8,121	Conagra Brands 0.00% 08/07/2021	8,165
Smithfield Foods 0.00% 21/10/2021	7,413	Smithfield Foods 0.00% 21/10/2021	7,419
Aviation Capital 0.00% 13/09/2021	6,553	Aviation Capital 0.00% 13/09/2021	6,532
Jabil 0.00% 18/08/2021	6,132	Jabil 0.00% 18/08/2021	6,187
Jabil 0.00% 06/10/2021	5,909	Jabil 0.00% 06/10/2021	5,872
Energy Transfer 0.00% 23/07/2021	5,878	Energy Transfer 0.00% 22/07/2021	5,850
Energy Transfer 0.00% 22/07/2021	5,875	Energy Transfer 0.00% 26/07/2021	5,818
Conagra Brands 0.00% 23/07/2021	5,853	Conagra Brands 0.00% 23/07/2021	5,815
Conagra Brands 0.00% 27/07/2021	5,824	Energy Transfer 0.00% 23/07/2021	5,815
Energy Transfer 0.00% 26/07/2021	5,814	Plains All American Pipeline 0.00% 09/07/2021	5,814
<b>Total purchases</b>	<b>870,246</b>	<b>Total sales/maturities</b>	<b>920,352</b>

### Investment review

The fund fell 0.4% (Net), 0.1% (Gross) based on Class I accumulation over the period under review, compared with a return of 0.0% in the ICE Bank of America ML 3 month Sterling Government Bill Index and a return of 1.0% in the Target Index + 2%.

The strength of the economic recovery and persistently higher inflation led bond market yields to rise during the period. Shorter-maturity global bonds saw negative returns as central banks were compelled to adjust plans to exit highly accommodative monetary policy. Driven by labour shortages in certain regions and supply chain disruptions globally, inflation proved more persistent than expected. Facing this, the Reserve Bank of Australia abandoned yield curve control in November and by year end, the US Federal Reserve had accelerated its just-announced balance sheet 'tapering' programme, likely making way for interest rate hikes in mid-2022. Yields on shorter-dated government debt climbed while longer-maturity debt performed strongly, as yield curves flattened and the market factored in the potential effects of higher rates on the economy. COVID-19 remained a theme throughout the period, with apprehension heightening later on with the emergence of the more infectious Omicron variant. Credit markets were weaker towards the end of the period, with credit spreads widening sharply in November before recovering some of this underperformance in December.

The fund seeks to generate consistent returns by focusing on higher-quality, shorter-dated credits that tend to offer attractive 'carry' as they near maturity. This is combined with active derivative-based strategies that seek to deliver incremental return and mitigate downside risk.

As 2021 unfolded, we became increasingly concerned that the level of monetary policy settings did not match improving economic conditions. We took steps to lower the fund's interest rate exposure on the presumption that after years of erring on the side of dovishness, leading central banks would be forced to take a more hawkish stance. This proved prescient as bond yields continued to move higher into year end, particularly at shorter maturities. Portfolio duration ended the year at 0.3 years split between the US and Australia/New Zealand.

Coupon income from the fund's core holdings of short-to-mid-dated corporate bonds benefited returns during the period. However, in the fourth quarter, concerns about the Omicron variant and central banks' response to inflation caused the spreads between these securities' yields and those of their risk-free benchmarks to widen, which was a drag on performance. Throughout the period, we continued to recycle out of corporate bonds that were close to maturity and reinvest proceeds further out the curve to enhance yield, and add exposure to certain issuers and sectors that we expected to fare better in the reopening.

The fund utilises derivatives. This included using forward foreign exchange contracts for hedging the currency risk of Australian dollar and US dollar-denominated securities back to sterling, bond futures and interest rate swaps for managing interest rate exposure, and the use of index credit default swaps to manage credit risk exposure.

Monetary policy should be the driving force in bond markets in 2022, as officials seek to balance economic growth and inflation. Unlike earlier recoveries, very little about what countries are presently experiencing can be described as synchronous. Some central banks are likely at risk of falling behind the curve. There is no playbook for this unique environment and, consequently, we believe that the world is now at peak monetary policy uncertainty. With policy normalisation now underway in some major economies and robust demand for goods continuing to drive economic growth, we are maintaining a portfolio duration at around 0.3 years. We believe this conservatism is merited given our bias toward higher interest rates.

The upcoming year is shaping up to be one where relative value trades are likely to be attractive sources of excess returns. By relative value, we mean geographically, along the yield curve and among credit profiles. The disparate nature of the economic recovery and divergent policy responses mean that, at any given time, countries are likely to be in different places on the policy spectrum. With respect to corporate issuers, an uneven global reopening would probably lead to variances in the economic cycle, resulting in relative value opportunities among issuers of different ratings in a particular country or those of similar ratings across jurisdictions. While a solid macro backdrop should be supportive of credit, we are mindful that with greater uncertainty about central bank policy there is also potential for more episodes of volatility.

## Comparative tables for the six months ended 31 December 2021

	Class G accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	27/06/19 - 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	102.42	102.53	99.96	100.00 <sup>1</sup>
Return before operating charges*	(0.19)	0.35	3.01	(0.04)
Operating charges	(0.24)	(0.46)	(0.44)	-
Return after operating charges*	(0.43)	(0.11)	2.57	(0.04)
Distributions on accumulation shares	(0.64)	(0.38)	(1.05)	(0.04)
Retained distributions on accumulation shares	0.64	0.38	1.05	0.04
Closing net asset value per share	101.99	102.42	102.53	99.96
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	(0.42%)	(0.11%)	2.57%	(0.04%)
<b>Other information</b>				
Closing net asset value (£000s)	2	1	1	1
Closing number of shares	1,952	500	500	500
Operating charges (annualised)	0.45%	0.45%	0.44%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	102.50	103.14	102.57	100.03
Lowest share price (pence)	101.84	102.36	100.03	100.00

<sup>1</sup> Class G accumulation launched on 27 June 2019 and this is the first published price.

## Comparative tables (continued)

	Class G income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	27/06/19 - 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	100.91	101.50	99.92	100.00 <sup>2</sup>
Return before operating charges*	(0.18)	0.23	3.03	(0.04)
Operating charges	(0.23)	(0.46)	(0.44)	-
Return after operating charges*	(0.41)	(0.23)	2.59	(0.04)
Distributions on income shares	(0.63)	(0.36)	(1.01)	(0.04)
Closing net asset value per share	99.87	100.91	101.50	99.92
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	(0.41%)	(0.23%)	2.59%	(0.04%)
<b>Other information</b>				
Closing net asset value (£000s)	2	1	1	1
Closing number of shares	1,981	500	500	500
Operating charges (annualised)	0.45%	0.45%	0.44%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	100.99	102.02	101.56	100.03
Lowest share price (pence)	99.97	101.07	99.55	100.00

<sup>2</sup> Class G income launched on 27 June 2019 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	25/02/19 - 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	104.08	103.97	101.15	100.00 <sup>3</sup>
Return before operating charges*	(0.14)	0.69	3.39	1.34
Operating charges	(0.29)	(0.58)	(0.57)	(0.19)
Return after operating charges*	(0.43)	0.11	2.82	1.15
Distributions on accumulation shares	(0.28)	(0.60)	(1.29)	(0.77)
Retained distributions on accumulation shares	0.28	0.60	1.29	0.77
Closing net asset value per share	103.65	104.08	103.97	101.15
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	(0.41%)	0.11%	2.79%	1.15%
<b>Other information</b>				
Closing net asset value (£000s)	33,384	58,069	3,775	2,529
Closing number of shares	32,207,770	55,793,459	3,630,672	2,500,499
Operating charges (annualised)	0.56%	0.56%	0.56%	0.56%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	104.19	104.72	104.01	101.25
Lowest share price (pence)	103.51	103.95	101.23	99.96

<sup>3</sup> The fund launched on 25 February 2019 and this is the first published price.

## Comparative tables (continued)

	Class I income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	25/02/19 - 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	101.40	101.90	100.38	100.00 <sup>4</sup>
Return before operating charges*	(0.14)	0.67	3.34	1.34
Operating charges	(0.28)	(0.57)	(0.56)	(0.19)
Return after operating charges*	(0.42)	0.10	2.78	1.15
Distributions on income shares	(0.42)	(0.60)	(1.26)	(0.77)
Closing net asset value per share	100.56	101.40	101.90	100.38
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	(0.41%)	0.10%	2.77%	1.15%
<b>Other information</b>				
Closing net asset value (£000s)	3,999	4,042	3,474	2,510
Closing number of shares	3,976,984	3,986,244	3,409,965	2,500,499
Operating charges (annualised)	0.56%	0.56%	0.56%	0.56%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	101.50	102.49	102.02	101.11
Lowest share price (pence)	100.63	101.58	100.02	99.96

<sup>4</sup> The fund launched on 25 February 2019 and this is the first published price.



## Comparative tables (continued)

	Class S accumulation		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	09/12/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	102.90	102.50	100.00 <sup>5</sup>
Return before operating charges*	(0.14)	0.67	2.64
Operating charges	(0.13)	(0.27)	(0.14)
Return after operating charges*	(0.27)	0.40	2.50
Distributions on accumulation shares	(0.45)	(0.92)	(0.83)
Retained distributions on accumulation shares	0.45	0.92	0.83
Closing net asset value per share	102.63	102.90	102.50
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.26%)	0.39%	2.50%
<b>Other information</b>			
Closing net asset value (£000s)	54,796	76,533	26,123
Closing number of shares	53,391,034	74,375,063	25,486,071
Operating charges (annualised)	0.26%	0.26%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	103.09	103.39	102.53
Lowest share price (pence)	102.47	102.53	99.95

<sup>5</sup> Class S accumulation launched on 9 December 2019 and this is the first published price.

## Comparative tables (continued)

	Class S income		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	20/02/20 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	100.70	101.17	100.00 <sup>6</sup>
Return before operating charges*	(0.14)	0.66	1.59
Operating charges	(0.13)	(0.26)	(0.09)
Return after operating charges*	(0.27)	0.40	1.50
Distributions on income shares	(0.57)	(0.87)	(0.33)
Closing net asset value per share	99.87	100.70	101.17
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.27%)	0.40%	1.50%
<b>Other information</b>			
Closing net asset value (£000s)	79,113	80,682	58,589
Closing number of shares	79,218,748	80,125,166	57,913,611
Operating charges (annualised)	0.26%	0.26%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	100.88	101.81	101.35
Lowest share price (pence)	99.99	100.89	99.68

<sup>6</sup> Class S income launched on 20 February 2020 and this is the first published price.

## Comparative tables (continued)

	Class Z accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	25/02/19 - 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	105.31	104.68	101.32	100.00 <sup>7</sup>
Return before operating charges*	(0.13)	0.68	3.42	1.34
Operating charges	(0.03)	(0.05)	(0.06)	(0.02)
Return after operating charges*	(0.16)	0.63	3.36	1.32
Distributions on accumulation shares	(0.72)	(1.14)	(1.80)	(0.94)
Retained distributions on accumulation shares	0.72	1.14	1.80	0.94
Closing net asset value per share	105.15	105.31	104.68	101.32
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	(0.15%)	0.60%	3.32%	1.32%
<b>Other information</b>				
Closing net asset value (£000s)	13,937	13,252	14,237	2,533
Closing number of shares	13,254,254	12,583,761	13,600,962	2,500,499
Operating charges (annualised)	0.05%	0.05%	0.06%	0.06%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	105.56	105.71	104.71	101.41
Lowest share price (pence)	104.97	104.71	101.41	99.97

<sup>7</sup> The fund launched on 25 February 2019 and this is the first published price.

## Comparative tables (continued)

	Class Z income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	25/02/19 - 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	101.41	101.90	100.38	100.00 <sup>8</sup>
Return before operating charges*	(0.10)	0.67	3.35	1.34
Operating charges	(0.03)	(0.05)	(0.06)	(0.02)
Return after operating charges*	(0.13)	0.62	3.29	1.32
Distributions on income shares	(0.65)	(1.11)	(1.77)	(0.94)
Closing net asset value per share	100.62	101.41	101.90	100.38
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	(0.13%)	0.61%	3.28%	1.32%
<b>Other information</b>				
Closing net asset value (£000s)	1	1	2,548	2,510
Closing number of shares	499	499	2,500,499	2,500,499
Operating charges (annualised)	0.05%	0.05%	0.06%	0.06%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	101.60	102.63	102.14	101.23
Lowest share price (pence)	100.74	101.62	100.02	99.97

<sup>8</sup> The fund launched on 25 February 2019 and this is the first published price.

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period.

## Ongoing charge figure

The annualised ongoing charge figure (OCF) of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/21 %	30/06/21 %
<b>Class G accumulation</b>	0.45	0.45
<b>Class G income</b>	0.45	0.45
<b>Class I accumulation</b>	0.56	0.56
<b>Class I income</b>	0.56	0.56
<b>Class S accumulation</b>	0.26	0.26
<b>Class S income</b>	0.26	0.26
<b>Class Z accumulation</b>	0.05	0.05
<b>Class Z income</b>	0.05	0.05

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

## Risk and reward profile

The fund currently has 8 types of share class in issue: G accumulation, G income, I accumulation, I income, S accumulation, S income, Z accumulation and Z income.

Each share class has the same risk and reward profile which is as follows:



The share classes appear at 2 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The Synthetic Risk and Reward Indicator (SRRI) is calculated based on historical volatility over a rolling 5\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Counterparty Risk and Operational Risk** The fund could lose money if a counterparty with which the fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

**Credit Risk** An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the fund. If this happens or the market perceives this may happen, the value of the bond will fall.

**Currency Hedging** When the fund, or a hedged share class, seeks to mitigate exchange rate movements of a currency relative to the base currency, the hedging strategy itself may create a positive or negative impact to the value of the fund due to differences in short-term interest rates between the currencies.

**Derivatives and Leverage** The fund may use derivatives towards the aim of achieving its investment objective. This can result in 'leverage', which can magnify an investment outcome and gains or losses to the fund may be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Exchange Rates** If the fund holds assets in currencies other than the base currency of the fund or you invest in a share class of a different currency to the fund (unless 'hedged'), the value of your investment may be impacted by changes in exchange rates.

**Interest Rates** When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise. This risk is generally greater the longer the maturity of a bond investment.

**Liquidity** Securities within the fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

**Prepayment and Extension** Some bonds (callable bonds) allow their issuers the right to repay capital early or to extend the maturity. Issuers may exercise these rights when favourable to them and as a result the value of the fund may be impacted.

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

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

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class I accumulation, Class I income, Class Z accumulation and Class Z income launched on 25 February 2019, Class G accumulation and G income launched on 27 June 2019. Class S accumulation launched on 9 December 2019 and Class S income launched on 20 February 2020. As these share classes do not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

## Portfolio statement as at 31 December 2021

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Bonds 95.86% (30/06/2021: 89.23%)</b>			
<b>Australia 23.10% (30/06/2021: 20.15%)</b>			
<b>Asset Backed 0.42% (30/06/2021: 0.43%)</b>			
AUD 324,911	La Trobe Financial Capital Markets Trust FRN 11/02/2051 2A1L	175	0.09
AUD 500,000	La Trobe Financial Capital Markets Trust FRN 11/02/2051 2A2L	270	0.15
AUD 154,066	Latitude Australia Personal Loans FRN 17/06/2028 1AL	83	0.05
AUD 375,479	Liberty Funding FRN 10/06/2051	203	0.11
AUD 81,871	Pepper Residential Securities Trust FRN 12/08/2058	44	0.02
		<hr/> 775	<hr/> 0.42
<b>Fixed Rate Bond 7.36% (30/06/2021: 5.60%)</b>			
AUD 1,120,000	Ausgrid Finance 3.75% 30/10/2024	631	0.34
USD 310,000	Ausgrid Finance 3.85% 01/05/2023	235	0.13
AUD 240,000	AusNet Services 2.60% 31/07/2029	127	0.07
AUD 3,770,000	Charter Hall 2.086% 03/03/2028	1,927	1.04
AUD 900,000	Charter Hall Exchange Finance 2.317% 25/09/2030	457	0.25
AUD 2,000,000	CNH Industrial Capital Australia 1.75% 08/07/2024	1,065	0.57
AUD 1,500,000	Computershare US 3.147% 30/11/2027	815	0.44
AUD 150,000	ConnectEast Finance 3.40% 25/03/2026	84	0.04
AUD 2,900,000	ElectraNet 2.4737% 15/12/2028	1,504	0.81
AUD 500,000	GAIF Bond Issuer 2.584% 18/11/2027	270	0.15
AUD 1,400,000	GTA Finance 2.20% 26/08/2027	726	0.39
AUD 5,300,000	Lonsdale Finance 2.10% 15/10/2027	2,750	1.48
AUD 200,000	Lonsdale Finance 2.45% 20/11/2026	107	0.06
AUD 430,000	Network Finance 2.25% 11/11/2026	228	0.12
AUD 500,000	Optus Finance 1.60% 01/07/2025	265	0.14
AUD 600,000	SGSP Australia Assets 3.75% 28/06/2023	335	0.18
USD 270,000	Suncorp-Metway 3.30% 15/04/2024	209	0.11
AUD 200,000	United Energy Distribution 2.20% 29/10/2026	107	0.06
AUD 1,000,000	United Energy Distribution 3.85% 23/10/2024	568	0.31
AUD 2,400,000	VER Finco 2.40% 21/09/2028	1,232	0.67
		<hr/> 13,642	<hr/> 7.36
<b>Floating Rate Note 13.10% (30/06/2021: 12.88%)</b>			
AUD 2,400,000	Ausgrid Finance FRN 05/02/2024	1,297	0.70
AUD 1,250,000	Ausgrid Finance FRN 30/10/2024	678	0.37
AUD 3,650,000	Australia and New Zealand Banking FRN 06/12/2023	1,986	1.07
AUD 600,000	Australia and New Zealand Banking FRN 26/07/2029	330	0.18
AUD 1,400,000	Australian Central Credit Union FRN 16/09/2031	751	0.40
AUD 500,000	Bank of Queensland FRN 19/05/2032	268	0.14
AUD 1,050,000	Bank of Queensland FRN 29/07/2031	562	0.30
AUD 450,000	Bank of Queensland FRN 30/10/2024	245	0.13
AUD 800,000	Bendigo & Adelaide Bank FRN 14/10/2031	425	0.23
AUD 2,000,000	Bendigo & Adelaide Bank FRN 30/11/2028	1,103	0.60
AUD 1,000,000	Commonwealth Bank of Australia FRN 11/01/2024	545	0.29
AUD 3,100,000	Commonwealth Bank of Australia FRN 20/08/2031	1,662	0.90
AUD 100,000	ETSA Utilities Finance FRN 13/12/2023	54	0.03
AUD 1,000,000	Insurance Australia FRN 15/06/2044	543	0.29
AUD 1,510,000	Insurance Australia FRN 15/12/2036	836	0.45
AUD 200,000	Liberty Financial FRN 07/03/2022	108	0.06
AUD 3,640,000	Liberty Financial FRN 17/03/2025	1,958	1.06
AUD 1,400,000	Liberty Financial FRN 25/05/2026	755	0.41

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Floating Rate Note (continued)</b>			
AUD 2,000,000	Macquarie Bank FRN 17/06/2031	1,071	0.58
AUD 200,000	National Australia Bank FRN 17/05/2029	110	0.06
AUD 3,400,000	National Australia Bank FRN 18/11/2030	1,849	1.00
AUD 700,000	National Australia Bank FRN 18/11/2031	386	0.21
AUD 500,000	Network Finance FRN 06/12/2024	272	0.15
AUD 2,000,000	Suncorp FRN 05/12/2028	1,098	0.59
AUD 110,000	Vicinity Centres FRN 27/06/2025	60	0.03
AUD 2,100,000	Victoria Power Networks FRN 21/04/2026	1,129	0.61
AUD 1,000,000	Westpac Banking FRN 16/02/2028	541	0.29
AUD 2,100,000	Westpac Banking FRN 16/11/2023	1,141	0.62
AUD 500,000	Westpac Banking FRN 22/06/2028	272	0.15
AUD 500,000	Westpac Banking FRN 27/08/2029	275	0.15
AUD 3,600,000	Westpac Banking FRN 29/01/2031	1,947	1.05
		<u>24,257</u>	<u>13.10</u>
<b>Variable Rate Bond 2.22% (30/06/2021: 1.24%)</b>			
USD 1,700,000	Australia and New Zealand Banking 2.95% 22/07/2030	1,287	0.70
USD 1,875,000	Macquarie 1.201% 14/10/2025	1,372	0.74
USD 2,000,000	Macquarie FRN 23/09/2027	1,448	0.78
		<u>4,107</u>	<u>2.22</u>
<b>Canada 4.51% (30/06/2021: 5.89%)</b>			
<b>Fixed Rate Bond 4.51% (30/06/2021: 5.12%)</b>			
USD 1,900,000	Bank of Montreal 0.625% 09/07/2024	1,384	0.75
USD 700,000	Bank of Montreal 1.85% 01/05/2025	525	0.28
USD 2,630,000	Bank of Nova Scotia 1.05% 02/03/2026	1,893	1.02
USD 900,000	Canadian Pacific Railway 1.35% 02/12/2024	665	0.36
GBP 200,000	Royal Bank of Canada 1.125% 15/12/2025	197	0.11
USD 700,000	Royal Bank of Canada 1.15% 10/06/2025	513	0.28
USD 700,000	Royal Bank of Canada 1.40% 02/11/2026	510	0.27
USD 906,000	Royal Bank of Canada 2.55% 16/07/2024	691	0.37
USD 150,000	Toronto-Dominion Bank 0.55% 04/03/2024	110	0.06
USD 2,550,000	Toronto-Dominion Bank 1.15% 12/06/2025	1,868	1.01
		<u>8,356</u>	<u>4.51</u>
<b>Floating Rate Note 0.00% (30/06/2021: 0.77%)</b>			
<b>China 1.46% (30/06/2021: 2.76%)</b>			
<b>Fixed Rate Bond 1.38% (30/06/2021: 2.46%)</b>			
USD 1,050,000	Agricultural Bank of China 0.85% 19/01/2024	768	0.41
USD 495,000	Bank of China 5.00% 13/11/2024	396	0.21
USD 1,500,000	Sinopec Overseas Development 1.45% 08/01/2026	1,092	0.59
USD 400,000	Sinopec Overseas Development 2018 3.75% 12/09/2023	308	0.17
		<u>2,564</u>	<u>1.38</u>
<b>Floating Rate Note 0.08% (30/06/2021: 0.30%)</b>			
USD 200,000	ICBCIL Finance FRN 15/05/2023	148	0.08



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Finland 0.54% (30/06/2021: 0.59%)</b>		
	<b>Fixed Rate Bond 0.54% (30/06/2021: 0.59%)</b>		
USD 1,400,000	Nordea Bank 0.75% 28/08/2025	1,008	0.54
	<b>Germany 2.44% (30/06/2021: 3.03%)</b>		
	<b>Fixed Rate Bond 2.44% (30/06/2021: 3.03%)</b>		
USD 475,000	BMW US 0.75% 12/08/2024	347	0.19
USD 700,000	BMW US 1.25% 12/08/2026	509	0.28
GBP 100,000	Daimler International Finance 2.00% 04/09/2023	101	0.05
AUD 2,770,000	Mercedes-Benz Australia 0.75% 22/01/2024	1,465	0.79
GBP 1,000,000	Volkswagen Financial Services 1.125% 18/09/2023	994	0.54
AUD 130,000	Volkswagen Financial Services 3.10% 17/04/2023	72	0.04
USD 1,400,000	Volkswagen of America 0.875% 22/11/2023	1,027	0.55
		4,515	2.44
	<b>Hong Kong 0.08% (30/06/2021: 0.00%)</b>		
	<b>Fixed Rate Bond 0.08% (30/06/2021: 0.00%)</b>		
USD 200,000	CK Hutchison International (19) 3.25% 11/04/2024	154	0.08
	<b>Ireland 1.65% (30/06/2021: 0.28%)</b>		
	<b>Fixed Rate Bond 1.65% (30/06/2021: 0.28%)</b>		
USD 1,400,000	Aercap Ireland 1.65% 29/10/2024	1,032	0.56
USD 1,500,000	Aercap Ireland 1.75% 29/10/2024	1,105	0.60
USD 900,000	Aercap Ireland 1.75% 30/01/2026	652	0.35
USD 335,000	Aercap Ireland 3.65% 21/07/2027	261	0.14
		3,050	1.65
	<b>Japan 2.44% (30/06/2021: 2.52%)</b>		
	<b>Fixed Rate Bond 0.96% (30/06/2021: 0.81%)</b>		
USD 2,475,000	Sumitomo Mitsui Financial 1.402% 17/09/2026	1,785	0.96
	<b>Floating Rate Note 0.07% (30/06/2021: 1.05%)</b>		
AUD 250,000	Mitsubishi UFJ Financial FRN 01/10/2024	136	0.07
	<b>Variable Rate Bond 1.41% (30/06/2021: 0.66%)</b>		
USD 800,000	Mitsubishi UFJ Financial 0.848% 15/09/2024	588	0.32
USD 650,000	Mizuho Financial 1.554% 09/07/2027	472	0.25
USD 1,300,000	Mizuho Financial FRN 08/09/2024	955	0.52
USD 800,000	Mizuho Financial FRN 10/07/2024	592	0.32
		2,607	1.41
	<b>Netherlands 1.55% (30/06/2021: 1.08%)</b>		
	<b>Fixed Rate Bond 1.29% (30/06/2021: 0.88%)</b>		
USD 1,400,000	Coöperatieve Rabobank 0.375% 12/01/2024	1,020	0.55
USD 1,875,000	Stellantis 1.711% 29/01/2027	1,362	0.74
		2,382	1.29
	<b>Variable Rate Bond 0.26% (30/06/2021: 0.20%)</b>		
USD 650,000	Coöperatieve Rabobank 1.339% 24/06/2026	473	0.26

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>New Zealand 2.11% (30/06/2021: 0.40%)</b>		
	<b>Fixed Rate Bond 1.67% (30/06/2021: 0.05%)</b>		
NZD 6,095,000	New Zealand (Government of) 0.50% 15/05/2024	2,978	1.61
AUD 210,000	Spark Finance 2.60% 18/03/2030	110	0.06
		<u>3,088</u>	<u>1.67</u>
	<b>Floating Rate Note 0.44% (30/06/2021: 0.35%)</b>		
AUD 1,500,000	Kiwbank FRN 23/09/2025	<u>811</u>	<u>0.44</u>
	<b>Saudi Arabia 0.29% (30/06/2021: 0.23%)</b>		
	<b>Fixed Rate Bond 0.29% (30/06/2021: 0.23%)</b>		
USD 750,000	SA Global Sukuk 0.946% 17/06/2024	<u>545</u>	<u>0.29</u>
	<b>Singapore 1.67% (30/06/2021: 1.34%)</b>		
	<b>Floating Rate Note 0.99% (30/06/2021: 0.80%)</b>		
AUD 3,400,000	DBS FRN 16/03/2028	<u>1,843</u>	<u>0.99</u>
	<b>Variable Rate Bond 0.68% (30/06/2021: 0.54%)</b>		
USD 200,000	DBS 4.52% 11/12/2028	156	0.08
USD 1,500,000	United Overseas Bank 2.88% 08/03/2027	<u>1,110</u>	<u>0.60</u>
		<u>1,266</u>	<u>0.68</u>
	<b>South Korea 1.80% (30/06/2021: 1.49%)</b>		
	<b>Fixed Rate Bond 1.61% (30/06/2021: 1.27%)</b>		
USD 450,000	GS Caltex 1.625% 27/07/2025	331	0.18
USD 1,100,000	Harvest Operations 1.00% 26/04/2024	807	0.44
USD 1,401,000	Korea East-West Power 1.75% 06/05/2025	1,042	0.56
USD 200,000	Korea East-West Power 3.875% 19/07/2023	154	0.08
USD 900,000	Korea National Oil 0.875% 05/10/2025	<u>646</u>	<u>0.35</u>
		<u>2,980</u>	<u>1.61</u>
	<b>Floating Rate Note 0.19% (30/06/2021: 0.22%)</b>		
AUD 650,000	Korea Southern Power FRN 30/10/2024	<u>353</u>	<u>0.19</u>
	<b>Spain 0.31% (30/06/2021: 0.00%)</b>		
	<b>Variable Rate Bond 0.31% (30/06/2021: 0.00%)</b>		
USD 800,000	Banco Santander 1.722% 14/09/2027	<u>580</u>	<u>0.31</u>
	<b>Supranational 0.00% (30/06/2021: 0.04%)</b>		
	<b>Fixed Rate Bond 0.00% (30/06/2021: 0.04%)</b>		
	<b>Switzerland 1.01% (30/06/2021: 0.34%)</b>		
	<b>Fixed Rate Bond 0.47% (30/06/2021: 0.34%)</b>		
USD 700,000	UBS 0.375% 01/06/2023	513	0.27
USD 500,000	UBS 0.70% 09/08/2024	<u>365</u>	<u>0.20</u>
		<u>878</u>	<u>0.47</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Variable Rate Bond 0.54% (30/06/2021: 0.00%)</b>		
USD 1,400,000	UBS 1.494% 10/08/2027	1,009	0.54
	<b>Taiwan 0.64% (30/06/2021: 0.00%)</b>		
	<b>Fixed Rate Bond 0.64% (30/06/2021: 0.00%)</b>		
USD 1,600,000	TSMC Arizona 1.75% 25/10/2026	1,181	0.64
	<b>United Arab Emirates 0.15% (30/06/2021: 0.12%)</b>		
	<b>Fixed Rate Bond 0.15% (30/06/2021: 0.12%)</b>		
USD 390,000	Dae Funding 1.55% 01/08/2024	282	0.15
	<b>United Kingdom 3.07% (30/06/2021: 2.97%)</b>		
	<b>Fixed Rate Bond 1.47% (30/06/2021: 1.77%)</b>		
USD 2,550,000	CK Hutchison International 1.50% 15/04/2026	1,858	1.00
USD 420,000	Lloyds Bank 3.90% 12/03/2024	328	0.18
USD 725,000	Unilever 0.626% 12/08/2024	532	0.29
		2,718	1.47
	<b>Floating Rate Note 0.07% (30/06/2021: 0.12%)</b>		
USD 170,000	HSBC FRN 18/05/2024	127	0.07
	<b>Variable Rate Bond 1.53% (30/06/2021: 1.08%)</b>		
USD 645,000	HSBC 0.732% 17/08/2024	472	0.25
USD 1,100,000	HSBC 0.976% 24/05/2025	802	0.43
USD 1,300,000	Lloyds Bank 0.695% 11/05/2024	956	0.52
USD 300,000	Lloyds Bank 1.326% 15/06/2023	222	0.12
USD 500,000	Lloyds Bank 3.87% 09/07/2025	390	0.21
		2,842	1.53
	<b>United States 47.04% (30/06/2021: 46.07%)</b>		
	<b>Fixed Rate Bond 36.36% (30/06/2021: 33.37%)</b>		
USD 450,000	7-Eleven 0.625% 10/02/2023	331	0.18
USD 1,750,000	Air Lease 0.80% 18/08/2024	1,266	0.68
USD 675,000	Air Lease 1.875% 15/08/2026	490	0.26
USD 1,660,000	Alphabet 0.45% 15/08/2025	1,198	0.65
USD 600,000	Amazon.com 0.45% 12/05/2024	439	0.24
USD 1,900,000	Amazon.com 0.80% 03/06/2025	1,387	0.75
USD 1,100,000	American Honda Finance 0.55% 12/07/2024	802	0.43
USD 150,000	American Tower 1.45% 15/09/2026	108	0.06
USD 1,100,000	American Tower 1.60% 15/04/2026	804	0.43
USD 200,000	Apple 0.55% 20/08/2025	144	0.08
USD 1,850,000	Apple 0.70% 08/02/2026	1,339	0.72
USD 700,000	Apple 1.80% 11/09/2024	528	0.29
USD 2,600,000	AT&T 0.90% 25/03/2024	1,911	1.03
USD 1,600,000	Athene Global Funding 0.914% 19/08/2024	1,164	0.63
USD 1,685,000	Athene Global Funding 1.608% 29/06/2026	1,222	0.66
USD 700,000	Avery Dennison 0.85% 15/08/2024	509	0.27
USD 1,600,000	Aviation Capital 1.95% 20/09/2026	1,148	0.62
USD 1,500,000	Aviation Capital 1.95% 30/01/2026	1,081	0.58
USD 1,300,000	Boeing 1.433% 04/02/2024	958	0.52
USD 1,250,000	Boeing 2.196% 04/02/2026	923	0.50
USD 425,000	Boston Scientific 3.75% 01/03/2026	337	0.18

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Fixed Rate Bond (continued)</b>		
USD 2,520,000	Broadcom 1.95% 15/02/2028	1,841	0.99
USD 1,700,000	Cardinal Health 3.079% 15/06/2024	1,302	0.70
USD 2,250,000	Caterpillar Financial Services 0.60% 13/09/2024	1,639	0.89
USD 400,000	Caterpillar Financial Services 1.45% 15/05/2025	296	0.16
USD 1,440,000	Centene 4.25% 15/12/2027	1,108	0.60
USD 1,600,000	Charles Schwab 0.75% 18/03/2024	1,176	0.63
USD 1,000,000	Charles Schwab 1.15% 13/05/2026	729	0.39
GBP 185,000	Citigroup 2.75% 24/01/2024	190	0.10
USD 500,000	Conagra Brands 0.50% 11/08/2023	366	0.20
USD 145,000	CVS Health 2.625% 15/08/2024	111	0.06
USD 1,450,000	CVS Health 3.375% 12/08/2024	1,125	0.61
USD 1,000,000	eBay 1.40% 10/05/2026	727	0.39
USD 700,000	eBay 1.90% 11/03/2025	523	0.28
USD 625,000	Ecolab 0.90% 15/12/2023	462	0.25
USD 700,000	Ecolab 1.65% 01/02/2027	519	0.28
USD 1,820,000	Equinix 1.45% 15/05/2026	1,318	0.71
USD 1,500,000	Fiserv 3.80% 01/10/2023	1,158	0.63
USD 1,000,000	General Motors Financial 1.05% 08/03/2024	735	0.40
USD 1,100,000	General Motors Financial 1.70% 18/08/2023	820	0.44
USD 2,660,000	Georgia-Pacific 0.625% 15/05/2024	1,939	1.05
USD 920,000	Goldman Sachs 3.50% 01/04/2025	718	0.39
USD 650,000	Hershey 0.90% 01/06/2025	474	0.26
USD 635,000	Hershey 2.30% 15/08/2026	486	0.26
USD 1,570,000	Home Depot 0.90% 15/03/2028	1,107	0.60
USD 600,000	Hormel Foods 0.65% 03/06/2024	440	0.24
USD 1,300,000	HP Enterprise 1.45% 01/04/2024	966	0.52
USD 1,055,000	Humana 0.65% 03/08/2023	775	0.42
USD 500,000	Humana 1.35% 03/02/2027	359	0.19
USD 1,850,000	Hyundai Capital America 0.80% 08/01/2024	1,346	0.73
USD 400,000	Hyundai Capital America 1.00% 17/09/2024	290	0.16
USD 300,000	Hyundai Capital America 3.40% 20/06/2024	231	0.12
USD 1,320,000	Intuit 0.65% 15/07/2023	972	0.52
USD 1,200,000	John Deere Capital 0.45% 07/06/2024	875	0.47
USD 400,000	John Deere Capital 0.625% 10/09/2024	292	0.16
USD 1,000,000	John Deere Capital 0.70% 15/01/2026	716	0.39
USD 2,600,000	Johnson & Johnson 0.55% 01/09/2025	1,877	1.01
USD 50,000	Mars 2.70% 01/04/2025	38	0.02
USD 750,000	Martin Marietta Materials 0.65% 15/07/2023	552	0.30
AUD 800,000	McDonald's 3.00% 08/03/2024	443	0.24
CAD 1,950,000	McDonald's 3.125% 04/03/2025	1,186	0.64
USD 250,000	Mondelez International 0.75% 24/09/2024	182	0.10
CAD 900,000	Mondelez International 3.25% 07/03/2025	547	0.30
USD 1,300,000	Nestlé 0.375% 15/01/2024	948	0.51
USD 1,850,000	Nvidia 0.584% 14/06/2024	1,353	0.73
USD 1,750,000	Oracle 1.65% 25/03/2026	1,283	0.69
USD 500,000	Oracle 2.50% 01/04/2025	378	0.20
USD 475,000	PerkinElmer 0.55% 15/09/2023	348	0.19
USD 475,000	PerkinElmer 0.85% 15/09/2024	346	0.19
USD 1,450,000	SVB Financial 2.10% 15/05/2028	1,072	0.58
USD 1,350,000	Thermo Fisher Scientific 0.797% 18/10/2023	993	0.54
USD 1,350,000	Thermo Fisher Scientific 1.215% 18/10/2024	996	0.54

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond (continued)</b>			
USD 2,400,000	Toyota Motor Credit 0.50% 18/06/2024	1,746	0.94
USD 300,000	Toyota Motor Credit 1.80% 13/02/2025	225	0.12
USD 800,000	Verizon Communications 0.75% 22/03/2024	588	0.32
USD 950,000	Verizon Communications 0.85% 20/11/2025	683	0.37
USD 800,000	Verizon Communications 1.45% 20/03/2026	588	0.32
USD 725,000	VMware 1.00% 15/08/2024	530	0.29
USD 725,000	VMware 1.40% 15/08/2026	526	0.28
USD 1,400,000	Walmart 1.05% 17/09/2026	1,023	0.55
USD 500,000	Walt Disney 1.75% 13/01/2026	373	0.20
AUD 3,500,000	Wells Fargo 3.70% 27/07/2026	1,982	1.07
GBP 300,000	Wells Fargo 5.25% 01/08/2023	318	0.17
		<u>67,344</u>	<u>36.36</u>
<b>Floating Rate Note 0.04% (30/06/2021: 4.25%)</b>			
AUD 120,000	McDonald's FRN 08/03/2024	<u>65</u>	<u>0.04</u>
<b>Variable Rate Bond 10.64% (30/06/2021: 8.45%)</b>			
USD 2,100,000	Bank of America 0.981% 25/09/2025	1,532	0.83
USD 550,000	Bank of America 1.319% 19/06/2026	402	0.22
USD 1,850,000	Bank of America 1.734% 22/07/2027	1,357	0.73
USD 700,000	Bank of America FRN 11/03/2027	513	0.28
USD 1,400,000	Citigroup 3.106% 08/04/2026	1,084	0.59
USD 260,000	Citigroup FRN 01/05/2025	190	0.10
USD 400,000	Citigroup FRN 09/06/2027	290	0.16
USD 2,900,000	Citigroup FRN 28/01/2027	2,086	1.13
USD 1,675,000	Goldman Sachs 0.657% 10/09/2024	1,226	0.66
USD 500,000	Goldman Sachs 0.673% 08/03/2024	368	0.20
USD 400,000	Goldman Sachs 0.855% 12/02/2026	290	0.16
USD 1,675,000	Goldman Sachs 1.542% 10/09/2027	1,212	0.65
USD 1,100,000	JPMorgan Chase 0.824% 01/06/2025	803	0.43
USD 700,000	JPMorgan Chase FRN 16/02/2025	509	0.26
USD 2,600,000	JPMorgan Chase FRN 23/06/2025	1,901	1.03
USD 800,000	JPMorgan Chase FRN 19/11/2026	576	0.31
USD 1,300,000	Morgan Stanley 1.164% 21/10/2025	952	0.51
USD 1,350,000	Morgan Stanley 1.512% 20/07/2027	982	0.53
USD 700,000	Morgan Stanley 2.188% 28/04/2026	527	0.28
USD 2,000,000	Morgan Stanley FRN 30/05/2025	1,458	0.79
USD 400,000	Wells Fargo FRN 19/05/2025	292	0.16
USD 1,550,000	Wells Fargo FRN 30/04/2026	<u>1,165</u>	<u>0.63</u>
		<u>19,715</u>	<u>10.64</u>
<b>Collective Investment Schemes 1.83% (30/06/2021: 0.92%)</b>			
3,387,000	Deutsche Global Liquidity Managed Sterling Fund Platinum Class	<u>3,387</u>	<u>1.83</u>
<b>Commercial Paper 0.24% (30/06/2021: 9.41%)</b>			
<b>United States 0.24% (30/06/2021: 9.41%)</b>			
USD 600,000	Energy Transfer 0.00% 03/01/2022	<u>443</u>	<u>0.24</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Treasury Bill 0.02% (30/06/2021: 0.00%)</b>		
	<b>United States 0.02% (30/06/2021: 0.00%)</b>		
USD 10,000	US Treasury 0.00% 03/02/2022	8	0.01
USD 10,000	US Treasury 0.00% 06/01/2022	7	0.01
		<u>15</u>	<u>0.02</u>
	<b>Derivatives 0.29% (30/06/2021: (0.89%))</b>		
	<b>Futures (0.09%) (30/06/2021: 0.08%)</b>		
(37)	CBT US 10 Year Note March 2022	(35)	(0.03)
(327)	CBT US 2 Year Note March 2022	30	0.02
(598)	CBT US 5 Year Note March 2022	(224)	(0.12)
(106)	SFE Australia 10 Year Bond March 2022	68	0.04
		<u>(161)</u>	<u>(0.09)</u>
	<b>Swaps 0.01% (2020: (0.08%))<sup>1</sup></b>		
	<b>Interest Rate Swaps 0.00% (30/06/2021: (0.08%))<sup>1</sup></b>		
	<b>Overnight Index Swaps 0.01% (30/06/2021: 0.00%)<sup>1</sup></b>		
1,050,000	OIS 0.6935% SONIA 1 Day - Receive Floating - GBP	<u>16</u>	<u>0.01</u>
	<b>Forward Foreign Exchange Contracts 0.37% (30/06/2021: (0.89%))<sup>1</sup></b>		
	Buy AUD 2,000,000 : Sell GBP 1,084,889 October 2022	(11)	(0.01)
	Buy CAD 1,230,000 : Sell GBP 725,284 October 2022	(6)	-
	Buy GBP 47,066,920 : Sell AUD 85,900,000 October 2022	946	0.51
	Buy GBP 810,342 : Sell AUD 1,500,000 October 2022	5	-
	Buy GBP 2,503,409 : Sell CAD 4,225,000 October 2022	34	0.02
	Buy GBP 613,695 : Sell NZD 1,180,000 October 2022	17	0.01
	Buy GBP 611,860 : Sell NZD 1,179,000 October 2022	16	0.01
	Buy GBP 611,695 : Sell NZD 1,179,000 October 2022	16	0.01
	Buy GBP 601,653 : Sell NZD 1,170,000 October 2022	11	0.01
	Buy GBP 594,219 : Sell NZD 1,167,000 October 2022	5	-
	Buy GBP 138,601,774 : Sell USD 188,000,000 October 2022	(218)	(0.12)
	Buy USD 2,000,000 : Sell GBP 1,510,943 October 2022	(34)	(0.02)
	Buy USD 2,000,000 : Sell GBP 1,510,789 October 2022	(34)	(0.02)
	Buy USD 3,000,000 : Sell GBP 2,258,802 October 2022	(44)	(0.02)
	Buy USD 1,500,000 : Sell GBP 1,125,884 October 2022	(18)	(0.01)
	Buy USD 2,900,000 : Sell GBP 2,142,563 October 2022	(1)	-
	Buy USD 400,000 : Sell GBP 295,052 October 2022 <sup>2</sup>	-	-
		<u>684</u>	<u>0.37</u>
	<b>Investment assets including investment liabilities</b>	<b>181,970</b>	<b>98.24</b>
	Other net assets	<u>3,264</u>	<u>1.76</u>
	<b>Total net assets</b>	<b>185,234</b>	<b>100.00</b>

<sup>1</sup> Not listed on an official stock exchange

<sup>2</sup> Due to rounding to nearest £1,000

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

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules.

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

## Credit ratings

	Market value £000	Percentage of total net assets %
<b>31/12/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	177,601	95.88
<b>Total debt securities</b>	<b>177,601</b>	<b>95.88</b>
Collective investment schemes	3,387	1.83
Derivatives	539	0.29
Money Market Instruments	443	0.24
<b>Investment assets including investment liabilities</b>	<b>181,970</b>	<b>98.24</b>
Other net assets	3,264	1.76
<b>Total net assets</b>	<b>185,234</b>	<b>100.00</b>
	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
<b>30/06/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	201,466	86.62
Below investment grade (BB and below)	6,233	2.68
<b>Total debt securities</b>	<b>207,699</b>	<b>89.30</b>
Collective investment schemes	2,131	0.92
Derivatives	(2,071)	(0.89)
Money Market Instruments	21,897	9.41
<b>Investment assets including investment liabilities</b>	<b>229,656</b>	<b>98.74</b>
Other net assets	2,925	1.26
<b>Total net assets</b>	<b>232,581</b>	<b>100.00</b>

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(1,244)		663
Revenue	1,012		867	
Expenses	(324)		(258)	
Interest payable and similar charges	(4)		(2)	
	<u>684</u>		<u>607</u>	
Net revenue before taxation				
Taxation	(2)		-	
	<u>682</u>		<u>607</u>	
Net revenue after taxation				
		682		607
Total return before distributions		(562)		1,270
Distributions		(958)		(854)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u>(1,520)</u>		<u>416</u>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>232,581</b>		<b>108,748</b>
Amounts receivable on issue of shares	3,686		160,065	
Amounts payable on cancellation of shares	(50,028)		(21,506)	
		(46,342)		138,559
Dilution adjustment		24		76
Change in net assets attributable to shareholders from investment activities		(1,520)		416
Retained distributions on accumulation shares		491		418
<b>Closing net assets attributable to shareholders</b>		<u><b>185,234</b></u>		<u><b>248,217</b></u>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.



## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	182,595	232,625
Current assets:		
Debtors	667	1,250
Cash and bank balances	3,647	6,042
<b>Total assets</b>	<b>186,909</b>	<b>239,917</b>
<b>Liabilities:</b>		
Investment liabilities	625	2,969
Creditors:		
Amounts held at derivative clearing houses and brokers	198	235
Distributions payable	228	203
Other creditors	624	3,929
<b>Total liabilities</b>	<b>1,675</b>	<b>7,336</b>
<b>Net assets attributable to shareholders</b>	<b>185,234</b>	<b>232,581</b>

## Distribution tables for the six months ended 31 December 2021 (in pence per share)

### Interim interest distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 July 2021

Group 2: shares purchased on or after 1 July 2021

	Distribution per share	Equalisation	Total distribution per share 30/11/21	Total distribution per share 30/11/20
<b>Class G accumulation</b>				
Group 1	0.3837	-	0.3837	0.0560
Group 2	0.3837	-	0.3837	0.0560
<b>Class G income</b>				
Group 1	0.3760	-	0.3760	0.0480
Group 2	0.3760	-	0.3760	0.0480
<b>Class I accumulation</b>				
Group 1	0.1153	-	0.1153	0.1083
Group 2	0.1150	0.0003	0.1153	0.1083
<b>Class I income</b>				
Group 1	0.2094	-	0.2094	0.1129
Group 2	0.2090	0.0004	0.2094	0.1129
<b>Class S accumulation</b>				
Group 1	0.2968	-	0.2968	0.2011
Group 2	0.2968	-	0.2968	0.2011
<b>Class S income</b>				
Group 1	0.2891	-	0.2891	0.1813
Group 2	0.2888	0.0003	0.2891	0.1813
<b>Class Z accumulation</b>				
Group 1	0.3738	-	0.3738	0.2424
Group 2	0.3738	-	0.3738	0.2424
<b>Class Z income</b>				
Group 1	0.3384	-	0.3384	0.2359
Group 2	0.3384	-	0.3384	0.2359

## Distribution tables (continued)

### Interim interest distribution (accounting date 31 December 2021, paid on 28 February 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Equalisation	Total distribution per share 28/02/22	Total distribution per share 26/02/21
<b>Class G accumulation</b>				
Group 1	0.2551	-	0.2551	0.1140
Group 2	0.2551	-	0.2551	0.1140
<b>Class G income</b>				
Group 1	0.2533	-	0.2533	0.1080
Group 2	0.2533	-	0.2533	0.1080
<b>Class I accumulation</b>				
Group 1	0.1631	-	0.1631	0.1551
Group 2	0.1628	0.0003	0.1631	0.1551
<b>Class I income</b>				
Group 1	0.2119	-	0.2119	0.1487
Group 2	0.2119	-	0.2119	0.1487
<b>Class S accumulation</b>				
Group 1	0.1483	-	0.1483	0.2291
Group 2	0.1483	-	0.1483	0.2291
<b>Class S income</b>				
Group 1	0.2768	-	0.2768	0.2297
Group 2	0.2765	0.0003	0.2768	0.2297
<b>Class Z accumulation</b>				
Group 1	0.3488	-	0.3488	0.2945
Group 2	0.3488	-	0.3488	0.2945
<b>Class Z income</b>				
Group 1	0.3164	-	0.3164	0.2983
Group 2	0.3164	-	0.3164	0.2983

# Janus Henderson All Stocks Credit Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Philip Payne and James Briggs

### Investment objective and policy

The fund aims to provide a return, from a combination of income and capital growth over the long term.

Performance target: To outperform the Markit iBoxx GBP Non-Gilts all maturities Index by 1% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in sterling-denominated investment grade (equivalent to BBB rated or higher) corporate bonds. The Investment Manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the Markit iBoxx GBP Non-Gilts all maturities Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

### Strategy

The Investment Manager seeks to provide a total return in excess of that generated by the benchmark over a market cycle by investing primarily in sterling denominated investment grade rated corporate bonds. The investment process combines asset allocation views with rigorous fundamentally driven security selection from the credit analysts.

### Performance summary

#### Cumulative performance

	Six months 30 Jun 21 - 31 Dec 21 %	One year 31 Dec 20 - 31 Dec 21 %	Three years 31 Dec 18 - 31 Dec 21 %	Five years 31 Dec 16 - 31 Dec 21 %	Since inception 4 Sep 00 - 31 Dec 21 %
<b>Class I accumulation (Net)</b>	(0.7)	(3.4)	15.5	18.7	173.8
<b>Markit iBoxx GBP Non-Gilts all maturities Index</b>	(0.6)	(3.1)	14.1	17.3	222.1
<b>IA Sterling Corporate Bond Sector</b>	(0.4)	(1.9)	15.8	19.1	153.6
<b>Class I accumulation (Gross)</b>	(0.4)	(2.8)	17.4	21.9	206.9
<b>Markit iBoxx GBP Non-Gilts all maturities Index + 1%</b>	(0.1)	(2.1)	17.6	23.3	298.3

#### Discrete performance

	31 Dec 20 - 31 Dec 21 %	31 Dec 19 - 31 Dec 20 %	31 Dec 18 - 31 Dec 19 %	31 Dec 17 - 31 Dec 18 %	31 Dec 16 - 31 Dec 17 %
<b>Class I accumulation (Net)</b>	(3.4)	9.0	9.7	(2.0)	4.9
<b>Markit iBoxx GBP Non-Gilts all maturities Index</b>	(3.1)	7.8	9.3	(1.5)	4.3
<b>IA Sterling Corporate Bond Sector</b>	(1.9)	7.9	9.5	(2.2)	5.1
<b>Class I accumulation (Gross)</b>	(2.8)	9.6*	10.3	(1.5)	5.4
<b>Markit iBoxx GBP Non-Gilts all maturities Index + 1%</b>	(2.1)	8.9	10.4	(0.5)	5.4

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

\* Historical performance has been restated.

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are as at close of business.

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Class I accumulation is disclosed as it is the representative share class.

#### Benchmark usage

Index: Markit iBoxx GBP Non-Gilts all maturities Index

Index usage: Target

Index description: The Markit iBoxx Non-Gilts all maturities Index is a measure of the combined performance of investment grade corporate bonds issued in pounds sterling. It is the basis for the fund's performance target.

Peer group: IA Sterling Corporate Bond Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

### Significant portfolio changes for the six months ended 31 December 2021

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales/maturities</b>	<b>£000</b>
UK Treasury 1.25% 22/10/2041	3,815	Eastern Power Networks 4.75% 30/09/2021	2,069
UK Treasury 0.125% 30/01/2026	3,130	UK Treasury 1.75% 07/09/2037	2,041
UK Treasury 1.50% 22/07/2047	2,931	UK Treasury 0.625% 22/10/2050	2,012
UK Treasury 4.75% 07/12/2030	2,537	Tesco Property Finance 5.744% 13/04/2040	1,918
Annington Funding 2.308% 06/10/2032	1,800	UK Treasury 1.50% 22/07/2047	1,778
Banque Fédérative du Crédit Mutuel 1.00% 16/07/2026	1,796	CTP 1.25% 21/06/2029	1,720
KBC 1.25% 21/09/2027	1,689	Citigroup 2.75% 24/01/2024	1,602
Autostrade per l'Italia 1.75% 01/02/2027	1,677	Delamare Finance 5.5457% 19/02/2029	1,569
UK Treasury 1.75% 07/09/2037	1,491	Bellis Acquisition 3.25% 16/02/2026	1,530
UK Treasury 0.125% 31/01/2024	1,480	HSBC 6.00% 29/03/2040	1,521
<b>Total purchases</b>	<b>60,120</b>	<b>Total sales/maturities</b>	<b>56,430</b>

### Investment review

The fund fell 0.7% (Net), 0.4% (Gross) based on Class I accumulation over the period under review, compared with a fall of 0.6% in the Markit iBoxx GBP Non-Gilts all maturities Index, a fall of 0.1% in the Target Index + 1% and a fall of 0.4% in the IA Sterling Corporate Bond Sector peer group benchmark.

Sterling investment-grade corporate debt delivered a negative total return during the period, with the Markit iBoxx GBP Non-Gilts all maturities Index returning -0.6%. Excess returns (versus government equivalents) were marginally positive. Sterling investment-grade corporate bond spreads finished wider, by 7 basis points (bps), mostly due to the sell-off in November. This was triggered by the discovery of the Omicron variant of COVID-19. However, early evidence suggesting the variant is less potent than previous strains saw spreads tighten in December to recover some of those losses. Gross and net sterling investment-grade credit issuance totalled £27.2bn and £11.1bn, respectively, with December quieter than usual.

Continuing supply bottlenecks and rising energy costs saw inflation remain elevated, with developed market central banks turning increasingly hawkish in response. At its December meeting, the Bank of England (BoE) raised rates for the first time in three years, from 0.10% to 0.25%. The UK consumer price index for November rose 5.1% year on year – the highest in a decade. The BoE warned of further increases and that inflation could hit 6% in the spring. The 10-year UK gilt yield rose by 26bps to finish at 0.97%, having reached 1.2% in October as markets fully priced in a UK rate rise.

A short duration position relative to benchmark was the main positive performance driver, with the fund's short position benefiting as gilts sold off. An underweight exposure to ultra-long-dated bonds from the University of Oxford and Wellcome Trust was positive, with lack of appetite driven by volatility at the long end of the UK rates curve. An overweight position in GE Capital UK Funding added value, as the issuer announced a debt tender offer and looked to cut its borrowings. An underweight exposure to British Telecommunications also contributed, following buyout rumours that saw bond spreads widen, with security selection across the British Telecommunications issuer curve adding. An underweight holding in BAT International Finance made a small contribution. The tobacco sub-sector within personal and household goods was also weaker, in particular longer-dated bonds, due to 'buy-and-maintain' accounts changing their mandates as they looked to screen out tobacco companies.

Most of the fund's negative performance arose from a single issuer, Adler, a German residential property company. The off-benchmark exposure weighed on performance after German political party Die Linke submitted a parliamentary inquiry and made allegations in a short-seller report. Events triggered a stop-loss meeting on the name, which led us to reduce the overweight position in September and close it out in October. The only other notable single-name underperformer was Swedish real estate company Heimstaden Bostad, which announced the large acquisition of Akelius Residential Property in Germany. In line with other European real estate names, the company was further impacted by negative sentiment surrounding Adler and November's sell-off in risk assets.

We reduced risk during the period. We pared down exposure to European real estate investment trusts (REITs), such as CPI Property, and reduced HSBC from a sizeable overweight position to market weight. Following news of the Wm Morrison Supermarkets buyout, we sold the fund's exposure to Asda and removed a longstanding overweight position in Tesco Property Finance. Our participation in a new issue from UK REIT Annington Funding reflected our preference for the UK over Europe in the REIT sector. Off-benchmark exposure to high yield continued to be beneficial, as we participated in a new issue from glass bottle manufacturer Verallia in November. The bonds in the BB rated company have performed well since they were issued. We actively covered some of the short duration position in late October and early November, and maintained a small short of -0.25 years heading into 2022.

The fund retains a small overweight position in credit beta, largely expressed through exposure to high yield, where we expect stronger excess returns relative to investment-grade credit in the near term. High-yield defaults expectations for 2022 are historically low. High-yield positioning is largely focused on companies we have identified as 'rising star' candidates, specifically BB rated names with the potential for upgrades to investment-grade status.

The fund's credit beta overweight position is in acknowledgement of the strong fundamental backdrop, with low default rates, positive upgrade/downgrade ratios and favourable company profit margins all supportive for credit markets. We feel market technical conditions, however, have weakened due to less accommodative policy from some central banks. Valuations for investment-grade corporates also continue to look tight relative to historical levels. This increases the likelihood of bouts of downside volatility through 2022, which leads us to be cautious. Hence, we have reduced the size of our credit beta overweight position. We also recognise inflation is rising and is stickier, although we still believe these pressures are not a long-term theme.

The main risks to our outlook are inflation becoming more persistent over 2022; an uptick in rates volatility; central bank policy error and liquidity withdrawal in the market as some central banks begin to 'taper' stimulus; and a further slowdown in China's growth and the potential impact on the broader global economy. As we navigate these uncertainties, we will continue to adhere to our research-driven investment process, with a focus on taking the right amount of risk throughout the cycle.

## Comparative tables for the six months ended 31 December 2021

	Class A accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	178.57	175.49	164.72	156.09
Return before operating charges*	(0.78)	4.77	12.32	10.05
Operating charges	(0.84)	(1.69)	(1.55)	(1.42)
Return after operating charges*	(1.62)	3.08	10.77	8.63
Distributions on accumulation shares	(1.22)	(2.66)	(2.97)	(3.51)
Retained distributions on accumulation shares	1.22	2.66	2.97	3.51
Closing net asset value per share	176.95	178.57	175.49	164.72
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	(0.91%)	1.76%	6.54%	5.53%
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### Other information

Closing net asset value (£000s)	1,130	1,214	1,569	2,055
Closing number of shares	638,392	680,140	894,043	1,247,546
Operating charges (annualised)	0.93%	0.94%	0.91%	0.90%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	182.40	184.80	176.70	165.60
Lowest share price (pence)	174.40	175.50	156.30	154.30

	Class A income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	141.96	141.59	135.22	131.00
Return before operating charges*	(0.62)	3.85	10.06	8.33
Operating charges	(0.67)	(1.35)	(1.27)	(1.19)
Return after operating charges*	(1.29)	2.50	8.79	7.14
Distributions on income shares	(0.97)	(2.13)	(2.42)	(2.92)
Closing net asset value per share	139.70	141.96	141.59	135.22
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	(0.91%)	1.77%	6.50%	5.45%
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### Other information

Closing net asset value (£000s)	1,489	1,574	1,809	2,742
Closing number of shares	1,065,759	1,108,903	1,277,948	2,027,679
Operating charges (annualised)	0.93%	0.94%	0.91%	0.90%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	145.00	148.20	143.70	136.60
Lowest share price (pence)	138.20	140.50	127.10	128.70

## Comparative tables (continued)

	Class E accumulation		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	179.47	175.92	167.31 <sup>1</sup>
Return before operating charges*	(0.79)	4.79	9.72
Operating charges	(0.61)	(1.24)	(1.11)
Return after operating charges*	(1.40)	3.55	8.61
Distributions on accumulation shares	(1.46)	(3.12)	(3.39)
Retained distributions on accumulation shares	1.46	3.12	3.39
Closing net asset value per share	178.07	179.47	175.92
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.78%)	2.02%	5.15%
<b>Other information</b>			
Closing net asset value (£000s)	685	701	388
Closing number of shares	384,816	390,817	220,292
Operating charges (annualised)	0.68%	0.69%	0.66%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	183.30	185.50	177.10
Lowest share price (pence)	175.40	176.20	156.60

<sup>1</sup> Class E accumulation launched on 8 July 2019 and this is the first published price.



## Comparative tables (continued)

	Class E income		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	141.92	141.55	137.34 <sup>2</sup>
Return before operating charges*	(0.63)	3.85	7.87
Operating charges	(0.48)	(0.98)	(0.90)
Return after operating charges*	(1.11)	2.87	6.97
Distributions on income shares	(1.15)	(2.50)	(2.76)
Closing net asset value per share	139.66	141.92	141.55
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.78%)	2.03%	5.08%
<b>Other information</b>			
Closing net asset value (£000s)	1,063	1,108	886
Closing number of shares	760,872	780,500	625,547
Operating charges (annualised)	0.68%	0.68%	0.66%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	145.00	148.30	143.80
Lowest share price (pence)	138.10	140.60	127.20

<sup>2</sup> Class E income launched on 8 July 2019 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	297.21	290.94	272.07	256.86
Return before operating charges*	(1.31)	7.91	20.39	16.59
Operating charges	(0.81)	(1.64)	(1.52)	(1.38)
Return after operating charges*	(2.12)	6.27	18.87	15.21
Distributions on accumulation shares	(2.62)	(5.58)	(5.95)	(6.75)
Retained distributions on accumulation shares	2.62	5.58	5.95	6.75
Closing net asset value per share	295.09	297.21	290.94	272.07
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	(0.71%)	2.16%	6.94%	5.92%
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### Other information

Closing net asset value (£000s)	201,852	203,061	198,458	452,047
Closing number of shares	68,402,809	68,321,784	68,213,376	166,152,762
Operating charges (annualised)	0.54%	0.55%	0.54%	0.53%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	303.60	307.00	292.90	273.50
Lowest share price (pence)	290.60	291.40	258.90	254.30

	Class I income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	143.77	143.40	136.98	132.26
Return before operating charges*	(0.63)	3.89	10.16	8.47
Operating charges	(0.39)	(0.79)	(0.76)	(0.70)
Return after operating charges*	(1.02)	3.10	9.40	7.77
Distributions on income shares	(1.27)	(2.73)	(2.98)	(3.05)
Closing net asset value per share	141.49	143.77	143.40	136.98
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	(0.71%)	2.16%	6.86%	5.87%
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### Other information

Closing net asset value (£000s)	26,549	27,850	34,252	13,999
Closing number of shares	18,764,334	19,370,550	23,886,599	10,219,411
Operating charges (annualised)	0.54%	0.54%	0.54%	0.53%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	146.90	150.20	145.70	138.50
Lowest share price (pence)	140.00	142.40	128.90	130.00

## Comparative tables (continued)

	Class Z accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	278.98	271.72	253.03	237.68
Return before operating charges*	(1.23)	7.40	18.79	15.42
Operating charges	(0.06)	(0.14)	(0.10)	(0.07)
Return after operating charges*	(1.29)	7.26	18.69	15.35
Distributions on accumulation shares	(3.17)	(6.62)	(6.87)	(7.49)
Retained distributions on accumulation shares	3.17	6.62	6.87	7.49
Closing net asset value per share	277.69	278.98	271.72	253.03
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	(0.46%)	2.67%	7.39%	6.46%
<b>Other information</b>				
Closing net asset value (£000s)	47,743	48,489	76,286	476,462
Closing number of shares	17,192,847	17,380,655	28,075,162	188,301,944
Operating charges (annualised)	0.04%	0.05%	0.04%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	285.20	287.50	273.50	254.30
Lowest share price (pence)	273.20	272.20	241.50	235.80

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period.

## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

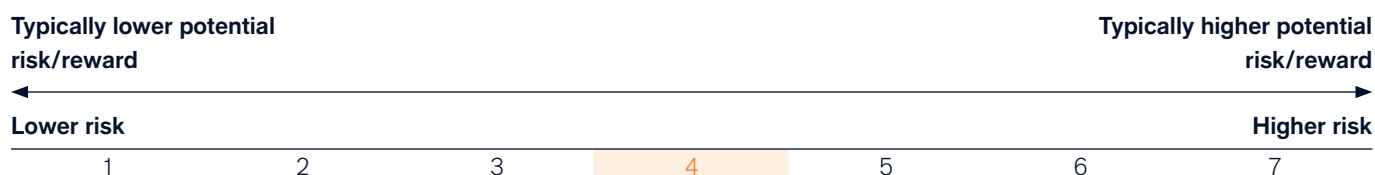
	31/12/21 %	30/06/21 %
<b>Class A accumulation</b>	0.93	0.94
<b>Class A income</b>	0.93	0.94
<b>Class E accumulation</b>	0.68	0.69
<b>Class E income</b>	0.68	0.68
<b>Class I accumulation</b>	0.54	0.55
<b>Class I income</b>	0.54	0.54
<b>Class Z accumulation</b>	0.04	0.05

The OCF is calculated in accordance with guidelines issued by ESMA.

## Risk and reward profile

The fund currently has 7 types of share class in issue: A accumulation, A income, E accumulation, E income, I accumulation, I income and Z accumulation.

Each share class has the same risk and reward profile which is as follows:



The share classes appear at 4 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The SRRI is calculated based on historical volatility over a rolling 5\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your shares, they may be worth less than you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Contingent Convertible Bonds (CoCos)** CoCos can fall sharply in value if the financial strength of an issuer weakens and a predetermined trigger event causes the bonds to be converted into shares of the issuer or to be partly or wholly written off.

**Counterparty Risk and Operational Risk** The fund could lose money if a counterparty with which the fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

**Country or Region** If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

**Credit Risk** An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the fund. If this happens or the market perceives this may happen, the value of the bond will fall.

**Derivatives and Leverage** The fund may use derivatives towards the aim of achieving its investment objective. This can result in 'leverage' which can magnify an investment outcome and gains or losses to the fund may be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Exchange Rates** If the fund holds assets in currencies other than the base currency of the fund or you invest in a share class of a different currency to the fund (unless 'hedged'), the value of your investment may be impacted by changes in exchange rates.

**Interest Rates** When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise. This risk is generally greater the longer the maturity of a bond investment.

**Liquidity** Securities within the fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

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

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

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class E accumulation and Class E income launched on 8 July 2019. As these share classes do not have a 5 year history, a synthetic history has been created using the A accumulation and A income share classes, respectively.

## Portfolio statement as at 31 December 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Bonds 97.05% (30/06/2021: 98.03%)</b>		
	<b>Australia 0.39% (30/06/2021: 0.39%)</b>		
	<b>Variable Rate Bond 0.39% (30/06/2021: 0.39%)</b>		
GBP 1,110,000	Australia & New Zealand Banking 1.809% 16/09/2031	1,081	0.39
	<b>Belgium 0.59% (30/06/2021: 0.00%)</b>		
	<b>Variable Rate Bond 0.59% (30/06/2021: 0.00%)</b>		
GBP 1,700,000	KBC 1.25% 21/09/2027	1,663	0.59
	<b>Czech Republic 0.00% (30/06/2021: 0.77%)</b>		
	<b>Fixed Rate Bond 0.00% (30/06/2021: 0.77%)</b>		
	<b>Denmark 0.51% (30/06/2021: 1.07%)</b>		
	<b>Fixed Rate Bond 0.27% (30/06/2021: 0.83%)</b>		
GBP 700,000	Orsted 2.50% 16/05/2033	751	0.27
	<b>Variable Rate Bond 0.24% (30/06/2021: 0.24%)</b>		
GBP 700,000	Orsted 2.50% 18/02/2067	684	0.24
	<b>Finland 0.41% (30/06/2021: 0.00%)</b>		
	<b>Variable Rate Bond 0.41% (30/06/2021: 0.00%)</b>		
GBP 1,200,000	Nordea Bank 1.625% 09/12/2032	1,154	0.41
	<b>France 8.17% (30/06/2021: 6.52%)</b>		
	<b>Fixed Rate Bond 6.19% (30/06/2021: 5.18%)</b>		
GBP 1,800,000	Banque Fédérative du Crédit Mutuel 1.00% 16/07/2026	1,755	0.63
GBP 1,200,000	BNP Paribas 2.00% 13/09/2036	1,144	0.41
GBP 2,600,000	BNP Paribas 3.375% 23/01/2026	2,765	0.99
GBP 1,300,000	Crédit Agricole 1.25% 02/10/2024	1,294	0.46
GBP 500,000	Électricité de France 5.125% 22/09/2050	766	0.27
GBP 900,000	Électricité de France 5.50% 17/10/2041	1,316	0.47
GBP 600,000	Électricité de France 6.00% 23/01/2114	1,071	0.38
GBP 1,200,000	Électricité de France 6.125% 02/06/2034	1,696	0.60
GBP 1,800,000	Société Générale 1.875% 03/10/2024	1,809	0.64
GBP 1,919,000	TotalEnergies Capital 1.75% 07/07/2025	1,945	0.69
EUR 1,300,000	Verallia 1.875% 10/11/2031	1,098	0.39
GBP 700,000	Vinci 2.25% 15/03/2027	728	0.26
		17,387	6.19
	<b>Variable Rate Bond 1.98% (30/06/2021: 1.34%)</b>		
GBP 321,000	AXA 5.625% 16/01/2054	392	0.14
GBP 1,000,000	BNP Paribas 2.00% 24/05/2031	985	0.35
EUR 800,000	BPCE 1.50% 13/01/2042	666	0.24
GBP 1,200,000	BPCE 2.50% 30/11/2032	1,198	0.43
GBP 500,000	Crédit Agricole 1.874% 09/12/2031	488	0.17
GBP 1,000,000	Électricité de France 6.00% Perpetual	1,085	0.39
GBP 684,000	Orange 5.75% Perpetual	718	0.26
		5,532	1.98

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Germany 4.00% (30/06/2021: 4.06%)</b>		
	<b>Fixed Rate Bond 3.16% (30/06/2021: 3.20%)</b>		
GBP 1,200,000	E.ON Finance 5.50% 06/07/2022	1,229	0.44
GBP 1,300,000	E.ON Finance 6.125% 06/07/2039	1,972	0.70
EUR 200,000	Schaeffler 2.875% 26/03/2027	182	0.06
EUR 1,400,000	Schaeffler 3.375% 12/10/2028	1,308	0.47
GBP 1,700,000	Siemens Financieringsmaatschappij 0.875% 05/06/2023	1,696	0.60
GBP 1,300,000	Volkswagen Financial Services 1.375% 14/09/2028	1,251	0.45
GBP 1,200,000	Volkswagen Financial Services 2.75% 10/07/2023	1,225	0.44
		<u>8,863</u>	<u>3.16</u>
	<b>Variable Rate Bond 0.84% (30/06/2021: 0.86%)</b>		
GBP 1,800,000	Aroundtown 4.75% Perpetual	1,866	0.67
GBP 500,000	Deutsche Bank FRN 22/12/2028	487	0.17
		<u>2,353</u>	<u>0.84</u>
	<b>Italy 1.73% (30/06/2021: 1.02%)</b>		
	<b>Fixed Rate Bond 1.73% (30/06/2021: 1.02%)</b>		
EUR 1,900,000	Autostrade per l'Italia 1.75% 01/02/2027	1,637	0.58
GBP 425,000	Enel 5.75% 22/06/2037	607	0.22
GBP 700,000	Enel Finance International 1.00% 20/10/2027	675	0.24
GBP 700,000	Enel Finance International 5.75% 14/09/2040	1,041	0.37
GBP 900,000	Intesa Sanpaolo 2.625% 11/03/2036	888	0.32
		<u>4,848</u>	<u>1.73</u>
	<b>Japan 0.00% (30/06/2021: 0.71%)</b>		
	<b>Fixed Rate Bond 0.00% (30/06/2021: 0.71%)</b>		
	<b>Luxembourg 0.68% (30/06/2021: 0.00%)</b>		
	<b>Fixed Rate Bond 0.68% (30/06/2021: 0.00%)</b>		
GBP 1,410,000	Blackstone Property Partners Europe 2.00% 20/10/2025	1,402	0.50
GBP 510,000	Blackstone Property Partners Europe 2.625% 20/10/2028	512	0.18
		<u>1,914</u>	<u>0.68</u>
	<b>Netherlands 0.79% (30/06/2021: 1.54%)</b>		
	<b>Fixed Rate Bond 0.79% (30/06/2021: 1.40%)</b>		
GBP 1,300,000	ING 3.00% 18/02/2026	1,368	0.49
GBP 890,000	Shell International Finance 1.00% 10/12/2030	831	0.30
		<u>2,199</u>	<u>0.79</u>
	<b>Variable Rate Bond 0.00% (30/06/2021: 0.14%)</b>		
	<b>Norway 1.07% (30/06/2021: 0.58%)</b>		
	<b>Fixed Rate Bond 0.58% (30/06/2021: 0.58%)</b>		
GBP 1,617,000	DNB Bank 1.375% 12/06/2023	1,623	0.58
	<b>Variable Rate Bond 0.49% (30/06/2021: 0.00%)</b>		
GBP 1,370,000	DNB Bank 1.375% 02/12/2025	1,365	0.49

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Spain 0.40% (30/06/2021: 0.59%)</b>			
<b>Fixed Rate Bond 0.40% (30/06/2021: 0.59%)</b>			
GBP 1,000,000	Iberdrola Finanzas 7.375% 29/01/2024	1,124	0.40
<b>Supranational 1.49% (30/06/2021: 1.50%)</b>			
<b>Fixed Rate Bond 1.49% (30/06/2021: 1.50%)</b>			
GBP 1,721,000	European Investment Bank 3.875% 08/06/2037	2,318	0.83
GBP 1,167,000	European Investment Bank 4.50% 07/03/2044	1,855	0.66
		4,173	1.49
<b>Sweden 0.96% (30/06/2021: 0.83%)</b>			
<b>Fixed Rate Bond 0.18% (30/06/2021: 0.00%)</b>			
EUR 620,000	Sandvik 0.375% 25/11/2028	515	0.18
<b>Variable Rate Bond 0.78% (30/06/2021: 0.83%)</b>			
EUR 1,100,000	Heimstaden Bostad 2.625% Perpetual	869	0.31
EUR 1,600,000	Heimstaden Bostad 3.375% Perpetual	1,329	0.47
		2,198	0.78
<b>Switzerland 3.16% (30/06/2021: 3.20%)</b>			
<b>Fixed Rate Bond 1.43% (30/06/2021: 1.44%)</b>			
GBP 1,500,000	Credit Suisse 1.125% 15/12/2025	1,466	0.52
GBP 2,590,000	UBS 0.625% 18/12/2023	2,564	0.91
		4,030	1.43
<b>Variable Rate Bond 1.73% (30/06/2021: 1.76%)</b>			
GBP 3,400,000	Credit Suisse 2.25% 09/06/2028	3,400	1.21
GBP 1,415,000	Zurich Finance UK 6.625% Perpetual	1,466	0.52
		4,866	1.73
<b>United Kingdom 58.74% (30/06/2021: 59.67%)</b>			
<b>Asset Backed 0.00% (30/06/2021: 1.06%)</b>			
<b>Fixed Rate Bond 51.33% (30/06/2021: 52.24%)</b>			
GBP 708,000	Accent Capital 2.625% 18/07/2049	781	0.28
GBP 1,047,000	Affordable Housing Finance 2.893% 11/08/2043	1,323	0.47
GBP 1,100,000	Anchor Hanover 2.00% 21/07/2051	1,068	0.38
GBP 1,800,000	Annington Funding 2.308% 06/10/2032	1,769	0.63
GBP 1,792,000	Annington Funding 2.646% 12/07/2025	1,848	0.66
GBP 1,060,000	Annington Funding 2.924% 06/10/2051	1,071	0.38
GBP 1,800,000	B&M European Value Retail 3.625% 15/07/2025	1,830	0.65
GBP 600,000	Barclays 3.00% 08/05/2026	625	0.22
GBP 480,000	BAT International Finance 2.25% 26/06/2028	465	0.17
GBP 1,000,000	BAT International Finance 4.00% 04/09/2026	1,071	0.38
GBP 1,622,000	Bazalgette Finance 2.375% 29/11/2027	1,696	0.60
GBP 1,226,000	Blend Funding 3.459% 21/09/2047	1,535	0.55
GBP 600,000	BPHA Finance 4.816% 11/04/2044	872	0.31
GBP 996,000	British Telecommunications 3.125% 21/11/2031	1,037	0.37
GBP 1,040,000	Broadgate Financing 4.821% 05/07/2033	1,332	0.47
GBP 800,000	Bunzl Finance 1.50% 30/10/2030	772	0.28
GBP 194,000	BUPA Finance 5.00% 25/04/2023	203	0.07
GBP 2,702,000	Cadent Finance 2.125% 22/09/2028	2,735	0.98



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond</b> (continued)			
GBP 500,000	Cadent Finance 2.625% 22/09/2038	509	0.18
GBP 2,080,000	Canary Wharf 2.625% 23/04/2025	2,088	0.74
GBP 613,000	Centrica 7.00% 19/09/2033	897	0.32
GBP 960,000	Clarion Funding 1.875% 07/09/2051	909	0.32
GBP 1,825,000	Co-operative 5.125% 17/05/2024	1,897	0.68
GBP 1,627,000	Coventry Building Society 1.50% 23/01/2023	1,633	0.58
GBP 1,849,000	Coventry Building Society 5.875% 28/09/2022	1,916	0.68
GBP 530,000	Diageo Finance 2.875% 27/03/2029	582	0.21
GBP 950,000	Direct Line Insurance 4.00% 05/06/2032	1,028	0.37
GBP 2,110,000	Dwr Cymru Financing 1.625% 31/03/2026	2,111	0.75
GBP 590,000	Dwr Cymru Financing 2.375% 31/03/2034	598	0.21
GBP 1,201,000	Dwr Cymru Financing 6.015% 31/03/2028	1,519	0.54
GBP 1,110,002	Eversholt Funding 2.742% 30/06/2040	1,147	0.41
GBP 1,602,000	Experian Finance 2.125% 27/09/2024	1,631	0.58
GBP 1,110,000	Experian Finance 3.25% 07/04/2032	1,234	0.44
GBP 590,000	Folio Residential Finance 1.246% 31/10/2027	581	0.21
GBP 870,000	Gatwick Funding 2.50% 15/04/2030	855	0.30
GBP 1,000,000	Gatwick Funding 3.125% 28/09/2039	1,004	0.36
GBP 300,000	Gatwick Funding 4.625% 27/03/2034	351	0.13
GBP 500,000	Gatwick Funding 6.125% 02/03/2026	579	0.21
GBP 2,100,000	GlaxoSmithKline Capital 1.25% 12/10/2028	2,065	0.74
GBP 1,080,000	GlaxoSmithKline Capital 1.625% 12/05/2035	1,034	0.37
GBP 910,000	Grainger 3.00% 03/07/2030	942	0.34
GBP 1,740,000	Heathrow Funding 2.75% 13/10/2029	1,778	0.63
GBP 650,000	Heathrow Funding 2.75% Perpetual	635	0.23
GBP 300,000	Heathrow Funding 4.625% 31/10/2046	389	0.14
GBP 2,122,000	Heathrow Funding 6.75% 03/12/2026	2,573	0.92
GBP 772,000	HSBC 4.75% 24/03/2046	1,028	0.37
GBP 450,000	HSBC 6.00% 29/03/2040	623	0.22
GBP 640,000	Hyde Housing Association 1.75% 18/08/2055	589	0.21
GBP 856,000	Imperial Brands Finance 5.50% 28/09/2026	976	0.35
GBP 901,000	Imperial Brands Finance 9.00% 17/02/2022	910	0.32
GBP 1,120,000	InterContinental Hotels 3.375% 08/10/2028	1,174	0.42
GBP 620,000	Land Securities Capital Markets 2.75% 22/09/2057	724	0.26
GBP 970,000	Lloyds Bank 1.50% 23/06/2023	976	0.35
GBP 1,106,000	Lloyds Bank 5.125% 07/03/2025	1,242	0.44
GBP 500,000	Lloyds Bank 6.00% 08/02/2029	660	0.24
GBP 1,300,000	Lloyds Bank 7.5% 15/04/2024	1,478	0.53
GBP 3,000,000	Logicor 1.875% 17/11/2026	3,051	1.09
GBP 500,000	London & Quadrant Housing 2.00% 20/10/2038	497	0.18
GBP 543,000	London Power Networks 2.625% 01/03/2029	578	0.21
GBP 1,280,000	London Stock Exchange 1.625% 06/04/2030	1,270	0.45
GBP 1,400,000	Marks & Spencer 3.75% 19/05/2026	1,428	0.51
GBP 890,000	Motability Operations 1.50% 20/01/2041	815	0.29
GBP 951,000	Motability Operations 2.375% 03/07/2039	1,003	0.36
GBP 1,280,000	National Grid Electricity Transmission 1.125% 07/07/2028	1,228	0.44
GBP 400,000	National Grid Electricity Transmission 2.00% 17/04/2040	385	0.14
GBP 1,200,000	National Grid Electricity Transmission 2.75% 06/02/2035	1,270	0.45
GBP 1,914,000	Nationwide Building Society 1.00% 24/01/2023	1,913	0.68
GBP 840,000	Nats En Route 1.375% 31/03/2031	826	0.29
GBP 780,000	Next 3.00% 26/08/2025	817	0.29

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond</b> (continued)			
GBP 514,000	Northern Electric Finance 2.75% 24/05/2049	581	0.21
GBP 400,000	Northern Powergrid (Yorkshire) 5.125% 04/05/2035	531	0.19
GBP 1,226,000	Notting Hill Genesis 2.875% 31/01/2029	1,310	0.47
GBP 700,000	Paradigm Housing 2.25% 20/05/2051	735	0.26
GBP 600,000	Platform HG Financing 1.625% 10/08/2055	546	0.19
GBP 1,090,000	Platform HG Financing 1.926% 15/09/2041	1,066	0.38
GBP 2,472,000	PRS Finance 1.50% 24/08/2034	2,486	0.89
GBP 361,000	Prudential 6.125% 19/12/2031	474	0.17
GBP 987,000	RAC Bond 4.565% 06/05/2023	1,013	0.36
GBP 956,000	RAC Bond 4.87% 06/05/2026	1,036	0.37
GBP 1,509,000	Santander UK 5.75% 02/03/2026	1,790	0.64
GBP 1,998,000	Scottish Widows 5.50% 16/06/2023	2,104	0.75
GBP 300,000	Scottish Widows 7.00% 16/06/2043	459	0.16
GBP 802,000	South Eastern Power Networks 5.625% 30/09/2030	1,047	0.37
GBP 566,000	SP Manweb 4.875% 20/09/2027	669	0.24
GBP 1,400,000	Stonewater 1.625% 10/09/2036	1,337	0.48
GBP 435,984	Telereal Securitisation 1.3657% 10/12/2031	428	0.15
GBP 1,562,053	Tesco Property Finance 6.0517% 13/10/2039	2,007	0.72
GBP 1,180,000	Thames Water Utilities Finance 2.375% 22/04/2040	1,172	0.42
GBP 1,281,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,332	0.47
GBP 400,000	Thames Water Utilities Finance 3.50% 25/02/2028	436	0.16
GBP 1,415,000	Thames Water Utilities Finance 4.00% 19/06/2025	1,535	0.55
GBP 700,000	Thames Water Utilities Finance 4.375% 03/07/2034	858	0.31
GBP 1,104,000	THFC Funding No.3 5.20% 11/10/2043	1,677	0.60
GBP 700,000	TP ICAP Finance 2.625% 18/11/2028	694	0.25
GBP 650,000	Transport for London 3.875% 23/07/2042	823	0.29
GBP 1,692,000	Tritax Big Box REIT 2.625% 14/12/2026	1,776	0.63
GBP 1,850,000	UK Treasury 0.125% 30/01/2026	1,805	0.64
GBP 1,500,000	UK Treasury 0.125% 31/01/2024	1,483	0.53
GBP 3,000,000	UK Treasury 0.625% 22/10/2050	2,637	0.94
GBP 5,500,000	UK Treasury 1.25% 22/10/2041	5,553	1.98
GBP 2,656,341	UK Treasury 1.50% 22/07/2047	2,849	1.02
GBP 2,215,000	UK Treasury 1.75% 07/09/2037	2,401	0.86
GBP 405,000	UK Treasury 1.75% 22/07/2057	488	0.17
GBP 1,331,962	UK Treasury 3.25% 22/01/2044	1,862	0.66
GBP 737,000	UK Treasury 4.25% 07/06/2032	974	0.35
GBP 800,000	UK Treasury 4.50% 07/12/2042	1,294	0.46
GBP 1,363,315	UK Treasury 4.75% 07/12/2030	1,813	0.65
GBP 869,000	Unite USAF 3.374% 30/06/2023	895	0.32
GBP 1,174,000	Vodafone 3.00% 12/08/2056	1,213	0.43
GBP 1,415,000	Western Power Distribution East Midlands 5.25% 17/01/2023	1,473	0.53
GBP 1,151,000	Westfield Stratford City Finance 1.642% 04/08/2026	1,148	0.41
GBP 1,100,000	Whitbread 2.375% 31/05/2027	1,090	0.39
GBP 1,930,000	Workspace 2.25% 11/03/2028	1,905	0.68
GBP 500,000	WPP Finance 2013 2.875% 14/09/2046	499	0.18
GBP 816,000	Wrekin Housing 2.50% 22/10/2048	881	0.31
GBP 1,697,000	Yorkshire Water Finance 1.75% 26/11/2026	1,711	0.61
		<u>143,875</u>	<u>51.33</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Variable Rate Bond 7.41% (30/06/2021: 6.37%)</b>			
GBP 500,000	Aviva 4.00% 03/06/2055	538	0.19
GBP 1,500,000	Aviva 6.125% 14/11/2036	1,751	0.62
GBP 170,000	Aviva 6.125% Perpetual	175	0.06
GBP 1,900,000	BP Capital Markets 4.25% Perpetual	1,972	0.70
GBP 1,140,000	BUPA Finance 4.00% Perpetual	1,094	0.39
GBP 1,900,000	HSBC 3.00% 22/07/2028	1,985	0.71
GBP 2,145,000	HSBC 5.844% Perpetual	2,980	1.06
GBP 800,000	M&G 5.56% 20/07/2055	927	0.33
GBP 2,600,000	NatWest 2.105% 28/11/2031	2,556	0.91
GBP 2,100,000	NatWest 2.875% 19/09/2026	2,175	0.78
GBP 2,122,000	Santander UK 2.92% 08/05/2026	2,193	0.78
GBP 1,292,000	Vodafone 4.875% 03/10/2078	1,362	0.49
GBP 1,140,000	Yorkshire Building Society 1.50% 15/09/2029	1,104	0.39
		<u>20,812</u>	<u>7.41</u>
<b>United States 13.96% (30/06/2021: 15.58%)</b>			
<b>Fixed Rate Bond 12.49% (30/06/2021: 14.31%)</b>			
GBP 690,000	Apple 3.60% 31/07/2042	914	0.33
GBP 1,250,000	AT&T 4.875% 01/06/2044	1,689	0.60
GBP 450,000	AT&T 7.00% 30/04/2040	725	0.26
GBP 2,790,000	Athene Global Funding 1.75% 24/11/2027	2,750	0.98
GBP 1,574,000	Bank of America 2.30% 25/07/2025	1,619	0.58
GBP 600,000	Bank of America 7.00% 31/07/2028	794	0.28
GBP 715,000	Berkshire Hathaway Finance 2.375% 19/06/2039	743	0.26
GBP 800,000	Citigroup 1.75% 23/10/2026	800	0.29
GBP 600,000	Comcast 1.50% 20/02/2029	593	0.21
GBP 1,100,000	Fidelity National Information Services 2.25% 03/12/2029	1,123	0.40
GBP 802,000	Fidelity National Information Services 3.36% 21/05/2031	884	0.32
GBP 800,000	Ford Motor Credit 2.748% 14/06/2024	804	0.29
GBP 950,000	GE Capital UK Funding 5.875% 18/01/2033	1,276	0.44
USD 355,000	JBS 3.75% 01/12/2020	266	0.09
GBP 329,335	Lehman Brothers 7.875% 08/05/2018 <sup>1</sup>	2	-
GBP 1,260,000	Metropolitan Life Global Funding I 0.625% 08/12/2027	1,197	0.43
GBP 1,400,000	MPT Operating Partnership 3.375% 24/04/2030	1,429	0.51
USD 1,846,000	MSCI 3.625% 01/11/2031	1,414	0.50
EUR 2,150,000	Netflix 3.625% 15/05/2027	2,071	0.74
GBP 1,330,000	New York Life Global Funding 0.75% 14/12/2028	1,264	0.45
GBP 400,000	Time Warner Cable 5.75% 02/06/2031	499	0.18
GBP 1,000,000	Verizon Communications 1.875% 03/11/2038	945	0.34
GBP 1,000,000	Verizon Communications 2.50% 08/04/2031	1,041	0.37
GBP 456,000	Verizon Communications 3.375% 27/10/2036	520	0.19
GBP 1,947,000	Walmart 5.625% 27/03/2034	2,799	1.00
GBP 1,179,000	Walmart 5.75% 19/12/2030	1,598	0.57
GBP 1,900,000	Wells Fargo 2.50% 02/05/2029	1,963	0.70
GBP 3,150,000	Wells Fargo 5.25% 01/08/2023	3,336	1.18
		<u>35,058</u>	<u>12.49</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Variable Rate Bond 1.47% (30/06/2021: 0.24%)</b>		
GBP 1,400,000	Bank of America 1.667% 02/06/2029	1,382	0.49
GBP 2,130,000	JPMorgan Chase 0.991% 28/04/2026	2,087	0.74
GBP 670,000	JPMorgan Chase 1.895% 28/04/2033	664	0.24
		<u>4,133</u>	<u>1.47</u>
	<b>Floating Rate Note 0.00% (30/06/2021: 1.03%)</b>		
	<b>Derivatives 0.04% (30/06/2021: 0.03%)</b>		
	<b>Futures 0.01% (30/06/2021: 0.01%)</b>		
(7)	CBT US 10 Year Ultra Note March 2022	(13)	-
(56)	EUX Euro Bobl March 2022	49	0.02
(13)	EUX Euro Bund March 2022	33	0.01
74	ICE Long Gilt March 2022	(43)	(0.02)
		<u>26</u>	<u>0.01</u>
	<b>Credit Default Swaps (0.02%) (30/06/2021: 0.01%)<sup>2</sup></b>		
1,900,000	CDS 1.00% 20/12/2026 HSBC Receive EUR	(43)	(0.02)
	<b>Forward Foreign Exchange Contracts 0.05% (30/06/2021: 0.00%)<sup>2</sup></b>		
	Buy EUR 8,156 : Sell GBP 6,951 January 2022 <sup>3</sup>	-	-
	Buy EUR 44,900 : Sell GBP 37,903 January 2022 <sup>3</sup>	-	-
	Buy EUR 51,000 : Sell GBP 42,845 January 2022 <sup>3</sup>	-	-
	Buy GBP 4,093 : Sell EUR 4,803 January 2022 <sup>3</sup>	-	-
	Buy GBP 10,036,370 : Sell EUR 11,809,098 January 2022	116	0.04
	Buy GBP 1,686,201 : Sell USD 2,239,570 January 2022	33	0.01
		<u>149</u>	<u>0.05</u>
	<b>Investment assets including investment liabilities</b>	<b>272,333</b>	<b>97.09</b>
	Other net assets	8,178	2.91
	<b>Total net assets</b>	<b>280,511</b>	<b>100.00</b>

<sup>1</sup> Defaulted

<sup>2</sup> Not listed on an official stock exchange

<sup>3</sup> Due to rounding to nearest £1,000

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

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

## Credit ratings

	Market value £000	Percentage of total net assets %
<b>31/12/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	252,449	90.01
Below investment grade (BB and below)	18,652	6.65
Unrated	1,100	0.39
<b>Total debt securities</b>	<b>272,201</b>	<b>97.05</b>
Derivatives	132	0.04
<b>Investment assets including investment liabilities</b>	<b>272,333</b>	<b>97.09</b>
Other net assets	8,178	2.91
<b>Total net assets</b>	<b>280,511</b>	<b>100.00</b>
	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
<b>30/06/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	245,752	86.54
Below investment grade (BB and below)	20,841	7.34
Unrated	11,788	4.15
<b>Total debt securities</b>	<b>278,381</b>	<b>98.03</b>
Derivatives	(74)	(0.03)
<b>Investment assets including investment liabilities</b>	<b>278,307</b>	<b>98.00</b>
Other net assets	5,690	2.00
<b>Total net assets</b>	<b>283,997</b>	<b>100.00</b>

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(4,516)		12,326
Revenue	3,279		4,057	
Expenses	(663)		(744)	
Interest payable and similar charges	(1)		(1)	
	<u>2,615</u>		<u>3,312</u>	
Net revenue before taxation	2,615		3,312	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>2,615</u>		<u>3,312</u>
Total return before distributions		(1,901)		15,638
Distributions		(2,615)		(3,312)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u><b>(4,516)</b></u>		<u><b>12,326</b></u>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>283,997</b>		<b>313,648</b>
Amounts receivable on issue of shares	1,508		35,052	
Amounts payable on cancellation of shares	<u>(2,832)</u>		<u>(27,827)</u>	
		(1,324)		7,225
Dilution adjustment		-		49
Change in net assets attributable to shareholders from investment activities		(4,516)		12,326
Retained distributions on accumulation shares		2,354		2,766
<b>Closing net assets attributable to shareholders</b>		<u><b>280,511</b></u>		<u><b>336,014</b></u>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	272,432	278,394
Current assets:		
Debtors	3,141	4,769
Cash and bank balances	5,850	4,114
<b>Total assets</b>	<b>281,423</b>	<b>287,277</b>
<b>Liabilities:</b>		
Investment liabilities	99	87
Creditors:		
Amounts held at derivative clearing houses and brokers	82	1
Distributions payable	126	144
Other creditors	605	3,048
<b>Total liabilities</b>	<b>912</b>	<b>3,280</b>
<b>Net assets attributable to shareholders</b>	<b>280,511</b>	<b>283,997</b>

## Distribution tables for the six months ended 31 December 2021 (in pence per share)

### Interim interest distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 July 2021

Group 2: shares purchased on or after 1 July 2021

	Distribution per share	Equalisation	Total distribution per share 30/11/21	Total distribution per share 30/11/20
<b>Class A accumulation</b>				
Group 1	0.6226	-	0.6226	0.6798
Group 2	0.5840	0.0386	0.6226	0.6798
<b>Class A income</b>				
Group 1	0.4956	-	0.4956	0.5452
Group 2	0.3393	0.1563	0.4956	0.5452
<b>Class E accumulation</b>				
Group 1	0.7422	-	0.7422	0.7928
Group 2	0.4528	0.2894	0.7422	0.7928
<b>Class E income</b>				
Group 1	0.5861	-	0.5861	0.6377
Group 2	0.2216	0.3645	0.5861	0.6377
<b>Class I accumulation</b>				
Group 1	1.3341	-	1.3341	1.4133
Group 2	0.6647	0.6694	1.3341	1.4133
<b>Class I income</b>				
Group 1	0.6454	-	0.6454	0.6963
Group 2	0.2176	0.4278	0.6454	0.6963
<b>Class Z accumulation</b>				
Group 1	1.6094	-	1.6094	1.6684
Group 2	0.6469	0.9625	1.6094	1.6684



## Distribution tables (continued)

### Interim interest distribution (accounting date 31 December 2021, paid on 28 February 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Equalisation	Total distribution per share 28/02/22	Total distribution per share 26/02/21
<b>Class A accumulation</b>				
Group 1	0.5969	-	0.5969	0.6844
Group 2	0.3345	0.2624	0.5969	0.6844
<b>Class A income</b>				
Group 1	0.4728	-	0.4728	0.5499
Group 2	0.1942	0.2786	0.4728	0.5499
<b>Class E accumulation</b>				
Group 1	0.7130	-	0.7130	0.8015
Group 2	0.3614	0.3516	0.7130	0.8015
<b>Class E income</b>				
Group 1	0.5619	-	0.5619	0.6424
Group 2	0.2238	0.3381	0.5619	0.6424
<b>Class I accumulation</b>				
Group 1	1.2868	-	1.2868	1.4316
Group 2	0.6875	0.5993	1.2868	1.4316
<b>Class I income</b>				
Group 1	0.6196	-	0.6196	0.7029
Group 2	0.2629	0.3567	0.6196	0.7029
<b>Class Z accumulation</b>				
Group 1	1.5618	-	1.5618	1.6930
Group 2	1.1767	0.3851	1.5618	1.6930

# Janus Henderson Asset-Backed Securities Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Denis Struc, Ian Bettney and Colin Fleury

### Investment objective and policy

The fund aims to provide a return from a combination of income and some capital growth over the long term.

Performance target: To outperform the Sterling Overnight Index Average (SONIA) by 1.5% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 70% of its assets in Asset-Backed Securities (ABS). The fund also holds a minimum of 80% of its assets in investment grade securities (rated BBB- or higher by at least one independent credit rating agency) and maintains at least 60% of its investments in European assets.

The fund is actively managed with reference to SONIA, as this forms the basis of the fund's performance target. The Investment Manager has complete discretion to choose investments for the fund and is not constrained by a benchmark.

### Strategy

The Investment Manager invests in a diversified portfolio of ABS and other investments, with a focus on floating rate or low interest rate sensitivity. The Investment Manager will seek to generate the majority of return from income whilst maintaining a focus on investments that are expected to have strong fundamental credit resilience over the long term. Notwithstanding its bias to European investments, as the fund has no benchmark to follow, the Investment Manager has flexibility to utilise its broad expertise across securitisation markets to vary the portfolio mix based on relative value and the desired risk and return profile for the fund.

### Performance summary

#### Cumulative performance

	Six months 30 Jun 21 - 31 Dec 21 %	One year 31 Dec 20 - 31 Dec 21 %	Since inception 15 Sep 20 - 31 Dec 21 %
<b>Class Y accumulation (Net)</b>	0.4	1.5	2.0
<b>SONIA</b>	0.0	0.1	0.1
<b>Class Y accumulation (Gross)</b>	0.6	1.8	2.4
<b>SONIA + 1.5%</b>	0.8	1.6	2.0

#### Discrete performance

	31 Dec 20 - 31 Dec 21 %	15 Sep 20* - 31 Dec 20 %
<b>Class Y accumulation (Net)</b>	1.5	0.5
<b>SONIA</b>	0.1	-**
<b>Class Y accumulation (Gross)</b>	1.8	0.6
<b>SONIA + 1.5%</b>	1.6	0.4

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

\* The fund launched on 15 September 2020.

\*\* Benchmark return is not quoted as it was not compared against the fund in this time period previously.

Source: Morningstar

Class Y accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class Y accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are as at close of business.

Class Y accumulation is disclosed as it is the representative share class.

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

#### Benchmark usage

Index: SONIA

Index usage: Target

Index description: SONIA reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions. The Bank of England is the administrator for SONIA and they are responsible for its governance and publication every London business day. It is the basis for the fund's performance target.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

### Significant portfolio changes for the six months ended 31 December 2021

Largest purchases	£000	Largest sales	£000
Bavarian Sky FRN 20/08/2029	10,287	Bavarian Sky FRN 20/08/2029	10,301
Bumper FRN 23/10/2031	9,434	Dilosk RMBS FRN 02/12/2057 2 A	6,951
Glenbeigh 2 Issuer 2021-2X A FRN 24/06/2050	7,611	Firstmac Mortgage Funding Trust FRN 17/11/2050 2 A1	6,057
Turbo Finance FRN 20/08/2028 9 A	7,143	Together Asset Backed Securitisation FRN 12/03/2049 1 C	4,975
Dilosk RMBS FRN 02/12/2057 2 A	6,846	Azure Finance No.2 FRN 20/07/2030 2 A	4,132
La Trobe Financial Capital Markets Trust 2021-2 A1 FRN 14/01/2053	6,352	Silverstone Master Issuer 1X 2A FRN 21/01/2070	4,051
Silverstone Master Issuer 1X 2A FRN 21/01/2070	6,258	Azure Finance No.1 FRN 30/06/2027 1 D	2,350
Pepper Residential Securities Trust No. 30 A1 FRN 15/01/2063	5,878	Economic Master Issuer FRN 25/06/2073 1X A	2,075
First Mortgage FRN 17/11/2050	5,433	Turbo Finance FRN 20/08/2028 9 A	1,988
Rochester FRN 18/12/2044	4,998	Income Contingent Student Loans FRN 24/07/2058 2 A1	1,694
<b>Total purchases</b>	<b>262,349</b>	<b>Total sales</b>	<b>75,011</b>

### Investment review

The fund returned 0.4% (Net), 0.6% (Gross) based on Class Y accumulation over the period under review, compared with a return of 0.0% in the SONIA Index and a return of 0.8% in the Target Index + 1.5%.

The period began with high levels of primary supply in July and September that was readily absorbed, with demand causing spreads to tighten across most sectors. Broader macro volatility dominated overall sentiment in the second half of the period, driven by market expectations of rate hikes and headlines around European Central Bank 'tapering', which caused European asset-backed securities (ABS) to leak wider. The emergence of the Omicron variant of COVID-19 towards the end of November led to a further broad 'risk off' move, causing activity to stall while European ABS market participants attempted to assess the direct impact.

Despite overall weaker market sentiment, we continued to see high levels of issuance during October and November, before this slowed in December. During the period, ABS and European collateralised loan obligation (CLO) transactions amounted to €82.4bn along with the refinancing of an additional €17bn of European CLOs. The secondary market, too, felt technically supported with continued demand, particularly for senior profiles.

In the UK, three-year AAA rated prime residential mortgage-backed security (RMBS) spreads widened by 2 basis points (bps) to 25bps, while three-year senior UK non-conforming RMBS widened by 12bps to 80bps. AAA rated European CLO spreads tightened by 18bps to 102bps whereas further down the stack, A rated CLOs widened by 12bps to 215bps.

In December, the Bank of England (BoE) raised interest rates for the first time in three years, from 0.10% to 0.25%. The UK consumer price index for November rose 5.1% year on year – the highest in a decade – with the BoE warning of further increases in the months ahead.

The fund's CLO holdings, specifically income from CLO exposure, was the most noteworthy contributor to performance. CLO spreads had been drifting wider, particularly the senior part of the capital structure in July and August, although we saw a strong comeback in September. The next largest contributions came from UK non-conforming RMBS exposure and the UK automotive sector, where income was again the main driver. Positioning in Irish non-performing RMBS also did well. At issuer level, exposure to legacy UK non-conforming RMBS added, as the bonds benefited from demand given the scarcity of such profiles. The main negative was the fund's exposure to mezzanine European consumer sectors. These sectors widened 10-20bps in the fourth quarter relative to purchase levels in September, which were reflective of those deals pricing at the tightest levels of the year.

We maintained a fairly defensive liquid profile, with over half of the portfolio rated AAA. CLOs remained the fund's largest single sectoral concentration, with exposure focused on high-quality managers and collateral pools. During July, we saw a range of originating UK buy-to-let issuers bringing deals in the primary market and increased the fund's exposure. These were short maturity, highly rated defensive structures that looked attractive on a relative value basis. On a regional basis, we reduced the fund's Australia securitised exposure on concern about expected supply pressure, selling down longer-duration positions with a weighted average life close to three years. We maintained an active allocation to Australia of about 10% and this was focused on high-quality, shorter-dated positions as attractive 'carry'. We were happy to run an elevated cash balance at the end of November and into year end, given the Omicron volatility, the drought of activity in the market in December and in preparation for the reopening of the primary market in January.

We remain moderately positive about the broad European economic environment over the short term, given the low default environment and reopening of those developed countries to which the fund is exposed, including Australia. Given its predominantly floating rate nature, the European ABS market remains largely isolated from rates volatility, except for a small decline in the value of Euribor floor levels (the lowest agreed European interbank offer rates) prevalent in certain sectors, in particular, European CLOs. We are cognisant that the recent unwinding of government support programmes and a structural rise in inflation will put pressure on consumers. We believe the structures of the deals in our portfolio impacted by consumer risk, for example UK automotive, UK non-conforming RMBS and European consumer loan deals, are well insulated by credit enhancement. Nevertheless, this is a risk that we will continue to monitor closely.

Regarding market technical conditions, CLO issuance has held steady, with pockets of 'indigestion' arising on a deal-specific basis. ABS market technical conditions have weakened following several months of strong issuance, which was followed by the Omicron uncertainty heading into year end.

Valuations in senior, high-quality ABS sectors are generally trading near the tightest levels since the 2008-09 global financial crisis and continue to be less inspiring relative to CLO valuations, which remain attractively priced on an historical and, particularly, relative basis. Away from CLOs, we continue to favour UK non-conforming RMBS, which remains attractive relative to senior prime RMBS bonds.

We acknowledge some of the risks to market sentiment more recently, including rates volatility, tapering, supply chain bottlenecks, deteriorating growth in China and heightened idiosyncratic risks. We will continue to selectively add risk to high conviction, higher liquidity positions where relative value is compelling.

## Comparative tables for the six months ended 31 December 2021

	Class Y accumulation	
	Six months to 31/12/21 (pence per share)	15/09/20 - 30/06/21 (pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	101.44	100.00 <sup>1</sup>
Return before operating charges*	0.60	1.73
Operating charges	(0.18)	(0.29)
Return after operating charges*	0.42	1.44
Distributions on accumulation shares	(0.33)	(0.72)
Retained distributions on accumulation shares	0.33	0.72
Closing net asset value per share	101.86	101.44
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	0.41%	1.44%
<b>Other information</b>		
Closing net asset value (£000s)	142,989	1
Closing number of shares	140,380,684	500
Operating charges (annualised)	0.36%	0.37%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest share price (pence)	102.09	101.56
Lowest share price (pence)	101.55	100.00

<sup>1</sup> The fund launched on 15 September 2020 and this is the first published price.

## Comparative tables (continued)

	Class Y income	
	Six months to 31/12/21 (pence per share)	15/09/20 - 30/06/21 (pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	100.73	100.00 <sup>2</sup>
Return before operating charges*	0.70	1.75
Operating charges	(0.18)	(0.29)
Return after operating charges*	0.52	1.46
Distributions on income shares	(0.40)	(0.73)
Closing net asset value per share	100.85	100.73
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	0.51%	1.46%
<b>Other information</b>		
Closing net asset value (£000s)	2	1
Closing number of shares	1,977	500
Operating charges (annualised)	0.36%	0.37%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest share price (pence)	101.25	101.14
Lowest share price (pence)	100.85	100.00

<sup>2</sup> The fund launched on 15 September 2020 and this is the first published price.

## Comparative tables (continued)

	Class Z accumulation	
	Six months to 31/12/21 (pence per share)	15/09/20 - 30/06/21 (pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	101.42	100.00 <sup>3</sup>
Return before operating charges*	0.60	1.48
Operating charges	(0.03)	(0.06)
Return after operating charges*	0.57	1.42
Distributions on accumulation shares	(0.47)	(0.72)
Retained distributions on accumulation shares	0.47	0.72
Closing net asset value per share	101.99	101.42
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	0.56%	1.42%
<b>Other information</b>		
Closing net asset value (£000s)	12,170	13
Closing number of shares	11,933,015	12,761
Operating charges (annualised)	0.06%	0.07%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest share price (pence)	102.18	101.56
Lowest share price (pence)	101.53	100.00

<sup>3</sup> The fund launched on 15 September 2020 and this is the first published price.

## Comparative tables (continued)

	Class Z income	
	Six months to 31/12/21 (pence per share)	15/09/20 - 30/06/21 (pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	100.66	100.00 <sup>4</sup>
Return before operating charges*	0.59	1.40
Operating charges	(0.03)	(0.06)
Return after operating charges*	0.56	1.34
Distributions on income shares	(0.46)	(0.68)
Closing net asset value per share	100.76	100.66
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	0.56%	1.34%
<b>Other information</b>		
Closing net asset value (£000s)	220,450	167,803
Closing number of shares	218,789,347	166,695,214
Operating charges (annualised)	0.06%	0.07%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest share price (pence)	101.20	101.06
Lowest share price (pence)	100.78	99.99

<sup>4</sup> The fund launched on 15 September 2020 and this is the first published price.

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period.



## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/21 %	30/06/21 %
<b>Class Y accumulation<sup>1</sup></b>	0.36	0.37
<b>Class Y income<sup>1</sup></b>	0.36	0.37
<b>Class Z accumulation<sup>1</sup></b>	0.06	0.07
<b>Class Z income<sup>1</sup></b>	0.06	0.07

The OCF is calculated in accordance with guidelines issued by ESMA.

<sup>1</sup> The fund launched on 15 September 2020.

## Risk and reward profile

The fund currently has 4 types of share class in issue: Y accumulation, Y income, Z accumulation and Z income.

Each share class has the same risk and reward profile which is as follows:



The share classes appear at 2 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The SRRI is calculated based on historical volatility over a rolling 5\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Asset-Backed Securities** The fund invests in ABS and other forms of securitised investments, which may be subject to greater credit/default, liquidity, interest rate and prepayment and extension risks, compared to other investments such as government or corporate issued bonds and this may negatively impact the realised return on investment in the securities.

**Counterparty Risk and Operational Risk** The fund could lose money if a counterparty with which the fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

**Credit Risk** An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the fund. If this happens or the market perceives this may happen, the value of the bond will fall.

**Currency Hedging** When the fund, or a hedged share class, seeks to mitigate exchange rate movements of a currency relative to the base currency, the hedging strategy itself may create a positive or negative impact to the value of the fund due to differences in short-term interest rates between the currencies.

**Derivatives and Leverage** The fund may use derivatives towards the aim of achieving its investment objective. This can result in 'leverage', which can magnify an investment outcome and gains or losses to the fund may be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Exchange Rates** If the fund holds assets in currencies other than the base currency of the fund or you invest in a share class of a different currency to the fund (unless 'hedged'), the value of your investment may be impacted by changes in exchange rates.

**Interest Rates** When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise. This risk is generally greater the longer the maturity of a bond investment.

**Liquidity** Securities within the fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

**Prepayment and Extension** Some bonds (callable bonds) allow their issuers the right to repay capital early or to extend the maturity. Issuers may exercise these rights when favourable to them and as a result the value of the fund may be impacted.

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

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

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class Y accumulation, Class Y income, Class Z accumulation and Class Z income launched on 15 September 2020. As these share classes do not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Bonds 90.38% (30/06/2021: 93.06%)</b>			
<b>Australia 9.02% (30/06/2021: 11.32%)</b>			
<b>Asset Backed 9.02% (30/06/2021: 11.32%)</b>			
AUD 974,662	Driver Australia Five Trust FRN 21/07/2026	523	0.14
AUD 426,307	Driver Australia Five Trust FRN 21/07/2026 5 B	229	0.06
AUD 668,944	Firstmac Mortgage Funding Trust FRN 17/01/2051 4 A1	361	0.10
AUD 9,914,071	La Trobe Financial Capital Markets Trust 2021-2 A1 FRN 14/01/2053	5,289	1.41
AUD 913,439	La Trobe Financial Capital Markets Trust FRN 11/07/2049 1 A1L	491	0.13
AUD 3,710,657	La Trobe Financial Capital Markets Trust FRN 12/03/2050 2 A1L	1,998	0.53
AUD 6,350,000	Latitude Australia Credit Card Master Trust Series 2019-1 FRN 22/09/2033	3,443	0.92
AUD 3,500,000	Latitude Australia FRN 22/09/2033 1 A1	1,896	0.50
AUD 1,725,539	Latitude Australia Personal Loans FRN 17/06/2028 1AL	929	0.25
AUD 825,037	Liberty Funding FRN 10/06/2051 2 A1B	445	0.12
AUD 3,184,554	Liberty Funding FRN 25/12/2051 3 A1	1,720	0.46
AUD 1,137,241	Medallion Trust FRN 23/04/2049 1 A1A	617	0.16
AUD 5,170,697	Metro Finance Trust 2021-1 A FRN 20/06/2027	2,769	0.74
AUD 2,772,754	Pepper Residential Securities FRN 20/06/2060 22X A 2	1,511	0.40
AUD 9,413,879	Pepper Residential Securities Trust No. 30 A1 FRN 15/01/2063	5,028	1.34
AUD 2,762,970	Pepper Residential Securities Trust No.28 FRN 17/04/2062 28 A1A	1,493	0.40
AUD 1,685,523	Pepper SPARKZ Trust No.2 C FRN 16/10/2027	909	0.24
AUD 842,762	Pepper SPARKZ Trust No.2 FRN 16/11/2027 2 B	454	0.12
AUD 2,694,688	Pepper SPARKZ Trust No.3 FRN 17/08/2028 3 A1A	1,450	0.39
AUD 900,000	Pepper SPARKZ Trust No.3 FRN 17/08/2028 3 B	486	0.13
AUD 3,400,000	Pepper SPARKZ Trust No.4 A 1A FRN 15/09/2030	1,824	0.48
		<u>33,865</u>	<u>9.02</u>
<b>Austria 0.33% (30/06/2021: 0.77%)</b>			
<b>Asset Backed 0.33% (30/06/2021: 0.77%)</b>			
EUR 1,500,000	FACT Construction FRN 20/07/2028 1 B	<u>1,251</u>	<u>0.33</u>
<b>Belgium 4.31% (30/06/2021: 1.41%)</b>			
<b>Asset Backed 4.31% (30/06/2021: 1.41%)</b>			
EUR 2,750,000	BL Consumer Credit FRN 25/09/2038 1 B	2,304	0.61
EUR 11,000,000	Bumper BE1 A FRN 23/10/2031	9,287	2.47
EUR 5,500,000	Bumper BE1 B FRN 23/10/2031	4,610	1.23
		<u>16,201</u>	<u>4.31</u>
<b>Canada 0.46% (30/06/2021: 1.02%)</b>			
<b>Floating Rate Note 0.46% (30/06/2021: 1.02%)</b>			
GBP 850,000	Royal Bank of Canada FRN 03/10/2024	858	0.23
GBP 850,000	Royal Bank of Canada FRN 30/01/2025	856	0.23
		<u>1,714</u>	<u>0.46</u>
<b>Europe 33.44% (30/06/2021: 31.87%)</b>			
<b>Asset Backed 33.44% (30/06/2021: 31.87%)</b>			
EUR 3,940,000	Adagio CLO FRN 15/09/2034 X C	3,301	0.88
EUR 500,000	Adagio CLO FRN 30/04/2031 VIX A	419	0.11
EUR 1,227,000	Adagio V FRN 15/10/2031	1,028	0.27
EUR 800,000	Adagio VI CLO FRN 30/04/2031 B1	670	0.18
EUR 1,500,000	ALME Loan Funding FRN 15/04/2032 3X ARRE	1,259	0.34
EUR 319,000	ALME Loan Funding V FRN 15/07/2031 5X B1R	267	0.07
EUR 1,400,000	Ares European CLO FRN 21/10/2033 14X A	1,176	0.31

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Asset Backed (continued)</b>			
EUR 1,300,000	Ares European CLO XII FRN 20/04/2032	1,091	0.29
EUR 630,000	Ares European VIII FRN 17/04/2032 8XCR	529	0.14
EUR 1,485,000	Ares European XI FRN 15/04/2032 11X	1,248	0.33
EUR 3,600,000	Armada Euro FRN 28/07/2034 5X A	3,018	0.80
EUR 1,900,000	Armada Euro FRN 28/07/2034 5X C	1,588	0.42
EUR 4,500,000	Aurium CLO V Designated Activity FRN 17/04/2034	3,766	1.00
EUR 3,000,000	Aurium FRN 22/05/2034 6X AR	2,510	0.67
EUR 2,000,000	Aurium FRN 22/05/2034 6X CR	1,680	0.45
EUR 3,290,000	Aurium FRN 22/06/2034 2X CRR	2,762	0.74
EUR 5,750,000	Avoca CLO XXIV FRN 15/07/2034	4,816	1.28
EUR 1,000,000	Avoca FRN 12/01/2031 14X A1R	840	0.22
EUR 700,000	Avoca FRN 15/04/2034 12X ARR	585	0.16
EUR 1,500,000	Avoca FRN 15/04/2034 23X	1,255	0.33
EUR 1,250,000	BBAM European FRN 22/07/2034 1X CR	1,046	0.28
EUR 6,000,000	Bilbao III FRN 17/08/2034 3X AR	5,021	1.34
EUR 1,750,000	Bilbao III FRN 17/08/2034 3X BR	1,468	0.39
EUR 2,630,000	BlackRock European CLO X FRN 15/10/2034	2,206	0.59
EUR 1,000,000	BlackRock European FRN 15/07/2030	840	0.22
EUR 1,200,000	BNPP FRN 15/04/2031 1X CR	1,007	0.27
EUR 5,000,000	Cairn CLO XIV 14X A FRN 29/10/2034	4,198	1.12
EUR 2,350,000	Cairn CLO XIV 14X C FRN 29/10/2034	1,976	0.53
EUR 4,000,000	Capital Four CLO III 3X A FRN 15/10/2034	3,359	0.89
EUR 500,000	Carlyle Global Market Strategies FRN 15/07/2030	420	0.11
EUR 3,230,000	Contego CLO VIII 8X AR FRN 25/01/2034	2,710	0.72
EUR 1,570,000	Contego CLO VIII 8X B1R FRN 25/01/2034	1,313	0.35
EUR 480,000	Contego FRN 23/01/2030 4X CR	403	0.11
EUR 599,621	Cordatus CLO FRN 21/07/2030 5X ARR	503	0.13
EUR 500,000	Cordatus CLO FRN 21/07/2030 5X B1R	420	0.11
EUR 2,500,000	CVC Cordatus Loan Fund IX 9X CR FRN 20/08/2034	2,102	0.56
EUR 1,800,000	CVC Cordatus Loan Fund VIII FRN 15/07/2034 8X	1,510	0.40
EUR 1,170,000	CVC Cordatus Loan Fund XX FRN 22/06/2034 20X	980	0.26
EUR 4,300,000	CVC Cordatus Loan Fund XXI 21X B1 FRN 22/09/2034	3,615	0.96
EUR 4,200,000	FTA Santander Consumer Spain Auto 2021-1 B FRN 22/06/2035	3,498	0.93
EUR 1,300,000	Harvest CLO FRN 15/01/2031 8X ARR	1,089	0.29
EUR 1,200,000	Harvest FRN 15/10/2031 16X CRR	1,006	0.27
EUR 1,350,000	Harvest FRN 18/11/2030 12X AR	1,135	0.30
EUR 500,000	Harvest FRN 26/06/2030 11X CR	419	0.11
EUR 3,220,000	Hayfin Emerald CLO IV 4X AR FRN 15/10/2034	2,712	0.72
EUR 3,280,000	Hayfin Emerald CLO IV 4X CR FRN 15/10/2034	2,748	0.73
EUR 4,200,000	Hayfin Emerald CLO VIII 8X C FRN 17/01/2035	3,520	0.94
EUR 500,000	Invesco Euro CLO FRN 15/07/2032 3X C	421	0.11
EUR 4,200,000	Invesco Euro CLO II 2X AR FRN 15/08/2034	3,528	0.94
EUR 2,700,000	Invesco Euro FRN 15/07/2034 6X C	2,258	0.60
EUR 685,000	Invesco I FRN 15/07/2031 1X CR	574	0.15
EUR 6,378,687	Last Mile Securities FRN 17/08/2031 1X A1	5,362	1.43
EUR 269,944	Last Mile Securities FRN 17/08/2031 1X C	227	0.06
EUR 3,200,000	Montmartre Euro CLO 2020-2X A1R FRN 15/07/2034	2,686	0.73
EUR 3,170,000	Montmartre Euro CLO 2020-2X CR FRN 15/07/2034	2,644	0.70
EUR 3,000,000	Neuberger Berman Loan Advisers Euro CLO 2X A FRN 15/04/2034	2,520	0.67
EUR 1,750,000	North Westerly FRN 15/05/2035 VII X A	1,462	0.39
EUR 1,080,000	North Westerly FRN 15/05/2035 VII X C	899	0.24

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Asset Backed (continued)</b>		
EUR 1,810,000	North Westerly V Leveraged Loan Strategies CLO X AR FRN 20/07/2034	1,519	0.40
EUR 1,370,000	North Westerly V Leveraged Loan Strategies CLO X CR FRN 20/07/2034	1,149	0.31
EUR 660,000	OAK Hill European Credit Partners FRN 20/04/2035 8X C	556	0.15
EUR 2,400,000	Sound Point Euro FRN 25/05/2034 1X AR	2,008	0.54
EUR 2,740,000	Sound Point Euro FRN 25/05/2034 1X CR	2,282	0.61
EUR 2,930,000	Tikehau CLO VI 6X C FRN 15/01/2035	2,454	0.65
EUR 1,400,000	Tikehau III FRN 01/12/2030	1,177	0.31
EUR 3,800,000	Tymon Park CLO 1X A1AR FRN 21/07/2034	3,187	0.85
EUR 3,840,000	Voya Euro CLO V 5X C FRN 15/04/2035	3,228	0.86
EUR 530,000	Voya Euro FRN 15/07/2035 2X CR	442	0.12
		<u>125,615</u>	<u>33.44</u>
	<b>France 1.93% (30/06/2021: 1.29%)</b>		
	<b>Asset Backed 1.93% (30/06/2021: 1.29%)</b>		
EUR 2,500,000	Auto ABS French Leases FRN 29/06/2033 FR1 A	2,115	0.56
EUR 1,400,000	FCT Noria 2021-1 B FRN 25/10/2049	1,174	0.31
EUR 700,000	FCT Noria 2021-1 C FRN 25/10/2049	587	0.16
EUR 4,000,000	FCT Pixel 2021-1 B FRN 25/02/2038	3,357	0.90
		<u>7,233</u>	<u>1.93</u>
	<b>Germany 3.01% (30/06/2021: 3.33%)</b>		
	<b>Asset Backed 3.01% (30/06/2021: 3.33%)</b>		
EUR 1,100,000	Globaldrive Auto Receivables FRN 20/02/2029 A B	921	0.25
EUR 2,000,000	PBD Germany Auto Lease Master - Compartment 2021-1GE FRN 26/11/2030	1,682	0.45
EUR 4,200,000	Red & Black Auto Germany 8 C FRN 15/09/2030	3,511	0.93
EUR 2,300,000	Red & Black Auto No.7 FRN 15/10/2029 7 B	1,942	0.52
EUR 2,600,000	SC Germany SA Compartment Consumer FRN 14/11/2035 1 B	2,184	0.58
EUR 191,094	SC Germany SA Compartment Consumer FRN 14/11/2034 1 B	161	0.04
EUR 95,547	SC Germany SA Compartment Consumer FRN 14/11/2034 1 C	81	0.02
EUR 1,000,000	Volkswagen Car Lease FRN 21/01/2027 32 B	840	0.22
		<u>11,322</u>	<u>3.01</u>
	<b>Ireland 5.02% (30/06/2021: 5.39%)</b>		
	<b>Asset Backed 5.02% (30/06/2021: 5.39%)</b>		
EUR 3,264,153	Glenbeigh 2 FRN 24/03/2046 1X A	2,740	0.73
EUR 8,920,000	Glenbeigh 2 Issuer 2021-2X A FRN 24/06/2050	7,480	1.99
EUR 3,152,354	Primrose Residential FRN 24/03/2061 1 A	2,638	0.70
EUR 6,573,931	Shamrock Residential FRN 24/12/2059 1 A	5,526	1.47
EUR 550,000	Voya Euro FRN 15/07/2035 2x AR	462	0.13
		<u>18,846</u>	<u>5.02</u>
	<b>Italy 1.44% (30/06/2021: 0.00%)</b>		
	<b>Asset Backed 1.44% (30/06/2021: 0.00%)</b>		
EUR 4,300,000	Autoflorence 2A FRN 21/12/2043	3,636	0.97
EUR 2,120,000	Autoflorence 2B FRN 21/12/2043	1,775	0.47
		<u>5,411</u>	<u>1.44</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Netherlands 1.21% (30/06/2021: 2.82%)</b>			
<b>Asset Backed 1.21% (30/06/2021: 2.82%)</b>			
EUR 369,446	Magoi FRN 27/07/2039 C	310	0.08
EUR 5,000,000	Silver Arrow Athlon FRN 26/04/2031 1 A	4,225	1.13
		<u>4,535</u>	<u>1.21</u>
<b>Spain 0.92% (30/06/2021: 3.13%)</b>			
<b>Asset Backed 0.92% (30/06/2021: 3.13%)</b>			
EUR 1,977,425	Driver Espana Six FRN 25/09/2030	1,655	0.44
EUR 2,156,745	Miravet FRN 27/02/2065 1 A	1,814	0.48
		<u>3,469</u>	<u>0.92</u>
<b>United Kingdom 28.81% (30/06/2021: 28.44%)</b>			
<b>Asset Backed 26.77% (30/06/2021: 28.28%)</b>			
GBP 5,897,901	Agora Sécurité FRN 17/08/2031 1X A	5,892	1.57
GBP 1,039,630	Agora Sécurité FRN 17/08/2031 1X B	1,040	0.28
GBP 3,728,000	Azure Finance No 2 FRN 20/07/2030	3,772	1.00
GBP 865,143	Brass FRN 16/04/2069 10X A2	866	0.23
GBP 265,628	Business Mortgage Finance FRN 15/08/2045	265	0.07
GBP 1,653,838	Dowson 2021-1 A FRN 20/03/2028	1,657	0.44
GBP 2,364,077	Dowson 2021-2 A FRN 20/10/2028	2,365	0.63
GBP 1,700,000	Dowson 2021-2 B FRN 20/10/2028	1,702	0.45
GBP 540,000	Dowson FRN 20/03/2028 1B	541	0.14
GBP 565,957	Dowson FRN 20/04/2027 1 A	567	0.15
GBP 2,251,918	Eurosail 2006-2bl FRN 15/12/2044	2,241	0.60
GBP 3,140,000	Finsbury Square 2021-2X A FRN 16/12/2071	3,143	0.84
GBP 1,960,000	Finsbury Square 2021-2X B FRN 16/12/2071	1,960	0.52
GBP 4,419,000	Harbour FRN 28/01/2054	4,411	1.17
GBP 3,316,657	Income Contingent Student Loans FRN 24/07/2058 2 A1	3,325	0.89
USD 500,000	Lanark Master Issuer 2.71% 22/12/2069	372	0.10
GBP 1,534,460	Mortgage Funding FRN 13/03/2046	1,536	0.41
USD 2,500,000	Newday Funding Master Issuer - Series 2021-2X A1 FRN 15/03/2029	1,853	0.49
GBP 1,400,000	Newday Funding Master Issuer - Series 2021-2X A1 FRN 15/07/2029	1,398	0.37
GBP 1,200,000	Newday Funding Master Issuer - Series 2021-2X B FRN 15/07/2029	1,198	0.32
GBP 1,900,000	Newday Funding Master Issuer - Series 2021-3X B FRN 15/11/2029	1,903	0.51
GBP 380,000	Newday Partnership Funding FRN 15/12/2027 1 A	380	0.10
GBP 114,095	Paragon Mortgage FRN 15/11/2038 12X A2A	112	0.03
USD 485,052	Paragon Mortgages FRN 15/11/2038 12A A2C	348	0.09
USD 469,962	Paragon Mortgages FRN 15/11/2038 12X A2C	337	0.09
GBP 660,000	PCL Funding FRN 15/10/2025 1 B	659	0.18
GBP 2,800,000	PCL Funding IV FRN 15/09/2024 1 A	2,813	0.75
GBP 770,000	PCL Funding V FRN 15/10/2025 1 A	772	0.21
GBP 2,616,727	Polaris 2021-1 A FRN 23/12/2058	2,622	0.70
GBP 919,807	Preferred Residential Securities FRN 15/12/2040 2X B1C	918	0.24
GBP 920,880	Residential Mortgage Securities FRN 20/06/2070 32X A	929	0.25
GBP 2,100,000	RMAC Securities FRN 12/06/2046 1 C	2,102	0.56
GBP 5,323,050	RMAC Securities No 1 FRN 12/06/2044	5,139	1.37
GBP 671,546	RMAC Securities No. 1 FRN 12/06/2044 NS3X A2A	649	0.17
GBP 1,200,000	Rochester Financing FRN 18/12/2044 3 B	1,199	0.32
GBP 4,635,970	Rochester Financing No 3 A FRN 18/12/2044	4,635	1.23
GBP 3,000,000	Satus 2021-1 FRN 17/08/2028	3,000	0.80
GBP 2,088,741	Silver Arrow Compartment Silver Arrow UK 2021-2UK A FRN 20/10/2027	2,088	0.56

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Asset Backed (continued)</b>			
GBP 6,204,000	Silverstone Master Issuer 1X 2A FRN 21/01/2070	6,244	1.66
GBP 3,481,800	Stratton Mortgage Funding FRN 12/03/2052 1 A	3,492	0.93
GBP 3,610,000	Together Asset Backed Securitisation 2021-1st1 A FRN 12/07/2063	3,609	0.96
GBP 1,630,000	Together Asset Backed Securitisation 2021-1st1 B FRN 12/07/2063	1,624	0.43
GBP 2,460,199	Tower Bridge Funding 2021-2 A FRN 20/11/2063	2,462	0.66
GBP 6,252,071	Turbo Finance FRN 20/08/2028 9 A	6,279	1.67
GBP 500,000	Turbo Finance FRN 20/08/2028 9 B	505	0.13
GBP 4,470,000	Twin Bridges 2021-2 A FRN 12/09/2055	4,456	1.19
GBP 1,190,000	Twin Bridges 2021-2 B FRN 12/09/2055	1,181	0.31
		<u>100,561</u>	<u>26.77</u>
<b>Fixed Rate Bond 1.88% (30/06/2021: 0.00%)</b>			
GBP 2,910,000	Annington Funding 2.308% 06/10/2032	2,859	0.76
GBP 769,500	Broadgate Financing 5.098% 05/04/2033	895	0.24
GBP 759,197	Mitchells & Butlers Finance 5.574% 15/12/2030	850	0.23
GBP 1,904,943	Tesco Property Finance 6.0517% 13/10/2039	2,448	0.65
		<u>7,052</u>	<u>1.88</u>
<b>Variable Rate Bond 0.16% (30/06/2021: 0.16%)</b>			
USD 800,000	Lanark Master Issuer 2.277% 22/12/2069 1X 1A	597	0.16
<b>United States 0.48% (30/06/2021: 2.27%)</b>			
<b>Asset Backed 0.06% (30/06/2021: 1.84%)</b>			
USD 295,270	Invitation Homes FRN 17/07/2037 SFR3 A	218	0.06
<b>Fixed Rate Bond 0.42% (30/06/2021: 0.43%)</b>			
USD 1,000,000	Global Net Lease 3.75% 15/12/2027	722	0.19
USD 527,350	Wingstop Funding 2.841% 05/12/2050 1A A2	394	0.11
USD 626,430	Zaxby's Funding 0% 30/07/2051	466	0.12
		<u>1,582</u>	<u>0.42</u>
<b>Collective Investment Schemes 0.03% (30/06/2021: 0.06%)</b>			
100,000	Deutsche Global Liquidity Managed Sterling Fund Platinum Class	100	0.03
<b>Derivatives 0.70% (30/06/2021: 0.01%)</b>			
<b>Swaps 0.05% (30/06/2021: 0.03%)<sup>1</sup></b>			
<b>Overnight Index Swaps 0.05% (30/06/2021: 0.03%)<sup>1</sup></b>			
600,000	OIS 0.0435% SONIA 1 Day - Receive Floating - GBP	28	0.01
720,000	OIS 0.3038% SONIA 1 Day - Receive Floating - GBP	16	0.01
160,000	OIS 0.3067% SOFR 1 Day - Receive Floating - USD	6	-
800,000	OIS 0.3432% SOFR 1 Day - Receive Floating - USD	22	0.01
150,000	OIS 0.3569% SONIA 1 Day - Receive Floating - GBP	4	-
220,000	OIS 0.4097% SOFR 1 Day - Receive Floating - USD	7	-
510,000	OIS 0.4622% SONIA 1 Day - Receive Floating - GBP	14	-
700,000	OIS 0.6212% SONIA 1 Day - Receive Floating - GBP	14	0.01
400,000	OIS 0.6282% SONIA 1 Day - Receive Floating - GBP	8	-
400,000	OIS 0.6361% SONIA 1 Day - Receive Floating - GBP	8	-
680,000	OIS 0.6392% SONIA 1 Day - Receive Floating - GBP	11	-
500,000	OIS 0.6935% SONIA 1 Day - Receive Floating - GBP	31	0.01
1,000,000	OIS 0.8297% SOFR 1 Day - Receive Floating - USD	11	-



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Overnight Index Swaps (continued)</b>		
2,200,000	OIS 0.9102% SONIA 1 Day - Receive Floating - GBP	4	-
		184	0.05
	<b>Forward Foreign Exchange Contracts 0.65% (30/06/2021: 0.02%)<sup>1</sup></b>		
	Buy AUD 292,870 : Sell GBP 157,182 January 2022 <sup>2</sup>	-	-
	Buy AUD 7,672 : Sell GBP 4,121 January 2022 <sup>2</sup>	-	-
	Buy AUD 415,647 : Sell GBP 223,482 January 2022 <sup>2</sup>	-	-
	Buy AUD 651,036 : Sell GBP 350,900 January 2022	(1)	-
	Buy AUD 314,774 : Sell GBP 169,695 January 2022	(1)	-
	Buy AUD 440,450 : Sell GBP 237,493 January 2022	(1)	-
	Buy AUD 6,533 : Sell GBP 3,524 January 2022 <sup>2</sup>	-	-
	Buy AUD 24,519 : Sell GBP 13,225 January 2022	(1)	-
	Buy AUD 282,701 : Sell GBP 152,553 January 2022	(1)	-
	Buy AUD 140,447 : Sell GBP 75,862 January 2022 <sup>2</sup>	-	-
	Buy EUR 4,641 : Sell GBP 3,955 January 2022 <sup>2</sup>	-	-
	Buy EUR 8,162,498 : Sell GBP 6,953,575 January 2022	(98)	(0.03)
	Buy EUR 110,127 : Sell GBP 93,495 January 2022	(1)	-
	Buy EUR 10,870 : Sell GBP 9,228 January 2022 <sup>2</sup>	-	-
	Buy EUR 26,199 : Sell GBP 22,116 January 2022 <sup>2</sup>	-	-
	Buy EUR 3,477 : Sell GBP 2,935 January 2022 <sup>2</sup>	-	-
	Buy EUR 105,549 : Sell GBP 88,894 January 2022 <sup>2</sup>	-	-
	Buy EUR 55,293 : Sell GBP 46,558 January 2022 <sup>2</sup>	-	-
	Buy EUR 3,222 : Sell GBP 2,707 January 2022 <sup>2</sup>	-	-
	Buy GBP 35,325,925 : Sell AUD 65,766,350 January 2022	19	0.01
	Buy GBP 9,464,495 : Sell EUR 11,075,803 January 2022	160	0.04
	Buy GBP 2,556,887 : Sell EUR 3,001,422 January 2022	36	0.01
	Buy GBP 188,408,612 : Sell EUR 221,687,303 January 2022	2,183	0.58
	Buy GBP 3,818,357 : Sell EUR 4,497,518 January 2022	40	0.01
	Buy GBP 1,790 : Sell USD 2,424 January 2022 <sup>2</sup>	-	-
	Buy GBP 5,451,695 : Sell USD 7,240,806 January 2022	105	0.03
	Buy GBP 5,255 : Sell USD 6,972 January 2022 <sup>2</sup>	-	-
	Buy USD 5,160 : Sell GBP 3,823 January 2022 <sup>2</sup>	-	-
	Buy USD 1,934 : Sell GBP 1,441 January 2022 <sup>2</sup>	-	-
	Buy USD 8,977 : Sell GBP 6,725 January 2022 <sup>2</sup>	-	-
	Buy USD 20,360 : Sell GBP 15,267 January 2022 <sup>2</sup>	-	-
	Buy USD 2,443 : Sell GBP 1,848 January 2022 <sup>2</sup>	-	-
		2,439	0.65
	<b>Investment assets including investment liabilities</b>	<b>342,195</b>	<b>91.11</b>
	Other net assets	33,416	8.89
	<b>Total net assets</b>	<b>375,611</b>	<b>100.00</b>

<sup>1</sup> Not listed on an official stock exchange

<sup>2</sup> Due to rounding to nearest £1,000

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

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules.



## Credit ratings

	Market value £000	Percentage of total net assets %
<b>31/12/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	331,533	88.27
Unrated	7,939	2.11
<b>Total debt securities</b>	<b>339,472</b>	<b>90.38</b>
Collective investment schemes	100	0.03
Derivatives	2,623	0.70
<b>Investment assets including investment liabilities</b>	<b>342,195</b>	<b>91.11</b>
Other net assets	33,416	8.89
<b>Total net assets</b>	<b>375,611</b>	<b>100.00</b>
	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
<b>30/06/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	130,218	77.60
Unrated	25,955	15.46
<b>Total debt securities</b>	<b>156,173</b>	<b>93.06</b>
Collective investment schemes	100	0.06
Derivatives	11	0.01
<b>Investment assets including investment liabilities</b>	<b>156,284</b>	<b>93.13</b>
Other net assets	11,534	6.87
<b>Total net assets</b>	<b>167,818</b>	<b>100.00</b>

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		15/09/20 - 31/12/20	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(233)		20
Revenue	1,487		135	
Expenses	(237)		(10)	
Interest payable and similar charges	(1)		-	
	<u>1,249</u>		<u>125</u>	
Net revenue before taxation				
Taxation	-		(8)	
	<u>1,249</u>		<u>117</u>	
Net revenue after taxation		1,249		117
Total return before distributions		1,016		137
Distributions		(1,249)		(117)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u>(233)</u>		<u>20</u>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		15/09/20 - 31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>167,818</b>		<b>-**</b>
Amounts receivable on issue of shares	208,907		81,526	
Amounts payable on cancellation of shares	<u>(1,500)</u>		<u>-</u>	
		207,407		81,526
Dilution adjustment		153		40
Change in net assets attributable to shareholders from investment activities		(233)		20
Retained distributions on accumulation shares		466		-
<b>Closing net assets attributable to shareholders</b>		<u><b>375,611</b></u>		<u><b>81,586</b></u>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

\*\* The fund launched on 15 September 2020.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	342,299	156,466
Current assets:		
Debtors	803	11,119
Cash and bank balances	33,410	16,449
<b>Total assets</b>	<b>376,512</b>	<b>184,034</b>
<b>Liabilities:</b>		
Investment liabilities	104	182
Creditors:		
Amounts held at derivative clearing houses and brokers	198	66
Bank overdrafts	8	-
Distributions payable	533	430
Other creditors	58	15,538
<b>Total liabilities</b>	<b>901</b>	<b>16,216</b>
<b>Net assets attributable to shareholders</b>	<b>375,611</b>	<b>167,818</b>

## Statement of cash flows (unaudited) for the six months ended 31 December 2021

	31/12/21		15/09/20 - 31/12/20	
	£000	£000	£000	£000
<b>Cash flows from operating activities</b>				
Total return before distributions		1,016		137
Adjustments for:				
Interest payable and similar charges	1		-	
Taxation	-		8	
Transactions charges paid from capital	-		-	
Losses/(Gains) on investments	1,436		(41)	
Increase in debtors	(607)		(86)	
Increase in creditors	38		8	
		<u>868</u>		<u>(111)</u>
<b>Cash from operations</b>		<b>1,884</b>		<b>26</b>
Interest payable and similar charges	(1)		-	
Tax recoverable	-		(8)	
Distribution paid on income shares	(850)		-	
		<u>(851)</u>		<u>(8)</u>
<b>Net cash generated from operating activities</b>		<b>1,033</b>		<b>18</b>
<b>Cash flows from investing activities</b>				
Purchases of investments	(300,357)		(87,895)	
Sales of investments	97,490		14,002	
<b>Net cash used in investing activities</b>		<b>(202,867)</b>		<b>(73,893)</b>
<b>Cash flows from financing activities</b>				
Issue of shares	219,936		81,563	
Cancellation of shares	(1,500)		-	
Dilution adjustment	153		40	
<b>Net cash generated from financing activities</b>		<b>218,589</b>		<b>81,603</b>
<b>Net increase in cash and cash equivalents</b>		<b>16,755</b>		<b>7,728</b>
Cash and cash equivalents at beginning of period*		16,449		-
<b>Cash and cash equivalents at end of period</b>		<b>33,204</b>		<b>7,728</b>

\* The opening cash and cash equivalents to shareholders for the current period do not equal the cash and cash equivalents attributable to shareholders for the comparative period as they are not consecutive periods.

Components of cash and cash equivalents	31/12/21	31/12/20
	£000	£000
Cash and bank balances	33,402	7,732
Amounts held at derivatives clearing houses and brokers	(198)	(4)
	<u>33,204</u>	<u>7,728</u>

## Distribution tables for the six months ended 31 December 2021 (in pence per share)

### Interim interest distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 July 2021

Group 2: shares purchased on or after 1 July 2021

	Distribution per share	Equalisation	Total distribution per share 30/11/21	Total distribution per share 30/11/20 <sup>1</sup>
<b>Class Y accumulation<sup>1</sup></b>				
Group 1	0.1604	-	0.1604	n/a
Group 2	0.0994	0.0610	0.1604	n/a
<b>Class Y income<sup>1</sup></b>				
Group 1	0.2281	-	0.2281	n/a
Group 2	0.2281	-	0.2281	n/a
<b>Class Z accumulation<sup>1</sup></b>				
Group 1	0.2213	-	0.2213	n/a
Group 2	0.2184	0.0029	0.2213	n/a
<b>Class Z income<sup>1</sup></b>				
Group 1	0.2195	-	0.2195	n/a
Group 2	0.1209	0.0986	0.2195	n/a

<sup>1</sup> The fund launched on 15 September 2020

### Interim interest distribution (accounting date 31 December 2021, paid on 28 February 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Equalisation	Total distribution per share 28/02/22	Total distribution per share 26/02/21
<b>Class Y accumulation</b>				
Group 1	0.1696	-	0.1696	0.2020
Group 2	0.0798	0.0898	0.1696	0.2020
<b>Class Y income</b>				
Group 1	0.1674	-	0.1674	0.2020
Group 2	0.1674	-	0.1674	0.2020
<b>Class Z accumulation</b>				
Group 1	0.2475	-	0.2475	0.2020
Group 2	0.2475	-	0.2475	0.2020
<b>Class Z income</b>				
Group 1	0.2440	-	0.2440	0.1884
Group 2	0.0636	0.1804	0.2440	0.1884

# Janus Henderson European Smaller Companies Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Ollie Beckett and Rory Stokes

### Investment objective and policy

The fund aims to provide capital growth over the long term (5 years or more).

The fund invests at least 80% of its assets in shares (also known as equities) of smaller companies, in any industry, in Europe (excluding UK). Companies will be incorporated, headquartered, listed on an exchange in, or deriving significant revenue from, this region.

The fund is actively managed with reference to the EMIX Smaller European Companies ex UK Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

### Strategy

The Investment Manager focuses on meetings and calls with company management, along with the use of quantitative filters, to identify potential companies for investment. Emphasis is placed on the robustness of a company's business model, an analysis of what drives the business, its competitive advantages and the sustainability of returns. The fund maintains a well-diversified portfolio of companies which generally fall within the bottom 25% of their relevant market by way of size. The liquidity of any stock (the degree to which shares can be quickly bought or sold in the market at a price reflecting its intrinsic value) is important in determining whether to invest and the size of the holding for the fund.

### Performance summary

#### Cumulative performance

	Six months	One year	Three years	Five years	Since inception
	30 Jun 21 -	31 Dec 20 -	31 Dec 18 -	31 Dec 16 -	31 Jan 85 -
	31 Dec 21	31 Dec 21	31 Dec 21	31 Dec 21	31 Dec 21
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	(0.8)	12.7	82.9	112.0	8,108.0
<b>EMIX Smaller European Companies ex UK Index</b>	4.1	15.4	65.5	78.1	-*
<b>IA European Smaller Companies Sector</b>	7.0	19.3	69.8	80.3	5,832.2

#### Discrete performance

	31 Dec 20 -	31 Dec 19 -	31 Dec 18 -	31 Dec 17 -	31 Dec 16 -
	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18	31 Dec 17
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	12.7	32.6	22.4	(13.4)	33.9
<b>EMIX Smaller European Companies ex UK Index</b>	15.4	18.9	20.6	(12.7)	23.3
<b>IA European Smaller Companies Sector</b>	19.3	18.0	20.6	(15.3)	25.4

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

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Benchmark values are as at close of business.

Class I accumulation is disclosed as it is the representative share class.

### Benchmark usage

Index: EMIX Smaller European Companies ex UK Index

Index usage: Comparator

Index description: The EMIX Smaller European Companies ex UK Index is a measure of the combined performance of over one thousand small and medium sized companies from developed European stock markets. It provides a useful comparison against which the fund's performance can be assessed over time.

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Peer group: IA European Smaller Companies Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

### Significant portfolio changes for the six months ended 31 December 2021

Largest purchases	£000	Largest sales	£000
Palfinger	6,779	PVA Tepla	5,924
Desenio	5,229	Intertrust	5,741
Stillfront	4,937	Zooplus	5,301
IPSOS	4,627	BHG	3,886
Mister Spex	4,359	Swissquote	3,805
lastminute.com	4,355	Vetropack	3,488
Norma	4,333	Desenio	2,845
Greencore	4,215	Uniphar	2,577
home24	4,105	Mister Spex	2,323
CTP	3,568	Implantica SDR	2,283
<b>Total purchases</b>	<b>167,809</b>	<b>Total sales</b>	<b>54,852</b>

### Investment review

The fund fell 0.8% based on Class I accumulation (Net) over the period under review, compared with a return of 4.1% in the EMIX Smaller European Companies ex UK Index and a return of 7.0% in the IA European Smaller Companies Sector peer group benchmark.

The second half of 2021 was disappointing in relative performance terms and ended a difficult period for the strategy. The main factors contributing to this underperformance remained relatively persistent and included a narrow group of high growth stocks leading the market. Positions where we took growth exposure in initial public offerings (IPOs) have disappointed since listing, with the smaller end of the small-cap universe (where we like to operate) underperforming larger peers.

On the style debate, the fund has faced headwinds from the market being driven by a small concentration of extremely expensive 'growth at any price' stocks – a number of which are companies where we have sold investments due to valuation concerns over the past couple of years (such as MIPS, Nemetschek and Soitec). Our valuation discipline was clearly a detractor in 2021. However, we believe that it is important to stick to such disciplines rather than chase price momentum in overvalued stocks. We think the market debate about inflation has been key to driving this valuation dispersion, as very low discount rates can be used to justify very large multiples on growth stocks. In addition, despite high inflation reports in the US, UK and Europe, rates remain very low. The market is seemingly pricing no risk that inflation persists into 2022. Given that consumer price indices in the developed world are around 4-6%, wage inflation is picking up and that we are seeing underinvested energy markets, we think inflation has a strong chance of being higher for longer. Indeed, at the time of writing, the US Federal Reserve is signalling quantitative tightening and value is outperforming highly valued growth names.

In terms of IPOs, we saw two disappointments. Desenio, a Swedish online retailer of wall art, came to market with what we considered to be sensibly cautious forecasts around the negative effects of the economy opening up (lockdowns ending). However, we misjudged the extent of the change in consumer behaviour and earnings have fallen substantially since IPO. We exited the position because we thought the balance sheet looked stretched versus profitability and were concerned about the sustainability of margins. We had poor returns from Mister Spex, an omni-channel glasses retailer into which we bought at IPO. It ended a disappointing year for IPOs. Historically, IPOs have been a good source of alpha for the portfolio, although 2021 reminded us of the importance of valuation discipline and enhanced due diligence in this area.

In single stock news, Bike24 and Kindred both disappointed. Bike24 is the leading online retailer for bikes and accessories in Europe. The company had strong trading throughout the third quarter but in the fourth quarter, component shortages led to disappointment. We viewed the bottlenecks as transient and although the timeline for a resolution remained unclear, the company's relative scale enabled it to manage supply disruptions better than smaller peers. Gaming company, Kindred, took the surprise move to voluntarily close its Netherlands operation ahead of new regulation. While the company plans to relaunch in the first half of 2022, with limited impact on group profit, investors responded to the uncertainty by selling the shares. We remained holders as regulated revenues in this market have historically been more predictable and Kindred has been achieving high levels of growth in the US.

The fund had good returns from Zooplus, following a contested bidding process, and Germany's Aareal Bank, which was subject of a private equity offer. It was unclear if the offer would be accepted, although we remained holders as we liked the group's landlord software business. Recticel also added to returns. Following the sale of its foam business, it will be focused on insulation materials, a key component in the renovation wave to heat homes more efficiently.

We purchased Neurones and Boozt. Neurones is a French information technology services company exposed to cloud computing and cyber security. It has produced double-digit growth for a number of years and has a concentrated shareholder register, including senior management. We liked that it traded at a discount to its French peers. Boozt is an online fashion retailer focused on mid-range to premium brands in the Nordic region.

We continue to work on the basis that the world will return to more normal economic operating conditions in 2022 thanks to the scientific response to COVID-19, although new variants have shown this is not likely to be a straight line. We also believe that many of the inflationary pressures – such as environmental, social and governance factors, energy transition and wage growth – will persist beyond the first half of 2022. This would be relatively helpful for our valuation discipline approach but relatively unhelpful for smaller stocks, which do not have a self-sustaining equity story. Having an overweight position in financials (stocks which typically see returns increase with interest rates) also helps to insulate the fund from a rising rate environment. Mergers and acquisitions should continue to be a structural driver for smaller companies, which we think should also benefit from easing supply chain disruption. However, the timeline is, in part, reliant on China and how the Omicron variant alters the country's zero-COVID-19 policy.



## Comparative tables for the six months ended 31 December 2021

	Class A accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	3,599.84	2,388.26	2,349.07	2,318.97
Return before operating charges*	(38.21)	1,264.68	77.69	67.80
Operating charges	(31.72)	(53.10)	(38.50)	(37.70)
Return after operating charges*	(69.93)	1,211.58	39.19	30.10
Distributions on accumulation shares	-	-	-	(10.58)
Retained distributions on accumulation shares	-	-	-	10.58
Closing net asset value per share	3,529.91	3,599.84	2,388.26	2,349.07
* after direct transaction costs of:	-	0.59	-	0.55
<b>Performance</b>				
Return after charges	(1.94%)	50.73%	1.67%	1.30%
<b>Other information</b>				
Closing net asset value (£000s)	42,647	45,034	33,486	59,310
Closing number of shares	1,208,165	1,251,000	1,402,115	2,524,819
Operating charges (annualised)	1.74%	1.74%	1.71%	1.70%
Direct transaction costs	0.00%	0.02%	0.00%	0.02%
<b>Prices</b>				
Highest share price (pence)	3,827.00	3,655.00	2,457.00	2,428.00
Lowest share price (pence)	3,414.00	2,371.00	1,623.00	1,960.00

## Comparative tables (continued)

	Class E accumulation		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	3,636.13	2,400.27	2,392.63 <sup>1</sup>
Return before operating charges*	(38.65)	1,274.15	34.14
Operating charges	(22.96)	(38.29)	(26.50)
Return after operating charges*	(61.61)	1,235.86	7.64
Distributions on accumulation shares	-	(3.09)	(7.64)
Retained distributions on accumulation shares	-	3.09	7.64
Closing net asset value per share	3,574.52	3,636.13	2,400.27
* after direct transaction costs of:	-	0.60	-
<b>Performance</b>			
Return after charges	(1.69%)	51.49%	0.32%
<b>Other information</b>			
Closing net asset value (£000s)	26,827	28,014	17,886
Closing number of shares	750,522	770,421	745,186
Operating charges (annualised)	1.24%	1.24%	1.21%
Direct transaction costs	0.00%	0.02%	0.00%
<b>Prices</b>			
Highest share price (pence)	3,869.00	3,689.00	2,464.00
Lowest share price (pence)	3,456.00	2,383.00	1,629.00

<sup>1</sup> Class E accumulation launched on 8 July 2019 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	4,146.13	2,726.49	2,658.85	2,602.41
Return before operating charges*	(44.52)	1,450.62	89.37	77.45
Operating charges	(17.88)	(30.98)	(21.73)	(21.01)
Return after operating charges*	(62.40)	1,419.64	67.64	56.44
Distributions on accumulation shares	-	(17.32)	(17.90)	(34.58)
Retained distributions on accumulation shares	-	17.32	17.90	34.58
Closing net asset value per share	4,083.73	4,146.13	2,726.49	2,658.85
* after direct transaction costs of:	-	0.70	-	0.62
<b>Performance</b>				
Return after charges	(1.50%)	52.07%	2.54%	2.17%
<b>Other information</b>				
Closing net asset value (£000s)	426,564	332,355	131,813	149,038
Closing number of shares	10,445,432	8,016,042	4,834,527	5,606,367
Operating charges (annualised)	0.86%	0.86%	0.85%	0.84%
Direct transaction costs	0.00%	0.02%	0.00%	0.02%
<b>Prices</b>				
Highest share price (pence)	4,415.00	4,206.00	2,794.00	2,727.00
Lowest share price (pence)	3,947.00	2,707.00	1,849.00	2,209.00

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period.

## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/21 %	30/06/21 %
<b>Class A accumulation</b>	1.74	1.74
<b>Class E accumulation</b>	1.24	1.24
<b>Class I accumulation</b>	0.86	0.86

The OCF is calculated in accordance with guidelines issued by ESMA.

## Risk and reward profile

The fund currently has 3 types of share class in issue: A accumulation, E accumulation and I accumulation.

Each share class has the same risk and reward profile which is as follows:



The share classes appear at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The SRRI is calculated based on historical volatility over a rolling 5\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Counterparty Risk and Operational Risk** The fund could lose money if a counterparty with which the fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

**Country or Region** If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

**Derivatives** The fund may use derivatives with the aim of reducing risk or managing the portfolio more efficiently. However this introduces other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Exchange Rates** If the fund holds assets in currencies other than the base currency of the fund or you invest in a share class of a different currency to the fund (unless 'hedged'), the value of your investment may be impacted by changes in exchange rates.

**Equities** Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.

**Smaller Companies** Shares of small and mid-size companies can be more volatile than shares of larger companies, and at times it may be difficult to value or to sell shares at desired times and prices, increasing the risk of losses.

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

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

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class E accumulation launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the A accumulation share class.

## Portfolio statement as at 31 December 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 96.50% (30/06/2021: 94.50%)</b>		
	<b>Austria 1.75% (30/06/2021: 0.51%)</b>		
	<b>Industrials 1.75% (30/06/2021: 0.51%)</b>		
211,412	Palfinger	6,106	1.23
401,312	Zumtobel	2,594	0.52
		<u>8,700</u>	<u>1.75</u>
	<b>Belgium 3.59% (30/06/2021: 3.08%)</b>		
	<b>Consumer Discretionary 0.43% (30/06/2021: 0.00%)</b>		
47,231	Kinopolis	2,153	0.43
	<b>Health Care 0.42% (30/06/2021: 0.63%)</b>		
125,009	Mithra Pharmaceuticals	2,089	0.42
	<b>Industrials 2.32% (30/06/2021: 2.00%)</b>		
782,618	Recticel	11,512	2.32
	<b>Real Estate 0.42% (30/06/2021: 0.45%)</b>		
33,711	Immobel	2,063	0.42
	<b>Denmark 3.76% (30/06/2021: 3.63%)</b>		
	<b>Consumer Discretionary 0.80% (30/06/2021: 0.74%)</b>		
299,236	Huscompagniet	3,986	0.80
	<b>Industrials 2.96% (30/06/2021: 2.89%)</b>		
176,471	DFDS	6,944	1.40
301,563	H+H International	7,728	1.56
		<u>14,672</u>	<u>2.96</u>
	<b>Finland 5.13% (30/06/2021: 4.70%)</b>		
	<b>Consumer Discretionary 0.85% (30/06/2021: 0.76%)</b>		
464,564	Alma Media	4,219	0.85
	<b>Industrials 3.98% (30/06/2021: 3.45%)</b>		
1,082,198	Metso Outotec	8,488	1.71
356,048	Valmet	11,231	2.27
		<u>19,719</u>	<u>3.98</u>
	<b>Technology 0.30% (30/06/2021: 0.49%)</b>		
58,595	BasWare	1,481	0.30
	<b>France 16.10% (30/06/2021: 12.82%)</b>		
	<b>Consumer Discretionary 6.79% (30/06/2021: 4.92%)</b>		
346,577	Bigben Interactive	4,708	0.95
122,842	Fnac Darty	5,884	1.19
347,037	IPSOS	12,019	2.42
187,889	Kaufman & Broad	5,821	1.17
36,525	Trigano	5,244	1.06
		<u>33,676</u>	<u>6.79</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Energy 0.90% (30/06/2021: 0.77%)</b>		
64,402	Gaztransport et Technigaz	4,447	0.90
	<b>Health Care 1.37% (30/06/2021: 1.24%)</b>		
61,498	Vétoquinol	6,785	1.37
	<b>Industrials 3.89% (30/06/2021: 3.53%)</b>		
159,753	Assystem	5,030	1.01
174,762	LISI	4,145	0.84
150,355	Mersen	4,658	0.94
65,101	Thermador	5,466	1.10
		19,299	3.89
	<b>Technology 3.15% (30/06/2021: 2.36%)</b>		
259,866	Criteo ADS	7,444	1.50
89,901	Neurones	2,861	0.58
329,719	Quadient	5,296	1.07
		15,601	3.15
	<b>Germany 22.06% (30/06/2021: 21.83%)</b>		
	<b>Basic Materials 1.52% (30/06/2021: 1.37%)</b>		
148,672	AlzChem	2,871	0.58
157,907	Nabaltec	4,667	0.94
		7,538	1.52
	<b>Consumer Discretionary 5.71% (30/06/2021: 6.88%)</b>		
277,382	Bike24	3,584	0.72
55,746	CEWE Stiftung	5,963	1.20
41,903	Einhell Germany Preference Shares	7,705	1.55
251,943	HGears	4,442	0.90
684,226	home24	6,641	1.34
		28,335	5.71
	<b>Financials 2.56% (30/06/2021: 1.42%)</b>		
526,091	Aareal Bank	12,703	2.56
	<b>Health Care 0.59% (30/06/2021: 0.46%)</b>		
181,612	Apontis Pharma	2,928	0.59
	<b>Industrials 5.46% (30/06/2021: 4.40%)</b>		
39,390	Amadeus FiRe	5,999	1.21
1,060,268	Deutz	5,813	1.17
124,062	Friedrich Vorwerk	2,975	0.60
104,348	Katek	2,247	0.45
75,135	Krones	6,059	1.22
141,052	Norma	4,015	0.81
		27,108	5.46

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Technology 2.58% (30/06/2021: 4.26%)</b>		
229,510	Cherry	4,779	0.96
60,330	LPKF Laser & Electronics	985	0.20
125,193	SUESS MicroTec	2,186	0.44
242,501	USU Software	4,866	0.98
		<u>12,816</u>	<u>2.58</u>
	<b>Telecommunications 0.96% (30/06/2021: 0.64%)</b>		
406,585	ADVA Optical Networking	<u>4,772</u>	<u>0.96</u>
	<b>Utilities 2.68% (30/06/2021: 2.40%)</b>		
137,308	Befesa	7,724	1.56
93,379	Energiekontor	5,543	1.12
		<u>13,267</u>	<u>2.68</u>
	<b>Greece 1.11% (30/06/2021: 0.69%)</b>		
	<b>Energy 1.11% (30/06/2021: 0.69%)</b>		
479,557	Motor Oil Hellas Corinth Refineries	<u>5,516</u>	<u>1.11</u>
	<b>Ireland 4.65% (30/06/2021: 4.79%)</b>		
	<b>Consumer Discretionary 0.56% (30/06/2021: 0.59%)</b>		
916,198	Dalata Hotel	<u>2,800</u>	<u>0.56</u>
	<b>Consumer Staples 2.91% (30/06/2021: 2.95%)</b>		
2,141,034	C&C	4,967	1.00
934,344	Origin Enterprises	2,746	0.55
1,639,158	Uniphar	6,716	1.36
		<u>14,429</u>	<u>2.91</u>
	<b>Financials 1.18% (30/06/2021: 1.25%)</b>		
3,334,737	AIB	<u>5,835</u>	<u>1.18</u>
	<b>Italy 9.57% (30/06/2021: 10.19%)</b>		
	<b>Consumer Discretionary 2.55% (30/06/2021: 2.30%)</b>		
3,504,691	Arnoldo Mondadori Editore	6,003	1.21
2,749,917	Piaggio	6,631	1.34
		<u>12,634</u>	<u>2.55</u>
	<b>Financials 5.75% (30/06/2021: 6.10%)</b>		
1,019,636	BFF Bank	6,070	1.22
863,670	doValue	6,019	1.21
533,166	FinecoBank	6,907	1.39
257,798	Gruppo MutuiOnline	9,545	1.93
		<u>28,541</u>	<u>5.75</u>



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Industrials 1.27% (30/06/2021: 1.59%)</b>		
310,682	Antares Vision	3,078	0.62
364,968	GVS	3,227	0.65
		<u>6,305</u>	<u>1.27</u>
	<b>Utilities 0.00% (30/06/2021: 0.20%)</b>		
	<b>Liechtenstein 0.00% (30/06/2021: 0.58%)</b>		
	<b>Health Care 0.00% (30/06/2021: 0.58%)</b>		
	<b>Malta 0.81% (30/06/2021: 1.16%)</b>		
	<b>Consumer Discretionary 0.81% (30/06/2021: 1.16%)</b>		
1,078,397	Media & Games Invest	<u>4,010</u>	<u>0.81</u>
	<b>Netherlands 4.98% (30/06/2021: 5.99%)</b>		
	<b>Consumer Discretionary 0.94% (30/06/2021: 1.20%)</b>		
273,769	Kendrion	<u>4,655</u>	<u>0.94</u>
	<b>Financials 0.98% (30/06/2021: 2.40%)</b>		
262,562	Van Lanschot Kempen	<u>4,850</u>	<u>0.98</u>
	<b>Industrials 1.38% (30/06/2021: 1.30%)</b>		
135,275	AMG Advanced Metallurgical	3,191	0.64
635,863	Fugro	<u>3,676</u>	<u>0.74</u>
		<u>6,867</u>	<u>1.38</u>
	<b>Real Estate 1.68% (30/06/2021: 1.09%)</b>		
543,728	CTP	<u>8,309</u>	<u>1.68</u>
	<b>Norway 4.05% (30/06/2021: 4.34%)</b>		
	<b>Consumer Staples 0.00% (30/06/2021: 0.29%)</b>		
	<b>Energy 1.31% (30/06/2021: 1.41%)</b>		
3,890,397	Odfjell Drilling	<u>6,492</u>	<u>1.31</u>
	<b>Financials 0.61% (30/06/2021: 0.61%)</b>		
247,737	Sparebank 1	<u>3,012</u>	<u>0.61</u>
	<b>Industrials 1.63% (30/06/2021: 1.52%)</b>		
362,523	Flex	5,961	1.20
497,707	Froy	<u>2,146</u>	<u>0.43</u>
		<u>8,107</u>	<u>1.63</u>
	<b>Utilities 0.50% (30/06/2021: 0.51%)</b>		
627,227	Fjordkraft	<u>2,503</u>	<u>0.50</u>
	<b>Portugal 1.16% (30/06/2021: 1.30%)</b>		
	<b>Industrials 0.82% (30/06/2021: 0.88%)</b>		
433,116	Corticeira Amorim	<u>4,073</u>	<u>0.82</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Telecommunications 0.34% (30/06/2021: 0.42%)</b>		
583,402	NOS	1,670	0.34
	<b>Spain 2.53% (30/06/2021: 2.62%)</b>		
	<b>Consumer Discretionary 0.16% (30/06/2021: 0.27%)</b>		
1,654,920	Promotora de Informaciones	785	0.16
	<b>Financials 1.47% (30/06/2021: 1.29%)</b>		
292,471	Grupo Catalana Occidente	7,305	1.47
	<b>Utilities 0.90% (30/06/2021: 1.06%)</b>		
184,741	Grenergy Renovables	4,475	0.90
	<b>Sweden 8.99% (30/06/2021: 10.32%)</b>		
	<b>Consumer Discretionary 7.28% (30/06/2021: 8.47%)</b>		
986,712	AcadeMedia	4,441	0.89
212,791	Boozt	3,181	0.64
225,780	Granges	1,950	0.39
1,327,727	Karnov	7,222	1.46
834,570	Kindred	7,282	1.47
331,758	Modern Times 'B'	2,500	0.50
792,485	Nobia	3,515	0.71
1,539,850	Stillfront	6,042	1.22
		36,133	7.28
	<b>Financials 0.30% (30/06/2021: 0.42%)</b>		
477,350	Resurs	1,481	0.30
	<b>Health Care 0.07% (30/06/2021: 0.40%)</b>		
76,187	Raysearch Laboratories	350	0.07
	<b>Industrials 0.77% (30/06/2021: 0.42%)</b>		
167,460	Concentric	3,817	0.77
	<b>Technology 0.57% (30/06/2021: 0.61%)</b>		
1,659,349	Smartcraft	2,832	0.57
	<b>Switzerland 4.82% (30/06/2021: 5.22%)</b>		
	<b>Consumer Discretionary 1.30% (30/06/2021: 0.51%)</b>		
205,681	lastminute.com	6,467	1.30
	<b>Financials 0.00% (30/06/2021: 0.93%)</b>		
	<b>Industrials 3.52% (30/06/2021: 3.78%)</b>		
54,540	Bobst	3,664	0.74
97,765	Klingelberg	1,453	0.29
217,311	Montana Aerospace	5,908	1.19
847,837	OC Oerlikon	6,427	1.30
		17,452	3.52

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>United Kingdom 1.44% (30/06/2021: 0.73%)<sup>1</sup></b>		
	<b>Consumer Staples 1.44% (30/06/2021: 0.73%)</b>		
5,541,715	Greencore	7,121	1.44
	<b>Derivatives 0.00% (30/06/2021: 0.00%)</b>		
	<b>Forward Foreign Exchange Contracts 0.00% (30/06/2021: 0.00%)<sup>2</sup></b>		
	Buy EUR 360,152 : Sell GBP 303,103 January 2022	(1)	-
	Buy EUR 85,297 : Sell GBP 71,689 January 2022 <sup>3</sup>	-	-
	Buy GBP 138,372 : Sell EUR 165,050 January 2022 <sup>3</sup>	-	-
	Buy GBP 66,343 : Sell EUR 78,954 January 2022 <sup>3</sup>	-	-
		(1)	-
	<b>Investment assets including investment liabilities</b>	<b>478,694</b>	<b>96.50</b>
	Other net assets	17,344	3.50
	<b>Total net assets</b>	<b>496,038</b>	<b>100.00</b>

<sup>1</sup> These stocks are registered in Europe and are permitted investments, the country of risk is United Kingdom.

<sup>2</sup> Not listed on an official stock exchange

<sup>3</sup> Due to rounding to nearest £1,000

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

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

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(10,731)		58,140
Revenue	4,125		736	
Expenses	(2,294)		(1,088)	
Interest payable and similar charges	(41)		(10)	
Net revenue/(expense) before taxation	1,790		(362)	
Taxation	(260)		(44)	
Net revenue/(expense) after taxation		1,530		(406)
Total return before distributions		(9,201)		57,734
Distributions		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(9,201)</b>		<b>57,734</b>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>405,403</b>		<b>183,185</b>
Amounts receivable on issue of shares	156,758		49,152	
Amounts payable on cancellation of shares	(57,271)		(19,384)	
		99,487		29,768
Dilution adjustment		349		98
Change in net assets attributable to shareholders from investment activities		(9,201)		57,734
<b>Closing net assets attributable to shareholders</b>		<b>496,038</b>		<b>270,785</b>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	478,695	383,116
Current assets:		
Debtors	3,266	5,057
Cash and bank balances	20,041	19,592
<b>Total assets</b>	<b>502,002</b>	<b>407,765</b>
<b>Liabilities:</b>		
Investment liabilities	1	-
Creditors:		
Bank overdrafts	-	3
Other creditors	5,963	2,359
<b>Total liabilities</b>	<b>5,964</b>	<b>2,362</b>
<b>Net assets attributable to shareholders</b>	<b>496,038</b>	<b>405,403</b>

# Janus Henderson Index Linked Bond Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Andrew Mulliner and Bethany Payne

### Investment objective and policy

The fund aims to provide an income with the potential for capital growth over the long term.

Performance target: To outperform the FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index by 0.75% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in UK index-linked government bonds (also known as index-linked gilts) of any maturity. (Index-linked bonds pay interest which increases in line with inflation, while their capital values are not directly related to inflation and may fall in value.)

The Investment Manager may use derivatives (complex financial instruments) with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

### Strategy

The Investment Manager aims to provide a return in excess of the benchmark by investing primarily in UK government bonds - principally inflation-linked gilts - UK gilts and floating rate assets. The managers can also invest in other global fixed income securities with a focus on G10 government bond markets and associated fixed income derivatives, with the aim of providing diversification in the portfolio, as well as looking to enhance returns and/or manage risk.

### Performance summary

#### Cumulative performance

	Six months	One year	Three years	Five years	Since inception
	30 Jun 21 - 31 Dec 21	31 Dec 20 - 31 Dec 21	31 Dec 18 - 31 Dec 21	31 Dec 16 - 31 Dec 21	4 Sep 00 - 31 Dec 21
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	6.8	2.3	24.5	24.3	299.1
<b>FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index</b>	7.8	4.2	25.1	27.7	349.7
<b>IA UK Index-Linked Gilts Sector</b>	6.9	3.9	23.1	25.2	281.7
<b>Class I accumulation (Gross)</b>	7.1	2.8	26.4	27.6	346.9
<b>FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index + 0.75%</b>	8.2	5.0	27.9	32.6	427.4

#### Discrete performance

	31 Dec 20 - 31 Dec 21	31 Dec 19 - 31 Dec 20	31 Dec 18 - 31 Dec 19	31 Dec 17 - 31 Dec 18	31 Dec 16 - 31 Dec 17
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	2.3	13.8	6.9	(2.1)	2.0
<b>FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index</b>	4.2	12.4	6.8	(0.4)	2.5
<b>IA UK Index-Linked Gilts Sector</b>	3.9	11.9	5.9	(0.5)	2.2
<b>Class I accumulation (Gross)</b>	2.8	14.4	7.5	(1.6)	2.6
<b>FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index + 0.75%</b>	5.0	13.2	7.6	0.4	3.3

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

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are as at close of business.

Class I accumulation is disclosed as it is the representative share class.

### Benchmark usage

Index: FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index

Performance summary Index usage: Target

Index description: The FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index is a measure of the combined performance of index-linked bonds issued by the British government with greater than 5 years to maturity. It is the basis for the fund's performance target.

Peer group: IA UK Index-Linked Gilts Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors.

The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

## Significant portfolio changes for the six months ended 31 December 2021

Largest purchases	£000	Largest sales	£000
Janus Henderson Asset-Backed Securities Fund Z Accumulation <sup>1</sup>	8,830	UK Treasury 0.75% Index-Linked 22/03/2034	5,052
UK Treasury 0.125% Index-Linked 10/08/2031	3,370	UK Treasury 0.125% Index-Linked 22/03/2029	4,313
UK Treasury 0.625% Index-Linked 22/11/2042	1,903	UK Treasury 0.125% Index-Linked 10/08/2028	2,444
UK Treasury 0.125% Index-Linked 22/03/2029	1,390	UK Treasury 1.25% Index-Linked 22/11/2027	2,016
UK Treasury 0.125% Index-Linked 22/03/2051	736	UK Treasury 0.125% Index-Linked 10/08/2031	1,853
UK Treasury 0.125% Index-Linked 22/03/2073	316	UK Treasury 0.125% Index-Linked 22/03/2044	1,698
		UK Treasury 0.625% Index-Linked 22/11/2042	1,467
		UK Treasury 0.625% Index-Linked 22/03/2040	1,075
		UK Treasury 0.375% Index-Linked 22/03/2062	983
		UK Treasury 0.125% Index-Linked 22/11/2056	951
<b>Total purchases</b>	<b>16,545</b>	<b>Total sales</b>	<b>25,182</b>

All purchases are included.

<sup>1</sup> Related party to the fund

### Investment review

The fund returned 6.8% (Net), 7.1% (Gross) based on Class I accumulation over the period under review, compared with a return of 7.8% in the FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index, a return of 8.2% in the Target Index + 0.75% and a return of 6.9% in the IA UK Index-Linked Gilts Sector peer group benchmark.

Apprehension about COVID-19 was a persistent theme during the period, while continuing supply bottlenecks and rising energy costs saw inflation remain elevated, with developed market central banks turning increasingly hawkish in response. At its December meeting, the Bank of England (BoE) raised interest rates for the first time in three years, from 0.10% to 0.25%. The UK consumer price index for November rose 5.1% year on year – the highest in a decade – with the BoE warning that inflation was likely to increase further and could hit 6% in the spring.

The flattening of global yield curves was notable during the period and reflected the strong performance of longer maturity government bonds. The hawkish rhetoric from central banks mobilised aggressive pricing of near-term rate hikes, while uncertainty about the global economic recovery suppressed long-term yields. In the UK, the two-year gilt yield rose by nearly 50 basis points (bps) during the period as expectations for rate hikes grew, the 10-year yield was slightly higher and the 30-year gilt yield finished 12bps lower. Inflation-linked gilts outperformed fixed-interest gilts as inflation expectations moved higher.

Positioning within UK markets detracted from performance. The fund was positioned for UK breakeven inflation pricing to fall from elevated levels. However, we exited the position as 10-year inflation swaps moved in tandem with higher near-term UK inflation readings. Later in the period, we put in place a position on the UK yield curve expecting short-term rates to outperform intermediate UK rates. This suffered initially as the market continued to price in more short-term rate hikes to combat inflation, with market pricing now implying that the rate hikes over the next 18 months will subsequently need to be reversed. A position expecting short-term rates in Switzerland to perform strongly suffered as Swiss yields rose along with other global markets due to the more hawkish rhetoric from the major central banks.

The active management of portfolio duration (interest rate sensitivity) was beneficial for performance. In July, we added exposure to Eurozone sovereign debt on a tactical basis, which performed well as yields moved lower over the summer. We reduced interest rate duration in the second half of the period, both in the UK and other core markets such as the US and Germany. This benefited performance as yields rose sharply in September and again in December. In emerging market government debt, the fund's holdings in Indonesian government bonds aided returns.

Returns from currency positions were broadly flat. A long sterling versus euro position performed well as the BoE hiked interest rates. On the negative side, a position expecting the Japanese yen to weaken detracted as concerns about the Omicron variant of COVID-19 triggered a flight to safe-haven currencies in November.

The fund utilises derivatives. During the period, derivative positions included the use of government bond futures, and interest rate/inflation swaps to implement active positions and manage overall interest rate exposure. Forward foreign exchange contracts were used to implement a small number of currency positions.

Global economic growth is expected to be resilient, albeit lower than in 2021. Given the hawkish tone from central banks and the persistence of inflationary risks, we expect to maintain the fund's shorter duration bias and underweight exposure to government duration in core markets. The recent flattening of the yield curve has emerged very early in the cycle, reflecting a pessimistic view of long-term growth prospects. This could normalise as central banks either hike less aggressively or long-term rates move higher towards the average of the past decade.



## Comparative tables for the six months ended 31 December 2021

	Class A income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	517.88	549.91	491.50	454.05
Return before operating charges*	39.57	(27.61)	63.12	41.66
Operating charges	(2.35)	(4.42)	(4.71)	(4.21)
Return after operating charges*	37.22	(32.03)	58.41	37.45
Distributions on income shares	-	-	-	-
Closing net asset value per share	555.10	517.88	549.91	491.50
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	7.19%	(5.82%)	11.88%	8.25%
<b>Other information</b>				
Closing net asset value (£000s)	10,572	10,592	11,742	11,723
Closing number of shares	1,904,566	2,045,177	2,135,271	2,385,140
Operating charges (annualised)	0.84%	0.84%	0.92%	0.91%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	598.80	555.60	556.70	505.20
Lowest share price (pence)	515.50	483.90	430.30	438.40
	Class D accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	402.82	425.48	377.94	347.01
Return before operating charges*	30.78	(21.40)	48.72	31.96
Operating charges	(0.65)	(1.26)	(1.18)	(1.03)
Return after operating charges*	30.13	(22.66)	47.54	30.93
Distributions on accumulation shares	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Closing net asset value per share	432.95	402.82	425.48	377.94
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	7.48%	(5.33%)	12.58%	8.91%
<b>Other information</b>				
Closing net asset value (£000s)	27	26	34	31
Closing number of shares	6,151	6,539	7,959	8,097
Operating charges (annualised)	0.30%	0.31%	0.30%	0.29%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	466.90	429.90	430.60	388.30
Lowest share price (pence)	401.00	375.70	332.40	335.50

## Comparative tables (continued)

	Class E income		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	520.45	551.27	504.33 <sup>1</sup>
Return before operating charges*	39.81	(27.71)	50.32
Operating charges	(1.69)	(3.11)	(3.38)
Return after operating charges*	38.12	(30.82)	46.94
Distributions on income shares	-	-	-
Closing net asset value per share	558.57	520.45	551.27
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.32%	(5.59%)	9.31%
<b>Other information</b>			
Closing net asset value (£000s)	643	620	576
Closing number of shares	115,154	119,134	104,425
Operating charges (annualised)	0.59%	0.59%	0.67%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	602.50	556.90	558.00
Lowest share price (pence)	518.10	485.90	431.10

<sup>1</sup> Class E income launched on 8 July 2019 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	625.92	662.05	589.53	542.61
Return before operating charges*	47.87	(33.27)	75.91	49.91
Operating charges	(1.56)	(2.86)	(3.39)	(2.99)
Return after operating charges*	46.31	(36.13)	72.52	46.92
Distributions on accumulation shares	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Closing net asset value per share	672.23	625.92	662.05	589.53
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	7.40%	(5.46%)	12.30%	8.65%
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### Other information

Closing net asset value (£000s)	130,486	126,470	143,874	105,691
Closing number of shares	19,411,018	20,205,544	21,731,646	17,927,981
Operating charges (annualised)	0.45%	0.45%	0.55%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	725.00	668.90	670.10	605.80
Lowest share price (pence)	623.10	584.10	517.60	524.30

	Class I income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	543.05	574.40	511.49	470.78
Return before operating charges*	41.53	(28.87)	65.84	43.31
Operating charges	(1.35)	(2.48)	(2.93)	(2.60)
Return after operating charges*	40.18	(31.35)	62.91	40.71
Distributions on income shares	-	-	-	-
Closing net asset value per share	583.23	543.05	574.40	511.49
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	7.40%	(5.46%)	12.30%	8.65%
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### Other information

Closing net asset value (£000s)	33,649	34,285	38,848	39,217
Closing number of shares	5,769,441	6,313,369	6,763,173	7,667,298
Operating charges (annualised)	0.45%	0.45%	0.55%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	629.00	580.30	581.40	525.60
Lowest share price (pence)	540.60	506.80	449.00	454.90

## Comparative tables (continued)

	Class Z accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	372.28	392.20	347.50	318.26
Return before operating charges*	28.48	(19.73)	44.88	29.37
Operating charges	(0.12)	(0.19)	(0.18)	(0.13)
Return after operating charges*	28.36	(19.92)	44.70	29.24
Distributions on accumulation shares	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Closing net asset value per share	400.64	372.28	392.20	347.50
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	7.62%	(5.08%)	12.86%	9.19%
<b>Other information</b>				
Closing net asset value (£000s)	15,566	15,164	16,653	16,317
Closing number of shares	3,885,172	4,073,288	4,245,964	4,695,514
Operating charges (annualised)	0.05%	0.05%	0.05%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	432.00	396.30	396.90	357.00
Lowest share price (pence)	370.60	346.90	306.20	307.90

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period.

## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/21 %	30/06/21 %
<b>Class A income</b>	0.84	0.84
<b>Class D accumulation</b>	0.30	0.31
<b>Class E income</b>	0.59	0.59
<b>Class I accumulation</b>	0.45	0.45
<b>Class I income</b>	0.45	0.45
<b>Class Z accumulation</b>	0.05	0.05

The OCF is calculated in accordance with guidelines issued by ESMA.

## Risk and reward profile

The fund currently has 6 types of share class in issue: A income, D accumulation, E income, I accumulation, I income and Z accumulation.

Each share class has the same risk and reward profile which is as follows:



The share classes appear at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The SRRI is calculated based on historical volatility over a rolling 5\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your shares, they may be worth less than you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Counterparty Risk and Operational Risk** The fund could lose money if a counterparty with which the fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

**Country or Region** If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

**Derivatives and Leverage** The fund may use derivatives towards the aim of achieving its investment objective. This can result in 'leverage', which can magnify an investment outcome and gains or losses to the fund may be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Default Risk** An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the fund. If this happens or the market perceives this may happen, the value of the bond will fall.

**Interest Rates** When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise. This risk is generally greater the longer the maturity of a bond investment.

**Liquidity** Securities within the fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

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

The risk rating for all share classes increased to 6 from 5 during the period. The ratings may change over time as a fund takes on more or less risky investments or where market conditions become more or less volatile. At share class level the ratings may differ dependent on the class currency and may be influenced by currency movements and the impact of inflows and outflows.

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class E income launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the A income share class.

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Bonds 94.11% (30/06/2021: 98.16%)</b>			
<b>Indonesia 1.42% (30/06/2021: 1.38%)</b>			
<b>Fixed Rate Bond 1.42% (30/06/2021: 1.38%)</b>			
IDR 11,517,000,000	Indonesia (Republic of) 7.00% 15/09/2030	619	0.32
IDR 36,000,000,000	Indonesia (Republic of) 8.375% 15/03/2034	2,091	1.10
		<u>2,710</u>	<u>1.42</u>
<b>Spain 1.18% (30/06/2021: 1.25%)</b>			
<b>Fixed Rate Bond 1.18% (30/06/2021: 1.25%)</b>			
EUR 1,058,000	Spain (Kingdom of) 0.50% 30/04/2030	899	0.47
EUR 1,515,000	Spain (Kingdom of) 1.25% 31/10/2030	1,362	0.71
		<u>2,261</u>	<u>1.18</u>
<b>United Kingdom 91.51% (30/06/2021: 95.53%)</b>			
<b>Index Linked Bonds 91.51% (30/06/2021: 95.53%)</b>			
GBP 8,072,759	UK Treasury 0.125% Index-Linked 10/08/2031	11,549	6.05
GBP 3,117,317	UK Treasury 0.125% Index-Linked 10/08/2041	5,837	3.06
GBP 6,891,784	UK Treasury 0.125% Index-Linked 10/08/2048	14,980	7.84
GBP 1,577,684	UK Treasury 0.125% Index-Linked 22/03/2029	2,611	1.37
GBP 2,663,845	UK Treasury 0.125% Index-Linked 22/03/2039	4,439	2.32
GBP 3,877,150	UK Treasury 0.125% Index-Linked 22/03/2044	8,713	4.56
GBP 3,445,929	UK Treasury 0.125% Index-Linked 22/03/2046	7,572	3.97
GBP 932,181	UK Treasury 0.125% Index-Linked 22/03/2051	1,984	1.04
GBP 2,795,833	UK Treasury 0.125% Index-Linked 22/03/2058	7,831	4.10
GBP 3,132,327	UK Treasury 0.125% Index-Linked 22/03/2068	11,453	6.00
GBP 84,855	UK Treasury 0.125% Index-Linked 22/03/2073	295	0.15
GBP 9,100,161	UK Treasury 0.125% Index-Linked 22/11/2036	16,633	8.71
GBP 5,498,558	UK Treasury 0.125% Index-Linked 22/11/2056	14,447	7.57
GBP 1,876,476	UK Treasury 0.125% Index-Linked 22/11/2065	6,106	3.20
GBP 3,118,872	UK Treasury 0.25% Index-Linked 22/03/2052	8,452	4.43
GBP 3,138,407	UK Treasury 0.375% Index-Linked 22/03/2062	10,965	5.74
GBP 2,864,903	UK Treasury 0.50% Index-Linked 22/03/2050	8,915	4.67
GBP 3,743,761	UK Treasury 0.625% Index-Linked 22/03/2040	9,402	4.92
GBP 3,030,193	UK Treasury 0.625% Index-Linked 22/11/2042	8,266	4.33
GBP 2,715,798	UK Treasury 0.75% Index-Linked 22/03/2034	5,525	2.89
GBP 3,966,371	UK Treasury 1.25% Index-Linked 22/11/2032	8,755	4.59
		<u>174,730</u>	<u>91.51</u>
<b>Collective Investment Schemes 5.43% (30/06/2021: 1.33%)</b>			
1,510,298	Deutsche Global Liquidity Managed Sterling Fund Platinum Class	1,511	0.79
8,691,646	Janus Henderson Asset-Backed Securities Fund Z Accumulation <sup>1</sup>	8,864	4.64
		<u>10,375</u>	<u>5.43</u>
<b>Derivatives 0.17% (30/06/2021: (0.50%))</b>			
<b>Futures 0.09% (30/06/2021: (0.02%))</b>			
(66)	CBT US 10 Year Note March 2022	(8)	-
(44)	EUX Euro Bund March 2022	98	0.05
(42)	ICE Long Gilt March 2022	68	0.04
		<u>158</u>	<u>0.09</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Swaps 0.03% (30/06/2021: (0.39%))</b>		
	<b>Inflation Index Swaps 0.30% (30/06/2021: (0.17%))<sup>2</sup></b>		
7,730,000	IIS 3.7175% 15/07/2028 Receive UK RPI	570	0.30
	<b>Interest Rate Swaps (0.01%) (30/06/2021: (0.22%))<sup>2</sup></b>		
95,200,000	IRS 1.82% NOK NIBOR 6 Month - Receive Floating - EUR	(15)	(0.01)
	<b>Overnight Index Swaps (0.26%) (30/06/2021: 0.00%)<sup>2</sup></b>		
12,000,000	OIS 0.5951% SONIA 1 Day - Receive Fixed - GBP	(303)	(0.16)
60,500,000	OIS -0.6150% SARON 1 Day - Receive Fixed - CHF	(77)	(0.04)
50,900,000	OIS 0.9960% SONIA 1 Day - Receive Floating - GBP	(71)	(0.04)
9,350,000	OIS 1.0990% SOFR 1 Day - Receive Floating - USD	(6)	-
49,000,000	OIS 1.1450% SONIA 1 Day - Receive Fixed - GBP	(38)	(0.02)
		(495)	(0.26)
	<b>Forward Foreign Exchange Contracts 0.05% (30/06/2021: (0.09%))<sup>2</sup></b>		
	Buy CHF 55,102 : Sell GBP 44,966 January 2022	(1)	-
	Buy CHF 19,177 : Sell GBP 15,577 January 2022 <sup>3</sup>	-	-
	Buy CHF 12,857 : Sell GBP 10,570 January 2022 <sup>3</sup>	-	-
	Buy CHF 8,387 : Sell GBP 6,813 January 2022 <sup>3</sup>	-	-
	Buy CHF 6,805 : Sell GBP 5,564 January 2022 <sup>3</sup>	-	-
	Buy CHF 1,322 : Sell GBP 1,073 January 2022 <sup>3</sup>	-	-
	Buy EUR 73,100 : Sell GBP 61,412 January 2022 <sup>3</sup>	-	-
	Buy EUR 47,300 : Sell GBP 39,929 January 2022 <sup>3</sup>	-	-
	Buy GBP 31,594 : Sell CHF 38,636 January 2022 <sup>3</sup>	-	-
	Buy GBP 24,457 : Sell CHF 30,138 January 2022 <sup>3</sup>	-	-
	Buy GBP 20,071 : Sell CHF 24,641 January 2022 <sup>3</sup>	-	-
	Buy GBP 13,428 : Sell CHF 16,466 January 2022 <sup>3</sup>	-	-
	Buy GBP 9,925 : Sell CHF 12,240 January 2022 <sup>3</sup>	-	-
	Buy GBP 6,258 : Sell CHF 7,649 January 2022 <sup>3</sup>	-	-
	Buy GBP 5,334 : Sell CHF 6,549 January 2022 <sup>3</sup>	-	-
	Buy GBP 4,851 : Sell CHF 5,952 January 2022 <sup>3</sup>	-	-
	Buy GBP 1,976 : Sell CHF 2,435 January 2022 <sup>3</sup>	-	-
	Buy GBP 2,597,678 : Sell EUR 3,056,506 January 2022	30	0.02
	Buy GBP 32,279 : Sell NOK 383,302 January 2022 <sup>3</sup>	-	-
	Buy GBP 26,423 : Sell NOK 315,849 January 2022 <sup>3</sup>	-	-
	Buy GBP 12,733 : Sell NOK 151,009 January 2022 <sup>3</sup>	-	-
	Buy GBP 11,720 : Sell NOK 139,387 January 2022 <sup>3</sup>	-	-
	Buy GBP 10,737 : Sell NOK 127,532 January 2022 <sup>3</sup>	-	-
	Buy GBP 8,289 : Sell NOK 99,397 January 2022 <sup>3</sup>	-	-
	Buy GBP 5,285 : Sell NOK 63,671 January 2022 <sup>3</sup>	-	-
	Buy GBP 1,792 : Sell NOK 21,238 January 2022 <sup>3</sup>	-	-
	Buy GBP 3,028,726 : Sell USD 4,022,679 January 2022	59	0.03
	Buy NOK 807,617 : Sell GBP 66,865 January 2022	1	-
	Buy NOK 211,349 : Sell GBP 17,627 January 2022 <sup>3</sup>	-	-
	Buy NOK 44,734 : Sell GBP 3,766 January 2022 <sup>3</sup>	-	-



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b> <small>(continued)</small>			
Buy USD 70,876 : Sell GBP 52,508 January 2022 <sup>3</sup>		-	-
		89	0.05
<b>Investment assets including investment liabilities</b>		<b>190,383</b>	<b>99.71</b>
Other net assets		560	0.29
<b>Total net assets</b>		<b>190,943</b>	<b>100.00</b>

<sup>1</sup> Related party to the fund

<sup>2</sup> Not listed on an official stock exchange

<sup>3</sup> Due to rounding to nearest £1,000

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

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules.

## Credit ratings

	Market value £000	Percentage of total net assets %
<b>31/12/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	179,701	94.11
<b>Total debt securities</b>	<b>179,701</b>	<b>94.11</b>
Collective investment schemes	10,375	5.43
Derivatives	307	0.17
<b>Investment assets including investment liabilities</b>	<b>190,383</b>	<b>99.71</b>
Other net assets	560	0.29
<b>Total net assets</b>	<b>190,943</b>	<b>100.00</b>
	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
<b>30/06/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	183,721	98.16
<b>Total debt securities</b>	<b>183,721</b>	<b>98.16</b>
Collective investment schemes	2,483	1.33
Derivatives	(939)	(0.50)
<b>Investment assets including investment liabilities</b>	<b>185,265</b>	<b>98.99</b>
Other net assets	1,892	1.01
<b>Total net assets</b>	<b>187,157</b>	<b>100.00</b>

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		7,330		(1,304)
Revenue	6,779		392	
Expenses	(429)		(443)	
Interest payable and similar charges	(3)		(16)	
	<u>6,347</u>		<u>(67)</u>	
Taxation	(10)		(19)	
	<u>6,337</u>		<u>(86)</u>	
Net revenue/(expense) after taxation		6,337		(86)
Total return before distributions		13,667		(1,390)
Distributions		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>		<u>13,667</u>		<u>(1,390)</u>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>187,157</b>		<b>211,727</b>
Amounts receivable on issue of shares	1,433		6,544	
Amounts payable on cancellation of shares	(11,314)		(15,589)	
		(9,881)		(9,045)
Dilution adjustment		-		3
Change in net assets attributable to shareholders from investment activities		13,667		(1,390)
<b>Closing net assets attributable to shareholders</b>		<u><b>190,943</b></u>		<u><b>201,295</b></u>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	190,902	186,980
Current assets:		
Debtors	214	567
Cash and bank balances	998	1,897
<b>Total assets</b>	<b>192,114</b>	<b>189,444</b>
<b>Liabilities:</b>		
Investment liabilities	519	1,715
Creditors:		
Amounts held at derivative clearing houses and brokers	395	288
Bank overdrafts	10	-
Other creditors	247	284
<b>Total liabilities</b>	<b>1,171</b>	<b>2,287</b>
<b>Net assets attributable to shareholders</b>	<b>190,943</b>	<b>187,157</b>

## **Distribution table** for the six months ended 31 December 2021 (in pence per share)

For the purposes of calculating the distribution on Janus Henderson Index Linked Bond Fund, revenue is computed on an effective yield basis utilising the exemption set out in the Financial Conduct Authority's COLL 6.8.3 (for funds whose policy is to invest predominantly in index linked securities) to treat capital indexation as non-distributable.

There are no distributions for the periods ended 30 September 2021 (30 September 2020: nil) and 31 December 2021 (31 December 2020: nil), therefore no distribution table has been provided and shareholders will not receive tax vouchers.

# Janus Henderson Institutional Long Dated Credit Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Philip Payne and James Briggs

### Investment objective and policy

The fund aims to provide an income with the potential for capital growth over the long term.

Performance target: To outperform the Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index by 1% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in sterling-denominated investment grade (equivalent to BBB rated or higher) corporate bonds, typically with maturities of 15 years or more. (Longer dated bonds are generally more sensitive to changes in interest rates and may at times exhibit significant volatility.)

The fund is actively managed with reference to the Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

### Strategy

The investment process combines asset allocation views with rigorous fundamentally driven security selection, which allows the managers to determine key economic themes and identify which industry sectors to favour or avoid.

### Performance summary

#### Cumulative performance

	Six months 30 Jun 21 - 31 Dec 21 %	One year 31 Dec 20 - 31 Dec 21 %	Three years 31 Dec 18 - 31 Dec 21 %	Five years 31 Dec 16 - 31 Dec 21 %	Since inception 18 Apr 97 - 31 Dec 21 %
<b>Class I accumulation (Net)</b>	0.3	(6.0)	27.7	29.2	264.7
<b>Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index</b>	0.4	(5.8)	27.0	28.9	290.4
<b>IA Sterling Corporate Bond Sector</b>	(0.4)	(1.9)	15.8	19.1	153.6
<b>Class I accumulation (Gross)</b>	0.6	(5.5)	29.8	32.7	309.2
<b>Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index + 1%</b>	0.9	(4.8)	30.9	35.5	382.6

#### Discrete performance

	31 Dec 20 - 31 Dec 21 %	31 Dec 19 - 31 Dec 20 %	31 Dec 18 - 31 Dec 19 %	31 Dec 17 - 31 Dec 18 %	31 Dec 16 - 31 Dec 17 %
<b>Class I accumulation (Net)</b>	(6.0)	15.8	17.4	(4.5)	6.0
<b>Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index</b>	(5.8)	14.8	17.4	(4.1)	5.9
<b>IA Sterling Corporate Bond Sector</b>	(1.9)	7.9	9.5	(2.2)	5.1
<b>Class I accumulation (Gross)</b>	(5.5)	16.4	18.0	(4.0)	6.5
<b>Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index + 1%</b>	(4.8)	15.9	18.6	(3.2)	6.9

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

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Benchmark values are as at close of business.

Class I accumulation is disclosed as it is the representative share class.

### Benchmark usage

Index: Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index

Index usage: Target

Index description: The Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index is a measure of the combined performance of investment grade corporate bonds issued in pounds sterling with greater than 15 years to maturity. It is the basis for the fund's performance target.

Peer group: IA Sterling Corporate Bond Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

## Significant portfolio changes for the six months ended 31 December 2021

Largest purchases	£000	Largest sales	£000
UK Treasury 1.75% 22/07/2057	4,403	UK Treasury 1.25% 22/10/2041	3,374
UK Treasury 1.25% 22/10/2041	4,388	UK Treasury 1.75% 22/07/2057	2,107
Annington Funding 2.924% 06/10/2051	1,810	UK Treasury 1.75% 07/09/2037	1,079
UK Treasury 1.75% 07/09/2037	1,689	UK Treasury 0.625% 22/10/2050	1,016
UK Treasury 4.25% 07/09/2039	1,508	Tesco Property Finance 5.4111% 13/07/2044	802
UK Treasury 0.625% 22/10/2050	1,437	Aroundtown 3.625% 10/04/2031	728
Anchor Hanover 2.00% 21/07/2051	1,095	Citigroup 7.375% 01/09/2039	702
Platform HG Financing 1.926% 15/09/2041	810	Karbon Homes 3.375% 15/11/2047	665
The Wellcome Trust 1.50% 14/07/2071	800	Paragon Treasury 2.00% 07/05/2036	658
BNP Paribas 2.00% 13/09/2036	786	Livewest Treasury 1.875% 18/02/2056	608
<b>Total purchases</b>	<b>27,204</b>	<b>Total sales</b>	<b>16,719</b>

### Investment review

The fund returned 0.3% (Net), 0.6% (Gross) based on Class I accumulation over the period under review, compared with a return of 0.4% in the Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index, a return of 0.9% in the Target Index + 1% and a fall of 0.4% in the IA Sterling Corporate Bond Sector peer group benchmark.

Long-dated sterling investment-grade corporate debt delivered a positive total return during the period, with the Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index returning 0.4%. Excess returns (versus government equivalents), in comparison, were a small negative, with bond spreads finishing wider, by 7 basis points (bps), mostly due to the sell-off in November. This was triggered by the discovery of the Omicron variant of COVID-19 towards the end of the month. However, early evidence suggesting the variant is less potent than previous strains saw spreads tighten in December to recover some of those losses. Gross and net sterling investment-grade credit issuance totalled £27.2bn and £11.1bn, respectively, during the period, with December quieter than usual.

Continuing supply bottlenecks and rising energy costs saw inflation remain elevated throughout the period, with developed market central banks turning increasingly hawkish in response. At its December meeting, the Bank of England (BoE) raised rates for the first time in three years, from 0.10% to 0.25%. The UK consumer price index for November rose 5.1% year on year – the highest in a decade. The BoE warned that inflation was likely to increase further in the months ahead and could hit 6% in the spring. The 10-year UK gilt yield rose by 26bps during the period, to finish at 0.97%, having reached 1.2% in October as markets fully priced in a UK rate rise. The yield on the 30-year finished 12bps lower, ending the period at 1.12%.

At the single-name level, an overweight exposure to General Electric Capital added to returns, as the issuer announced a debt tender offer and looked to cut its borrowings. Underweight positions in ultra-long-dated bonds from the University of Oxford and Wellcome Trust Finance contributed, in addition to an underweight exposure to British Telecommunications. Buyout rumours surrounding British Telecommunications saw bond spreads widen, with security selection across the British Telecommunications issuer curve adding to returns. The tobacco sub-sector within personal and household goods was also weaker, in particular longer-dated bonds, due to 'buy-and-maintain' accounts changing their mandates as they looked to screen out tobacco companies. Thus, the fund's underweight position in BAT International Finance benefited from this technical boost. At the sector level, security selection within housing associations was additive, including exposure to Onward Homes and Beyond Housing.

The overweight exposure to real estate was drag on performance, as the sector was negatively impacted by the November sell-off. Annington Funding and Heimstaden Bostad, in particular, weighed on returns. An underweight position in utilities was a small negative. Looking at individual names within the utilities sector, positioning in Thames Water Utilities Finance, in particular a lack of exposure to the issuer's 2058 maturity bonds, had a marginal negative impact, after the bonds enjoyed strong performance relative to other Thames Water Utilities Finance issues that were held. The fund's lack of exposure to long-dated Southern Water detracted from performance, as investor demand saw bond spreads in the name compress.

In terms of positioning changes, we switched out of Vonovia and select housing associations to participate in a new issue from Annington Funding. We also reduced the fund's exposure to German real estate name Aroundtown, proactively managing risk for names that could be impacted by negative news about Adler Real Estate. Away from real estate, we added exposure to Severn Trent Water and Enel in the utilities sector and switched Wells Fargo bonds into BNP Paribas. We marginally reduced the fund's duration times spread ratio (a method of measuring credit volatility in corporate bonds) during the period, which was reflective of a neutral credit beta (market sensitivity) position.

The fund retains a neutral credit beta position relative to its benchmark. We remain positive about the strong fundamental backdrop, with low default rates, positive upgrade/downgrade ratios and favourable company profit margins all supportive for credit markets. We feel that market technical conditions, however, have weakened due to less accommodative policy from some central banks. Valuations for investment-grade corporates also continue to look tight relative to historical levels. This increases the likelihood of bouts of downside volatility through 2022, which leads us to be cautious and, hence, we have reduced the size of the fund's credit beta overweight position. We also recognise inflation is rising and is stickier, although we still believe these inflationary pressures are not a long-term theme.

Looking forward, the main risks to our outlook are inflation becoming more persistent during 2022; an uptick in rates volatility; central bank policy error and liquidity withdrawal in the market as some central banks begin to 'taper' stimulus; and a further slowdown in China's growth and the potential impact on the broader global economy. As we navigate these uncertainties, we will continue to adhere to our research-driven investment process, with a focus on taking the right amount of risk throughout the cycle.



## Comparative tables for the six months ended 31 December 2021

	Class A income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	222.75	227.52	204.05	191.72
Return before operating charges*	1.16	1.39	29.84	18.72
Operating charges	(1.07)	(2.15)	(1.98)	(1.74)
Return after operating charges*	0.09	(0.76)	27.86	16.98
Distributions on income shares	(1.83)	(4.01)	(4.39)	(4.85)
Closing net asset value per share	221.01	222.75	227.52	204.05
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	0.04%	(0.33%)	13.65%	8.85%
<b>Other information</b>				
Closing net asset value (£000s)	2,882	3,124	3,492	3,536
Closing number of shares	1,304,022	1,402,379	1,534,952	1,732,941
Operating charges (annualised)	0.93%	0.94%	0.91%	0.90%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	235.50	243.70	235.20	207.80
Lowest share price (pence)	211.20	215.90	181.10	182.40
	Class E income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)	
<b>Change in net assets per share</b>				
Opening net asset value per share	222.73	227.51	210.57 <sup>1</sup>	
Return before operating charges*	1.14	1.39	23.29	
Operating charges	(0.77)	(1.58)	(1.42)	
Return after operating charges*	0.37	(0.19)	21.87	
Distributions on income shares	(2.12)	(4.59)	(4.93)	
Closing net asset value per share	220.98	222.73	227.51	
* after direct transaction costs of:	-	-	-	
<b>Performance</b>				
Return after charges	0.17%	(0.08%)	10.39%	
<b>Other information</b>				
Closing net asset value (£000s)	594	612	362	
Closing number of shares	268,669	274,869	159,039	
Operating charges (annualised)	0.68%	0.69%	0.66%	
Direct transaction costs	0.00%	0.00%	0.00%	
<b>Prices</b>				
Highest share price (pence)	235.50	243.80	235.30	
Lowest share price (pence)	211.20	216.00	181.20	

<sup>1</sup> Class E income launched on 8 July 2019 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	467.21	467.08	408.99	373.88
Return before operating charges*	2.43	2.73	60.46	37.17
Operating charges	(1.29)	(2.60)	(2.37)	(2.06)
Return after operating charges*	1.14	0.13	58.09	35.11
Distributions on accumulation shares	(4.80)	(10.14)	(10.51)	(10.97)
Retained distributions on accumulation shares	4.80	10.14	10.51	10.97
Closing net asset value per share	468.35	467.21	467.08	408.99
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	0.24%	0.03%	14.20%	9.39%
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### Other information

Closing net asset value (£000s)	118,300	109,066	88,943	215,493
Closing number of shares	25,258,866	23,344,317	19,042,280	52,689,673
Operating charges (annualised)	0.54%	0.55%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	495.50	503.80	477.50	414.20
Lowest share price (pence)	445.30	448.30	367.80	358.20

	Class I income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	228.49	233.44	209.40	196.84
Return before operating charges*	1.17	1.36	30.60	19.21
Operating charges	(0.63)	(1.30)	(1.22)	(1.06)
Return after operating charges*	0.54	0.06	29.38	18.15
Distributions on income shares	(2.34)	(5.01)	(5.34)	(5.59)
Closing net asset value per share	226.69	228.49	233.44	209.40
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	0.24%	0.03%	14.03%	9.22%
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### Other information

Closing net asset value (£000s)	33,943	35,961	111,232	17,456
Closing number of shares	14,973,266	15,738,430	47,649,222	8,336,220
Operating charges (annualised)	0.54%	0.55%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	241.70	250.20	241.40	213.40
Lowest share price (pence)	216.60	221.70	185.90	187.20

## Comparative tables (continued)

	Class Z accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	297.89	296.28	258.01	234.49
Return before operating charges*	1.68	1.76	38.39	23.62
Operating charges	(0.06)	(0.15)	(0.12)	(0.10)
Return after operating charges*	1.62	1.61	38.27	23.52
Distributions on accumulation shares	(3.86)	(7.99)	(8.11)	(8.28)
Retained distributions on accumulation shares	3.86	7.99	8.11	8.28
Closing net asset value per share	299.51	297.89	296.28	258.01
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	0.54%	0.54%	14.83%	10.03%
<b>Other information</b>				
Closing net asset value (£000s)	1	1	6,855	1
Closing number of shares	206	206	2,313,852	206
Operating charges (annualised)	0.04%	0.05%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	316.70	320.40	302.50	261.30
Lowest share price (pence)	284.40	285.40	232.90	225.20

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period.

## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/21 %	30/06/21 %
<b>Class A income</b>	0.93	0.94
<b>Class E income</b>	0.68	0.69
<b>Class I accumulation</b>	0.54	0.55
<b>Class I income</b>	0.54	0.55
<b>Class Z accumulation</b>	0.04	0.05

The OCF is calculated in accordance with guidelines issued by ESMA.

## Risk and reward profile

The fund currently has 5 types of share class in issue: A income, E income, I accumulation, I income and Z accumulation.

Each share class has the same risk and reward profile which is as follows:



The share classes appear at 5 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The SRRI is calculated based on historical volatility over a rolling 5\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your shares, they may be worth less than you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Contingent Convertible Bonds (CoCos)** CoCos can fall sharply in value if the financial strength of an issuer weakens and a predetermined trigger event causes the bonds to be converted into shares of the issuer or to be partly or wholly written off.

**Counterparty Risk and Operational Risk** The fund could lose money if a counterparty with which the fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

**Country or Region** If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

**Credit Risk** An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the fund. If this happens or the market perceives this may happen, the value of the bond will fall.

**Derivatives and Leverage** The fund may use derivatives towards the aim of achieving its investment objective. This can result in 'leverage', which can magnify an investment outcome and gains or losses to the fund may be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Interest Rates and Longer Maturity Bonds** When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise or are expected to rise. This is especially true for bonds with a longer time to maturity. A high portion of this fund is invested in longer maturity bonds and so rising interest rates can pose a significant risk to capital.

**Liquidity** Securities within the fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

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

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

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class E income launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the A income share class.

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Bonds 97.50% (30/06/2021: 97.67%)</b>		
	<b>Australia 0.97% (30/06/2021: 1.04%)</b>		
	<b>Fixed Rate Bond 0.97% (30/06/2021: 1.04%)</b>		
GBP 1,140,000	BHP Billiton Finance 4.30% 25/09/2042	1,505	0.97
	<b>Belgium 0.55% (30/06/2021: 0.59%)</b>		
	<b>Fixed Rate Bond 0.55% (30/06/2021: 0.59%)</b>		
GBP 800,000	Anheuser-Busch InBev 2.85% 25/05/2037	854	0.55
	<b>Denmark 0.72% (30/06/2021: 0.76%)</b>		
	<b>Fixed Rate Bond 0.55% (30/06/2021: 0.58%)</b>		
GBP 544,000	Orsted 5.75% 09/04/2040	861	0.55
	<b>Variable Rate Bond 0.17% (30/06/2021: 0.18%)</b>		
GBP 270,000	Orsted 2.50% 18/02/2067	264	0.17
	<b>France 8.21% (30/06/2021: 7.21%)</b>		
	<b>Fixed Rate Bond 7.89% (30/06/2021: 7.21%)</b>		
GBP 800,000	BNP Paribas 2.00% 13/09/2036	763	0.49
GBP 1,850,000	Électricité de France 5.125% 22/09/2050	2,834	1.82
GBP 800,000	Électricité de France 5.50% 17/10/2041	1,170	0.75
GBP 600,000	Électricité de France 5.50% 27/03/2037	832	0.53
GBP 1,400,000	Électricité de France 6.00% 23/01/2114	2,500	1.60
GBP 1,250,000	Engie 5.00% 5.00% 01/10/2060	2,066	1.33
GBP 400,000	Orange 5.375% 22/11/2050	648	0.42
GBP 370,000	SNCF Réseau 4.83% 25/03/2060	666	0.43
GBP 470,000	SNCF Réseau 5.00% 11/03/2052	813	0.52
		12,292	7.89
	<b>Variable Rate Bond 0.32% (30/06/2021: 0.00%)</b>		
GBP 500,000	BPCE 2.50% 30/11/2032	499	0.32
	<b>Germany 3.42% (30/06/2021: 3.41%)</b>		
	<b>Fixed Rate Bond 3.42% (30/06/2021: 3.41%)</b>		
GBP 300,000	Allianz Finance 4.50% 13/03/2043	445	0.29
GBP 1,850,000	E.ON Finance 6.125% 06/07/2039	2,807	1.80
GBP 1,150,000	E.ON International Finance 5.875% 30/10/2037	1,672	1.07
GBP 300,000	Siemens Financieringsmaatschappij 3.75% 10/09/2042	406	0.26
		5,330	3.42
	<b>Italy 2.49% (30/06/2021: 2.24%)</b>		
	<b>Fixed Rate Bond 2.49% (30/06/2021: 2.24%)</b>		
GBP 720,000	Enel 5.75% 22/06/2037	1,029	0.66
GBP 1,614,000	Enel Finance International 5.75% 14/09/2040	2,400	1.54
GBP 450,000	Intesa Sanpaolo 2.625% 11/03/2036	444	0.29
		3,873	2.49
	<b>Mexico 0.31% (30/06/2021: 0.33%)</b>		
	<b>Fixed Rate Bond 0.31% (30/06/2021: 0.33%)</b>		
GBP 445,000	Mexico (United Mexican States) 5.625% 19/03/2114	477	0.31

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Netherlands 0.49% (30/06/2021: 0.59%)</b>			
<b>Fixed Rate Bond 0.49% (30/06/2021: 0.51%)</b>			
GBP 300,000	Coöperatieve Rabobank 5.375% 03/08/2060	592	0.38
GBP 200,000	Shell International Finance 1.75% 10/09/2052	171	0.11
		<u>763</u>	<u>0.49</u>
<b>Variable Rate Bond 0.00% (30/06/2021: 0.08%)</b>			
<b>Norway 0.10% (30/06/2021: 0.11%)</b>			
<b>Fixed Rate Bond 0.10% (30/06/2021: 0.11%)</b>			
GBP 117,000	Equinor 4.25% 10/04/2041	<u>158</u>	<u>0.10</u>
<b>Supranational 2.90% (30/06/2021: 3.07%)</b>			
<b>Fixed Rate Bond 2.90% (30/06/2021: 3.07%)</b>			
GBP 720,000	European Investment Bank 3.875% 08/06/2037	970	0.62
GBP 800,000	European Investment Bank 4.50% 07/03/2044	1,271	0.82
GBP 730,000	European Investment Bank 4.625% 12/10/2054	1,347	0.87
GBP 591,000	European Investment Bank 5.00% 15/04/2039	<u>922</u>	<u>0.59</u>
		<u>4,510</u>	<u>2.90</u>
<b>Sweden 1.08% (30/06/2021: 1.18%)</b>			
<b>Fixed Rate Bond 0.58% (30/06/2021: 0.62%)</b>			
GBP 529,000	Vattenfall 6.875% 15/04/2039	<u>896</u>	<u>0.58</u>
<b>Variable Rate Bond 0.50% (30/06/2021: 0.56%)</b>			
EUR 600,000	Heimstaden Bostad 2.625% Perpetual	474	0.30
EUR 380,000	Heimstaden Bostad 3.00% Perpetual	<u>304</u>	<u>0.20</u>
		<u>778</u>	<u>0.50</u>
<b>United Kingdom 66.44% (30/06/2021: 64.38%)</b>			
<b>Asset Backed 0.00% (30/06/2021: 1.13%)</b>			
<b>Fixed Rate Bond 63.17% (30/06/2021: 60.13%)</b>			
GBP 700,000	Accent Capital 2.625% 18/07/2049	772	0.50
GBP 400,000	Affinity Sutton Capital Markets 5.981% 17/09/2038	625	0.40
GBP 2,000,000	Affordable Housing Finance 2.893% 11/08/2043	2,527	1.62
GBP 780,000	Affordable Housing Finance 3.80% 20/05/2042	1,100	0.71
GBP 1,100,000	Anchor Hanover 2.00% 21/07/2051	1,068	0.69
GBP 1,810,000	Annington Funding 2.924% 06/10/2051	1,829	1.18
GBP 1,100,000	Annington Funding 3.935% 12/07/2047	1,315	0.84
GBP 710,000	Backward 2.125% 25/03/2053	724	0.46
GBP 600,000	BAT International Finance 2.25% 09/09/2052	408	0.26
GBP 450,000	BAT International Finance 6.00% 24/11/2034	553	0.36
GBP 750,000	Beyond Housing 2.125% 17/05/2051	766	0.49
GBP 600,000	BG Energy Capital 5.00% 04/11/2036	799	0.51
GBP 490,000	Blend Funding 2.922% 05/04/2054	575	0.37
GBP 930,000	Blend Funding 3.459% 21/09/2047	1,164	0.75
GBP 1,100,000	BPHA Finance 4.816% 11/04/2044	1,599	1.03
GBP 700,000	British Telecommunications 3.625% 21/11/2047	741	0.48
GBP 1,000,000	Cadent Finance 2.625% 22/09/2038	1,017	0.65
GBP 1,100,000	Cadent Finance 2.75% 22/09/2046	1,126	0.72
GBP 400,000	Centrica 4.25% 12/09/2044	<u>499</u>	<u>0.32</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond</b> (continued)			
GBP 800,000	Clarion Funding 1.875% 07/09/2051	757	0.49
GBP 500,000	Dwr Cymru Financing 2.375% 31/03/2034	506	0.32
GBP 350,000	Dwr Cymru Financing 4.473% 31/03/2057	582	0.37
GBP 185,000	Eastern Power Networks 6.25% 12/11/2036	285	0.18
GBP 700,000	EMH Treasury 4.5% 29/01/2044	982	0.63
GBP 965,000	Futures Treasury 3.375% 08/02/2044	1,190	0.76
GBP 170,000	Gatwick Funding 2.50% 15/04/2030	167	0.11
GBP 700,000	Gatwick Funding 2.625% 07/10/2046	644	0.41
GBP 1,600,000	Gatwick Funding 3.125% 28/09/2039	1,606	1.03
GBP 202,000	Gatwick Funding 5.75% 23/01/2037	266	0.17
GBP 1,100,000	GlaxoSmithKline Capital 4.25% 18/12/2045	1,550	1.00
GBP 650,000	GlaxoSmithKline Capital 5.25% 10/04/2042	993	0.64
GBP 650,000	GlaxoSmithKline Capital 6.375% 09/03/2039	1,058	0.68
GBP 180,000	Heathrow Funding 2.75% 13/10/2029	184	0.12
GBP 1,000,000	Heathrow Funding 2.75% Perpetual	977	0.63
GBP 1,000,000	Heathrow Funding 4.625% 31/10/2046	1,298	0.83
GBP 522,000	Heathrow Funding 5.875% 13/05/2041	746	0.48
GBP 317,000	Housing & Care 21 3.288% 08/11/2049	373	0.24
GBP 1,182,000	HSBC 4.75% 24/03/2046	1,574	1.01
GBP 1,000,000	HSBC 6.00% 29/03/2040	1,385	0.89
GBP 250,000	HSBC 7.00% 07/04/2038	371	0.24
GBP 800,000	Hyde Housing Association 1.75% 18/08/2055	736	0.47
GBP 900,000	Incommunities Treasury 3.25% 21/03/2049	1,125	0.72
GBP 734,000	Land Securities Capital Markets 2.75% 22/09/2057	858	0.55
GBP 362,000	LCR Finance 4.50% 07/12/2038	531	0.34
GBP 490,000	LCR Finance 5.10% 07/03/2051	920	0.59
GBP 1,050,000	Lloyds Bank 6.50% 17/09/2040	1,754	1.13
GBP 1,050,000	London & Quadrant Housing 2.00% 20/10/2038	1,043	0.67
GBP 600,000	London & Quadrant Housing 3.75% Perpetual	798	0.51
GBP 400,000	Manchester Airport Funding 2.875% 30/09/2044	392	0.25
GBP 700,000	Motability Operations 1.50% 20/01/2041	641	0.41
GBP 810,000	Motability Operations 2.375% 03/07/2039	855	0.55
GBP 1,600,000	National Grid Electricity Transmission 2.00% 16/09/2038	1,557	1.00
GBP 300,000	National Grid Electricity Transmission 2.00% 17/04/2040	289	0.19
GBP 250,000	Northern Electric Finance 2.75% 24/05/2049	282	0.18
GBP 400,000	Northern Powergrid (Northeast) 1.875% 16/06/2062	382	0.25
GBP 520,000	Northern Powergrid (Yorkshire) 2.25% 09/10/2059	540	0.35
GBP 1,200,000	Notting Hill Housing Trust 3.25% 12/10/2048	1,448	0.93
GBP 950,000	Optivo Finance 3.283% 22/03/2048	1,162	0.75
GBP 300,000	Orbit Capital 2.00% 24/11/2038	291	0.19
GBP 740,000	Orbit Capital 3.50% 24/03/2045	895	0.58
GBP 700,000	Paradigm Housing 2.25% 20/05/2051	735	0.47
GBP 400,000	Peabody Capital No.2 3.25% 14/09/2048	485	0.31
GBP 250,000	Peabody Capital No.2 4.625% 12/12/2053	389	0.25
GBP 600,000	Platform HG Financing 1.625% 10/08/2055	546	0.35
GBP 810,000	Platform HG Financing 1.926% 15/09/2041	792	0.51
GBP 450,000	Sanctuary Capital 2.375% 14/04/2050	485	0.31
GBP 900,000	Sanctuary Capital 5.00% 26/04/2047	1,433	0.92
GBP 1,150,000	Scottish Widows 7.00% 16/06/2043	1,759	1.13
GBP 650,000	SEGRO 2.875% 11/10/2037	730	0.47



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond (continued)</b>			
GBP 1,180,000	Severn Trent Water 2.00% 02/06/2040	1,154	0.74
GBP 545,000	Southern Electric Power 4.625% 20/02/2037	702	0.45
GBP 300,000	Southern Housing 3.50% 19/10/2047	361	0.23
GBP 600,000	Sovereign Housing Capital 2.375% 04/11/2048	646	0.42
GBP 420,000	Sovereign Housing Capital 4.768% 01/06/2043	621	0.40
GBP 250,000	SSE 6.25% 27/08/2038	377	0.24
GBP 1,600,000	Thames Water Utilities Finance 2.375% 22/04/2040	1,589	1.02
GBP 760,000	Thames Water Utilities Finance 4.625% 04/06/2046	1,062	0.68
GBP 580,000	Thames Water Utilities Finance 5.125% 28/09/2037	785	0.50
GBP 940,000	Thames Water Utilities Finance 5.50% 11/02/2041	1,371	0.88
GBP 850,000	THFC Funding No.2 6.35% 08/07/2039	1,362	0.87
GBP 1,300,000	THFC Funding No.3 5.20% 11/10/2043	1,975	1.27
GBP 313,000	Transport for London 3.625% 15/05/2045	389	0.25
GBP 850,000	Transport for London 3.875% 23/07/2042	1,076	0.69
GBP 100,000	Transport for London 4.00% 07/04/2064	152	0.10
GBP 500,000	UK Treasury 0.625% 22/10/2050	440	0.28
GBP 5,219,000	UK Treasury 1.25% 22/10/2041	5,270	3.38
GBP 2,218,000	UK Treasury 1.75% 07/09/2037	2,404	1.54
GBP 2,843,000	UK Treasury 1.75% 22/07/2057	3,424	2.20
GBP 1,000,000	UK Treasury 4.25% 07/09/2039	1,496	0.96
GBP 450,000	United Utilities Water Finance 1.75% 10/02/2038	435	0.28
GBP 740,000	University College London 1.625% 04/06/2061	752	0.48
GBP 580,000	University of Cambridge 2.35% 27/06/2078	795	0.51
GBP 253,000	University of Cambridge 3.75% 17/10/2052	384	0.25
GBP 787,000	University of Oxford 2.544% 08/12/2017	984	0.63
GBP 202,000	University of Southampton 2.25% 11/04/2057	216	0.14
GBP 1,300,000	Vodafone 3.00% 12/08/2056	1,344	0.86
GBP 960,000	Vodafone 3.375% Perpetual	1,064	0.68
GBP 800,000	Wellcome Trust Finance 1.50% 14/07/2071	760	0.49
GBP 600,000	Wellcome Trust Finance 4.00% 09/05/2059	1,006	0.65
GBP 400,000	Western Power Distribution South West 5.75% 23/03/2040	599	0.39
GBP 900,000	WPP Finance 2013 2.875% 14/09/2046	899	0.58
GBP 800,000	Wrekin Housing 2.50% 22/10/2048	863	0.55
GBP 300,000	Yorkshire Water Finance 2.75% 18/04/2041	328	0.21
GBP 650,000	3i 3.75% 05/06/2040	735	0.47
		<u>98,374</u>	<u>63.17</u>
<b>Stepped Rate Bond 0.32% (30/06/2021: 0.35%)</b>			
GBP 350,000	Yorkshire Water Finance 5.50% 28/05/2037	<u>506</u>	<u>0.32</u>
<b>Variable Rate Bond 2.95% (30/06/2021: 2.77%)</b>			
GBP 729,000	Aviva 6.875% 20/05/2058	1,112	0.72
GBP 600,000	BUPA Finance 4.00% Perpetual	576	0.37
GBP 710,000	HSBC 5.844% Perpetual	986	0.63
GBP 385,000	Legal & General 5.50% 27/06/2064	491	0.32
GBP 200,000	M&G 5.56% 20/07/2055	232	0.15
GBP 948,000	M&G 6.34% 19/12/2063	<u>1,190</u>	<u>0.76</u>
		<u>4,587</u>	<u>2.95</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>United States 9.82% (30/06/2021: 13.60%)</b>			
<b>Fixed Rate Bond 9.82% (30/06/2021: 13.60%)</b>			
GBP 500,000	Apple 3.60% 31/07/2042	662	0.42
GBP 800,000	AT&T 4.25% 01/06/2043	993	0.64
GBP 1,562,000	AT&T 4.875% 01/06/2044	2,111	1.36
GBP 1,150,000	AT&T 7.00% 30/04/2040	1,853	1.19
GBP 900,000	Berkshire Hathaway Finance 2.375% 19/06/2039	936	0.60
GBP 600,000	Berkshire Hathaway Finance 2.625% 19/06/2059	674	0.43
GBP 730,000	Citigroup 6.80% 25/06/2038	1,210	0.78
GBP 184,000	General Electric Capital 4.875% 18/09/2037	230	0.15
GBP 460,000	Goldman Sachs 6.875% 18/01/2038	689	0.44
GBP 1,700,000	Pfizer 2.735% 15/06/2043	1,907	1.22
GBP 718,000	Time Warner Cable 5.25% 15/07/2042	934	0.60
GBP 1,600,000	Verizon Communications 1.875% 03/11/2038	1,513	0.97
GBP 648,000	Walmart 4.875% 19/01/2039	939	0.60
GBP 450,000	Walmart 5.625% 27/03/2034	647	0.42
		<u>15,298</u>	<u>9.82</u>
<b>Derivatives (0.01%) (30/06/2021: (0.03%))</b>			
<b>Futures 0.00% (30/06/2021: 0.00%)</b>			
(8)	ICE Long Gilt March 2022	<u>(2)</u>	<u>-</u>
<b>Swaps (0.02%) (30/06/2021: (0.03%))<sup>1</sup></b>			
<b>Credit Default Swaps (0.02%) (30/06/2021: (0.03%))<sup>1</sup></b>			
1,400,000	CDS 1.00% 20/12/2026 HSBC Receive EUR	<u>(31)</u>	<u>(0.02)</u>
<b>Forward Foreign Exchange Contracts 0.01% (30/06/2021: 0.00%)<sup>1</sup></b>			
	Buy GBP 3,016 : Sell EUR 3,539 January 2022 <sup>2</sup>	-	-
	Buy GBP 681,091 : Sell EUR 801,393 January 2022	<u>8</u>	<u>0.01</u>
		<u>8</u>	<u>0.01</u>
<b>Investment assets including investment liabilities</b>		<b>151,800</b>	<b>97.49</b>
Other net assets		<u>3,920</u>	<u>2.51</u>
<b>Total net assets</b>		<b>155,720</b>	<b>100.00</b>

<sup>1</sup> Not listed on an official exchange

<sup>2</sup> Due to rounding to nearest £1,000

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

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

## Credit ratings

	Market value £000	Percentage of total net assets %
<b>31/12/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	150,784	96.83
Below investment grade (BB and below)	1,041	0.67
<b>Total debt securities</b>	<b>151,825</b>	<b>97.50</b>
Derivatives	(25)	(0.01)
<b>Investment assets including investment liabilities</b>	<b>151,800</b>	<b>97.49</b>
Other net assets	3,920	2.51
<b>Total net assets</b>	<b>155,720</b>	<b>100.00</b>
	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
<b>30/06/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	134,569	90.46
Below investment grade (BB and below)	1,528	1.03
Unrated	10,444	7.02
<b>Total debt securities</b>	<b>146,541</b>	<b>98.51</b>
Derivatives	(40)	(0.03)
<b>Investment assets including investment liabilities</b>	<b>146,501</b>	<b>98.48</b>
Other net assets	2,263	1.52
<b>Total net assets</b>	<b>148,764</b>	<b>100.00</b>

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(1,321)		11,867
Revenue	2,003		2,999	
Expenses	(435)		(600)	
Net revenue before taxation	1,568		2,399	
Taxation	-		-	
Net revenue after taxation		1,568		2,399
Total return before distributions		247		14,266
Distributions		(1,568)		(2,399)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,321)</b>		<b>11,867</b>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>148,764</b>		<b>210,884</b>
Amounts receivable on issue of shares	12,502		16,045	
Amounts payable on cancellation of shares	(5,460)		(2,415)	
		7,042		13,630
Dilution adjustment		40		-
Change in net assets attributable to shareholders from investment activities		(1,321)		11,867
Retained distributions on accumulation shares		1,195		1,129
<b>Closing net assets attributable to shareholders</b>		<b>155,720</b>		<b>237,510</b>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	151,833	146,542
Current assets:		
Debtors	1,790	2,191
Cash and bank balances	2,756	1,532
<b>Total assets</b>	<b>156,379</b>	<b>150,265</b>
<b>Liabilities:</b>		
Investment liabilities	33	41
Creditors:		
Distributions payable	189	213
Other creditors	437	1,247
<b>Total liabilities</b>	<b>659</b>	<b>1,501</b>
<b>Net assets attributable to shareholders</b>	<b>155,720</b>	<b>148,764</b>

## Distribution tables for the six months ended 31 December 2021 (in pence per share)

### Interim interest distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 July 2021

Group 2: shares purchased on or after 1 July 2021

	Distribution per share	Equalisation	Total distribution per share 30/11/21	Total distribution per share 30/11/20
<b>Class A income</b>				
Group 1	0.9212	-	0.9212	1.0166
Group 2	0.3968	0.5244	0.9212	1.0166
<b>Class E income</b>				
Group 1	1.0667	-	1.0667	1.1670
Group 2	0.4419	0.6248	1.0667	1.1670
<b>Class I accumulation</b>				
Group 1	2.4090	-	2.4090	2.5565
Group 2	1.2783	1.1307	2.4090	2.5565
<b>Class I income</b>				
Group 1	1.1779	-	1.1779	1.2777
Group 2	0.6661	0.5118	1.1779	1.2777
<b>Class Z accumulation</b>				
Group 1	1.9876	-	1.9876	2.0029
Group 2	1.9876	-	1.9876	2.0029

### Interim interest distribution (accounting date 31 December 2021, paid on 28 February 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Equalisation	Total distribution per share 28/02/22	Total distribution per share 26/02/21
<b>Class A income</b>				
Group 1	0.9118	-	0.9118	1.0186
Group 2	0.4144	0.4974	0.9118	1.0186
<b>Class E income</b>				
Group 1	1.0535	-	1.0535	1.1690
Group 2	0.7610	0.2925	1.0535	1.1690
<b>Class I accumulation</b>				
Group 1	2.3888	-	2.3888	2.5782
Group 2	1.2724	1.1164	2.3888	2.5782
<b>Class I income</b>				
Group 1	1.1620	-	1.1620	1.2816
Group 2	0.6053	0.5567	1.1620	1.2816
<b>Class Z accumulation</b>				
Group 1	1.8712	-	1.8712	2.0239
Group 2	1.8712	-	1.8712	2.0239

# Janus Henderson Institutional Long Dated Gilt Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Andrew Mulliner and Bethany Payne

### Investment objective and policy

The fund aims to provide an income with the potential for capital growth over the long term.

Performance target: To outperform the FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index by 0.75% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in UK government bonds (also known as gilts), typically with maturities of 15 years or more. (Longer dated bonds are generally more sensitive to changes in interest rates and may at times exhibit significant volatility.)

The fund is actively managed with reference to the FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

### Strategy

The Investment Manager aims to provide a return in excess of the benchmark by investing primarily in long maturity UK government bonds, including inflation-linked gilts and floating rate assets. The managers can also invest in other global fixed income securities with a focus on G10 government bond markets and associated fixed income derivatives, with the aim of providing diversification in the portfolio, as well as looking to enhance returns and/or manage risk.

### Performance summary

#### Cumulative performance

	Six months 30 Jun 21 - 31 Dec 21 %	One year 31 Dec 20 - 31 Dec 21 %	Three years 31 Dec 18 - 31 Dec 21 %	Five years 31 Dec 16 - 31 Dec 21 %	Since inception 4 Sep 00 - 31 Dec 21 %
<b>Class I accumulation (Net)</b>	2.3	(8.8)	17.4	18.7	199.1
<b>FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index</b>	2.6	(7.3)	18.2	22.5	275.0
<b>IA UK Gilts Sector</b>	0.8	(5.3)	10.6	12.4	135.0
<b>Class I accumulation (Gross)</b>	2.5	(8.4)	19.3	22.0	235.6
<b>FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index + 0.75%</b>	3.0	(6.6)	20.9	27.2	339.7

#### Discrete performance

	31 Dec 20 - 31 Dec 21 %	31 Dec 19 - 31 Dec 20 %	31 Dec 18 - 31 Dec 19 %	31 Dec 17 - 31 Dec 18 %	31 Dec 16 - 31 Dec 17 %
<b>Class I accumulation (Net)</b>	(8.8)	14.9	12.0	(1.5)	2.7
<b>FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index</b>	(7.3)	13.9	12.0	0.3	3.3
<b>IA UK Gilts Sector</b>	(5.3)	9.0	7.2	(0.1)	1.7
<b>Class I accumulation (Gross)</b>	(8.4)	15.6	12.7	(1.0)	3.2
<b>FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index + 0.75%</b>	(6.6)	14.7	12.9	1.0	4.1

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

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Benchmark values are as at close of business.

Class I accumulation is disclosed as it is the representative share class.

### Benchmark usage

Index: FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index

Index usage: Target

Index description: The FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index is a measure of the combined performance of bonds issued by the British government with more than 15 years to maturity. It is the basis for the fund's performance target.

Peer group: IA UK Gilts Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

## Significant portfolio changes for the six months ended 31 December 2021

Largest purchases	£000	Largest sales	£000
UK Treasury 1.125% 31/01/2039	2,320	UK Treasury 4.00% 22/01/2060	2,968
UK Treasury 0.50% 22/10/2061	1,797	UK Treasury 1.75% 07/09/2037	2,377
UK Treasury 1.75% 07/09/2037	1,177	UK Treasury 1.125% 31/01/2039	1,207
UK Treasury 1.25% 31/07/2051	879	UK Treasury 0.625% 22/10/2050	787
UK Treasury 4.25% 07/12/2049	705	UK Treasury 4.25% 07/12/2046	498
UK Treasury 0.625% 22/10/2050	261	UK Treasury 3.75% 22/07/2052	487
UK Treasury 1.625% 22/10/2071	143	UK Treasury 1.25% 31/07/2051	336
UK Treasury 1.50% 31/07/2053	91	UK Treasury 4.25% 07/12/2040	300
		UK Treasury 4.75% 07/12/2038	283
		UK Treasury 0.50% 22/10/2061	202
<b>Total purchases</b>	<b>7,373</b>	<b>Total sales</b>	<b>10,146</b>

All purchases are included.



### Investment review

The fund returned 2.3% (Net), 2.5% (Gross) based on Class I accumulation over the period under review, compared with a return of 2.6% in the FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index, a return of 3.0% in the Target Index + 0.75% and a return of 0.8% in the IA UK Gilts Sector peer group benchmark.

Apprehension about COVID-19 was a persistent theme during the period, while continuing supply bottlenecks and rising energy costs saw inflation remain elevated, with developed market central banks turning increasingly hawkish in response. At its December meeting, the Bank of England (BoE) raised interest rates for the first time in three years, from 0.10% to 0.25%. The UK consumer price index for November rose 5.1% year on year – the highest in a decade – with the BoE warning that inflation was likely to increase further and could hit 6% in the spring.

The flattening of global yield curves was notable during the period and reflected the strong performance of longer maturity government bonds. The hawkish rhetoric from central banks mobilised aggressive pricing of near-term rate hikes, while uncertainty about the global economic recovery suppressed long-term yields. In the UK, the two-year gilt yield rose by nearly 50 basis points (bps) during the period as rate hike expectations grew, the 10-year yield was slightly higher and the 30-year gilt yield finished 12bps lower. Inflation-linked gilts outperformed fixed-interest gilts as inflation expectations moved higher.

Positioning within UK markets detracted from performance. The fund was positioned for UK breakeven inflation pricing to fall from elevated levels. However, we exited the position as 10-year inflation swaps moved in tandem with higher near-term inflation readings. Later in the period, we put in place a position on the UK yield curve expecting short-term rates to outperform intermediate UK rates. This suffered initially as the market continued to price in more short-term rate hikes to combat inflation, with market pricing now implying that the rate hikes over the next 18 months will subsequently need to be reversed. A position expecting short-term rates in Switzerland to perform strongly suffered as Swiss yields rose along with other global markets due to the more hawkish rhetoric from the major central banks.

The active management of portfolio duration (interest rate sensitivity) was beneficial for performance. In July, we added exposure to Eurozone sovereign debt on a tactical basis, which performed well as yields moved lower over the summer. We reduced interest rate duration in the second half of the period, both in the UK and other core markets such as the US and Germany. This benefited performance as yields rose sharply in September and again in December. In emerging market government debt, the fund's holdings in Indonesian government bonds aided returns.

Returns from currency positions were broadly flat. A long sterling versus euro position performed well as the BoE hiked interest rates. On the negative side, a position expecting the Japanese yen to weaken detracted as concerns about the Omicron variant of COVID-19 triggered a flight to safe haven currencies in November.

The fund utilises derivatives. During the period, derivative positions included the use of government bond futures, and interest rate/inflation swaps to implement active positions and manage overall interest rate exposure. Forward foreign exchange contracts were used to implement a small number of currency positions.

Global economic growth is expected to be resilient, albeit lower than in 2021. Given the hawkish tone from central banks and the persistence of inflationary risks, we expect to maintain the fund's shorter duration bias and underweight exposure to government duration in core markets. The recent flattening of the yield curve has emerged very early in the cycle, reflecting a pessimistic view of long-term growth prospects. This could normalise as central banks either hike less aggressively or long-term rates move higher towards the average of the past decade.

## Comparative tables for the six months ended 31 December 2021

	Class A accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	245.38	279.22	234.44	220.49
Return before operating charges*	6.26	(31.61)	47.22	16.00
Operating charges	(1.09)	(2.23)	(2.44)	(2.05)
Return after operating charges*	5.17	(33.84)	44.78	13.95
Distributions on accumulation shares	(0.62)	(1.77)	(1.56)	(2.70)
Retained distributions on accumulation shares	0.62	1.77	1.56	2.70
Closing net asset value per share	250.55	245.38	279.22	234.44
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	2.11%	(12.12%)	19.10%	6.33%
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### Other information

Closing net asset value (£000s)	926	970	1,636	1,185
Closing number of shares	369,739	395,380	585,898	505,301
Operating charges (annualised)	0.85%	0.85%	0.94%	0.93%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	269.40	281.70	293.70	237.40
Lowest share price (pence)	230.90	236.60	235.60	205.60

	Class A income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	215.71	247.17	208.78	198.74
Return before operating charges*	5.49	(27.93)	41.93	14.31
Operating charges	(0.96)	(1.96)	(2.16)	(1.84)
Return after operating charges*	4.53	(29.89)	39.77	12.47
Distributions on income shares	(0.54)	(1.57)	(1.38)	(2.43)
Closing net asset value per share	219.70	215.71	247.17	208.78
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	2.10%	(12.09%)	19.05%	6.27%
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### Other information

Closing net asset value (£000s)	7,862	8,311	10,821	8,298
Closing number of shares	3,578,469	3,852,770	4,377,777	3,974,667
Operating charges (annualised)	0.85%	0.85%	0.94%	0.93%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	236.50	249.40	260.60	212.10
Lowest share price (pence)	202.70	208.40	209.80	184.70

## Comparative tables (continued)

	Class E accumulation		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	246.65	279.95	240.79 <sup>1</sup>
Return before operating charges*	6.33	(31.73)	40.92
Operating charges	(0.76)	(1.57)	(1.76)
Return after operating charges*	5.57	(33.30)	39.16
Distributions on accumulation shares	(0.93)	(2.44)	(2.21)
Retained distributions on accumulation shares	0.93	2.44	2.21
Closing net asset value per share	252.22	246.65	279.95
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	2.26%	(11.89%)	16.26%
<b>Other information</b>			
Closing net asset value (£000s)	25	73	47
Closing number of shares	9,919	29,509	16,671
Operating charges (annualised)	0.60%	0.60%	0.69%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	271.10	282.50	294.20
Lowest share price (pence)	232.20	237.70	236.10

<sup>1</sup> Class E accumulation launched on 8 July 2019 and this is the first published price.

## Comparative tables (continued)

	Class E income		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	215.72	247.20	214.43 <sup>2</sup>
Return before operating charges*	5.47	(27.95)	36.26
Operating charges	(0.67)	(1.38)	(1.54)
Return after operating charges*	4.80	(29.33)	34.72
Distributions on income shares	(0.82)	(2.15)	(1.95)
Closing net asset value per share	219.70	215.72	247.20
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	2.23%	(11.86%)	16.19%
<b>Other information</b>			
Closing net asset value (£000s)	109	107	110
Closing number of shares	49,570	49,410	44,638
Operating charges (annualised)	0.60%	0.60%	0.69%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	236.60	249.50	260.70
Lowest share price (pence)	202.70	208.50	210.30

<sup>2</sup> Class E income launched on 8 July 2019 and this is the first published price.

## Comparative tables (continued)

	Six months to 31/12/21 (pence per share)	Class I accumulation		Year to 30/06/19 (pence per share)
		Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	
<b>Change in net assets per share</b>				
Opening net asset value per share	368.00	417.14	348.93	326.97
Return before operating charges*	9.38	(47.34)	70.42	23.79
Operating charges	(0.87)	(1.80)	(2.21)	(1.83)
Return after operating charges*	8.51	(49.14)	68.21	21.96
Distributions on accumulation shares	(1.67)	(4.18)	(3.75)	(5.19)
Retained distributions on accumulation shares	1.67	4.18	3.75	5.19
Closing net asset value per share	376.51	368.00	417.14	348.93
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	2.31%	(11.78%)	19.55%	6.72%
<b>Other information</b>				
Closing net asset value (£000s)	19,983	21,721	26,266	13,958
Closing number of shares	5,307,491	5,902,242	6,296,724	4,000,306
Operating charges (annualised)	0.46%	0.46%	0.57%	0.56%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	404.70	421.00	438.30	353.30
Lowest share price (pence)	346.70	354.40	350.70	305.10
	Six months to 31/12/21 (pence per share)	Class Z accumulation		Year to 30/06/19 (pence per share)
		Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	
<b>Change in net assets per share</b>				
Opening net asset value per share	271.12	306.08	254.75	237.52
Return before operating charges*	6.90	(34.79)	51.53	17.37
Operating charges	(0.08)	(0.17)	(0.20)	(0.14)
Return after operating charges*	6.82	(34.96)	51.33	17.23
Distributions on accumulation shares	(1.80)	(4.23)	(4.15)	(4.99)
Retained distributions on accumulation shares	1.80	4.23	4.15	4.99
Closing net asset value per share	277.94	271.12	306.08	254.75
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	2.52%	(11.42%)	20.15%	7.25%
<b>Other information</b>				
Closing net asset value (£000s)	25,501	24,875	27,986	17,439
Closing number of shares	9,174,902	9,174,902	9,143,314	6,845,475
Operating charges (annualised)	0.06%	0.06%	0.07%	0.06%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	298.70	309.00	321.10	257.90
Lowest share price (pence)	255.70	260.80	256.00	222.00

## Comparative tables (continued)

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### **Operating charges**

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### **Share class launches and closures**

There were no share classes launched or closed during the period.

## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/21 %	30/06/21 %
<b>Class A accumulation</b>	0.85	0.85
<b>Class A income</b>	0.85	0.85
<b>Class E accumulation</b>	0.60	0.60
<b>Class E income</b>	0.60	0.60
<b>Class I accumulation</b>	0.46	0.46
<b>Class Z accumulation</b>	0.06	0.06

The OCF is calculated in accordance with guidelines issued by ESMA.

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

## Risk and reward profile

The fund currently has 6 types of share class in issue: A accumulation, A income, E accumulation, E income, I accumulation and Z accumulation.

Each share class has the same risk and reward profile which is as follows:



The share classes appear at 5 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The SRRI is calculated based on historical volatility over a rolling 5\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your shares, they may be worth less than you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Counterparty Risk and Operational Risk** The fund could lose money if a counterparty with which the fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

**Country or Region** If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

**Credit Risk** An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the fund. If this happens or the market perceives this may happen, the value of the bond will fall.

**Derivatives and Leverage** The fund may use derivatives towards the aim of achieving its investment objective. This can result in 'leverage', which can magnify an investment outcome and gains or losses to the fund may be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Interest Rates and Longer Maturity Bonds** When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise or are expected to rise. This is especially true for bonds with a longer time to maturity. A high portion of this fund is invested in longer maturity bonds and so rising interest rates can pose a significant risk to capital.

**Liquidity** Securities within the fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

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

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

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class E accumulation and Class E income launched on 8 July 2019. As these share classes do not have a 5 year history, a synthetic history has been created using the A accumulation and A income share classes, respectively.



## Portfolio statement as at 31 December 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Bonds 96.52% (30/06/2021: 96.84%)</b>		
	<b>Indonesia 1.51% (30/06/2021: 1.40%)</b>		
	<b>Fixed Rate Bond 1.51% (30/06/2021: 1.40%)</b>		
IDR 5,131,000,000	Indonesia (Republic of) 7.00% 15/09/2030	276	0.51
IDR 9,423,000,000	Indonesia (Republic of) 8.375% 15/03/2034	547	1.00
		<u>823</u>	<u>1.51</u>
	<b>Spain 1.20% (30/06/2021: 1.20%)</b>		
	<b>Fixed Rate Bond 1.20% (30/06/2021: 1.20%)</b>		
EUR 306,000	Spain (Kingdom of) 0.50% 30/04/2030	260	0.48
EUR 436,000	Spain (Kingdom of) 1.25% 31/10/2030	392	0.72
		<u>652</u>	<u>1.20</u>
	<b>United Kingdom 93.81% (30/06/2021: 94.24%)</b>		
	<b>Fixed Rate Bond 93.81% (30/06/2021: 94.24%)</b>		
GBP 3,423,374	UK Treasury 0.50% 22/10/2061	2,892	5.32
GBP 2,222,916	UK Treasury 0.625% 22/10/2050	1,954	3.59
GBP 803,246	UK Treasury 0.875% 31/01/2046	749	1.38
GBP 1,119,741	UK Treasury 1.125% 31/01/2039	1,110	2.04
GBP 3,204,521	UK Treasury 1.25% 22/10/2041	3,236	5.95
GBP 544,787	UK Treasury 1.25% 31/07/2051	558	1.03
GBP 3,279,337	UK Treasury 1.50% 22/07/2047	3,517	6.46
GBP 87,344	UK Treasury 1.50% 31/07/2053	96	0.18
GBP 3,316,608	UK Treasury 1.625% 22/10/2054	3,790	6.97
GBP 1,390,710	UK Treasury 1.625% 22/10/2071	1,816	3.34
GBP 1,897,742	UK Treasury 1.75% 07/09/2037	2,057	3.78
GBP 1,275,235	UK Treasury 1.75% 22/01/2049	1,454	2.67
GBP 2,518,293	UK Treasury 1.75% 22/07/2057	3,033	5.57
GBP 1,767,480	UK Treasury 2.50% 22/07/2065	2,739	5.03
GBP 2,749,580	UK Treasury 3.25% 22/01/2044	3,844	7.07
GBP 1,409,445	UK Treasury 3.50% 22/01/2045	2,064	3.79
GBP 922,174	UK Treasury 3.50% 22/07/2068	1,806	3.32
GBP 761,178	UK Treasury 3.75% 22/07/2052	1,275	2.34
GBP 983,248	UK Treasury 4.25% 07/09/2039	1,471	2.71
GBP 1,017,323	UK Treasury 4.25% 07/12/2040	1,549	2.85
GBP 1,070,329	UK Treasury 4.25% 07/12/2046	1,775	3.26
GBP 1,354,018	UK Treasury 4.25% 07/12/2049	2,357	4.33
GBP 1,324,866	UK Treasury 4.25% 07/12/2055	2,513	4.62
GBP 1,362,907	UK Treasury 4.50% 07/12/2042	2,205	4.05
GBP 753,658	UK Treasury 4.75% 07/12/2038	1,175	2.16
		<u>51,035</u>	<u>93.81</u>
	<b>Collective Investment Schemes 2.18% (30/06/2021: 2.55%)</b>		
1,184,567	Deutsche Global Liquidity Managed Sterling Fund Platinum Class	<u>1,185</u>	<u>2.18</u>
	<b>Derivatives (0.01%) (30/06/2021: (0.54%))</b>		
	<b>Futures 0.05% (30/06/2021: (0.01%))</b>		
(18)	CBT US 10 Year Note March 2022	(2)	-
(13)	EUX Euro Bund March 2022	29	0.05
8	ICE Long Gilt March 2022	<u>2</u>	<u>-</u>
		<u>29</u>	<u>0.05</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Swaps (0.11%) (30/06/2021: (0.44%))<sup>1</sup></b>		
	<b>Inflation Index Swaps 0.00% (30/06/2021: (0.21%))<sup>1</sup></b>		
	<b>Interest Rate Swaps (0.01%) (30/06/2021: (0.23%))<sup>1</sup></b>		
26,465,000	IRS 1.82% NOK NIBOR 6 Month - Receive Floating - EUR	(4)	(0.01)
	<b>Overnight Index Swaps (0.10%) (30/06/2021: 0.00%)<sup>1</sup></b>		
17,200,000	OIS -0.6150% SARON 1 Day - Receive Fixed - CHF	(22)	(0.04)
13,950,000	OIS 0.9960% SONIA 1 Day - Receive Floating - GBP	(19)	(0.04)
2,600,000	OIS 1.0990% SOFR 1 Day - Receive Floating - USD	(2)	-
13,430,000	OIS 1.1450% SONIA 1 Day - Receive Fixed - GBP	(10)	(0.02)
		(53)	(0.10)
	<b>Forward Foreign Exchange Contracts 0.05% (30/06/2021: (0.09%))<sup>1</sup></b>		
	Buy CHF 5,452 : Sell GBP 4,428 January 2022 <sup>2</sup>	-	-
	Buy CHF 1,692 : Sell GBP 1,375 January 2022 <sup>2</sup>	-	-
	Buy CHF 16,876 : Sell GBP 13,772 January 2022 <sup>2</sup>	-	-
	Buy CHF 1,935 : Sell GBP 1,582 January 2022 <sup>2</sup>	-	-
	Buy CHF 3,655 : Sell GBP 3,005 January 2022 <sup>2</sup>	-	-
	Buy GBP 2,517 : Sell CHF 3,104 January 2022 <sup>2</sup>	-	-
	Buy GBP 6,953 : Sell CHF 8,568 January 2022 <sup>2</sup>	-	-
	Buy GBP 1,517 : Sell CHF 1,862 January 2022 <sup>2</sup>	-	-
	Buy GBP 5,706 : Sell CHF 7,005 January 2022 <sup>2</sup>	-	-
	Buy GBP 1,379 : Sell CHF 1,692 January 2022 <sup>2</sup>	-	-
	Buy GBP 4,198 : Sell CHF 5,148 January 2022 <sup>2</sup>	-	-
	Buy GBP 9,590 : Sell CHF 11,728 January 2022 <sup>2</sup>	-	-
	Buy GBP 1,779 : Sell CHF 2,175 January 2022 <sup>2</sup>	-	-
	Buy GBP 761,074 : Sell EUR 895,503 January 2022	9	0.02
	Buy GBP 1,469 : Sell NOK 17,700 January 2022 <sup>2</sup>	-	-
	Buy GBP 2,304 : Sell NOK 27,632 January 2022 <sup>2</sup>	-	-
	Buy GBP 7,345 : Sell NOK 87,804 January 2022 <sup>2</sup>	-	-
	Buy GBP 3,258 : Sell NOK 38,749 January 2022 <sup>2</sup>	-	-
	Buy GBP 2,985 : Sell NOK 35,453 January 2022 <sup>2</sup>	-	-
	Buy GBP 8,973 : Sell NOK 106,556 January 2022 <sup>2</sup>	-	-
	Buy GBP 3,540 : Sell NOK 41,980 January 2022 <sup>2</sup>	-	-
	Buy GBP 924,715 : Sell USD 1,228,184 January 2022	18	0.03
	Buy NOK 214,380 : Sell GBP 17,749 January 2022 <sup>2</sup>	-	-
	Buy NOK 58,754 : Sell GBP 4,900 January 2022 <sup>2</sup>	-	-
	Buy NOK 12,436 : Sell GBP 1,047 January 2022 <sup>2</sup>	-	-
		27	0.05
	<b>Investment assets including investment liabilities</b>	<b>53,694</b>	<b>98.69</b>
	Other net assets	712	1.31
	<b>Total net assets</b>	<b>54,406</b>	<b>100.00</b>

<sup>1</sup> Not listed on an official exchange

<sup>2</sup> Due to rounding to nearest £1,000

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

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules.

## Credit ratings

	Market value £000	Percentage of total net assets %
<b>31/12/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	52,510	96.52
<b>Total debt securities</b>	<b>52,510</b>	<b>96.52</b>
Collective investment schemes	1,185	2.18
Derivatives	(1)	(0.01)
<b>Investment assets including investment liabilities</b>	<b>53,694</b>	<b>98.69</b>
Other net assets	712	1.31
<b>Total net assets</b>	<b>54,406</b>	<b>100.00</b>
	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
<b>30/06/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	54,283	96.84
<b>Total debt securities</b>	<b>54,283</b>	<b>96.84</b>
Collective investment schemes	1,431	2.55
Derivatives	(300)	(0.54)
<b>Investment assets including investment liabilities</b>	<b>55,414</b>	<b>98.85</b>
Other net assets	643	1.15
<b>Total net assets</b>	<b>56,057</b>	<b>100.00</b>

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		1,034		(1,024)
Revenue	377		469	
Expenses	(92)		(110)	
Interest payable and similar charges	(1)		(7)	
	<u>284</u>		<u>352</u>	
Taxation	(3)		(6)	
	<u>281</u>		<u>346</u>	
Net revenue after taxation		281		346
Total return before distributions		1,315		(678)
Distributions		(282)		(346)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u>1,033</u>		<u>(1,024)</u>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>56,057</b>		<b>66,866</b>
Amounts receivable on issue of shares	2,264		11,376	
Amounts payable on cancellation of shares	(5,207)		(10,008)	
		(2,943)		1,368
Dilution adjustment		-		5
Change in net assets attributable to shareholders from investment activities		1,033		(1,024)
Retained distributions on accumulation shares		259		318
<b>Closing net assets attributable to shareholders</b>		<u><b>54,406</b></u>		<u><b>67,533</b></u>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	53,753	55,965
Current assets:		
Debtors	456	419
Cash and bank balances	351	623
<b>Total assets</b>	<b>54,560</b>	<b>57,007</b>
<b>Liabilities:</b>		
Investment liabilities	59	551
Creditors:		
Amounts held at derivative clearing houses and brokers	35	158
Bank overdrafts	2	-
Distributions payable	9	19
Other creditors	49	222
<b>Total liabilities</b>	<b>154</b>	<b>950</b>
<b>Net assets attributable to shareholders</b>	<b>54,406</b>	<b>56,057</b>

## Distribution tables for the six months ended 31 December 2021 (in pence per share)

### Interim interest distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 July 2021

Group 2: shares purchased on or after 1 July 2021

	Distribution per share	Equalisation	Total distribution per share 30/11/21	Total distribution per share 30/11/20
<b>Class A accumulation</b>				
Group 1	0.3277	-	0.3277	0.2852
Group 2	0.2220	0.1057	0.3277	0.2852
<b>Class A income</b>				
Group 1	0.2880	-	0.2880	0.2539
Group 2	0.1144	0.1736	0.2880	0.2539
<b>Class E accumulation</b>				
Group 1	0.4900	-	0.4900	0.4664
Group 2	0.2046	0.2854	0.4900	0.4664
<b>Class E income</b>				
Group 1	0.4281	-	0.4281	0.4074
Group 2	0.1172	0.3109	0.4281	0.4074
<b>Class I accumulation</b>				
Group 1	0.8673	-	0.8673	0.8311
Group 2	0.3978	0.4695	0.8673	0.8311
<b>Class Z accumulation</b>				
Group 1	0.9238	-	0.9238	0.9146
Group 2	0.9238	-	0.9238	0.9146

## Distribution tables (continued)

### Interim interest distribution (accounting date 31 December 2021, paid on 28 February 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Equalisation	Total distribution per share 28/02/22	Total distribution per share 26/02/21
<b>Class A accumulation</b>				
Group 1	0.2886	-	0.2886	0.4760
Group 2	0.0900	0.1986	0.2886	0.4760
<b>Class A income</b>				
Group 1	0.2531	-	0.2531	0.4220
Group 2	0.1047	0.1484	0.2531	0.4220
<b>Class E accumulation</b>				
Group 1	0.4429	-	0.4429	0.6484
Group 2	0.2042	0.2387	0.4429	0.6484
<b>Class E income</b>				
Group 1	0.3912	-	0.3912	0.5714
Group 2	0.1358	0.2554	0.3912	0.5714
<b>Class I accumulation</b>				
Group 1	0.8039	-	0.8039	1.1115
Group 2	0.4032	0.4007	0.8039	1.1115
<b>Class Z accumulation</b>				
Group 1	0.8736	-	0.8736	1.1158
Group 2	0.8736	-	0.8736	1.1158

# Janus Henderson Institutional Short Duration Bond Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Denis Struc, Ian Bettney and Colin Fleury

### Investment objective and policy

The fund aims to provide a return primarily from income with the potential for some capital growth over the long term.

Performance target: To outperform SONIA by 0.25% per annum, before the deduction of charges, over any 3 year period.

The fund invests in a global portfolio of short duration bonds, money market instruments and other fixed income and variable rate securities, issued by governments, companies or any other type of issuer, this may include but is not limited to asset backed and residential mortgage backed securities (ABS & RMBS).

The fund may also hold Collective Investment Schemes (including those managed by Janus Henderson) and cash.

The Investment Manager may use derivatives (complex financial instruments) to reduce risk (specifically credit, currency and interest rate risks) or to manage the fund more efficiently.

The fund is actively managed with reference to SONIA, as this forms the basis of the fund's performance target. The Investment Manager has complete discretion to choose investments for the fund and is not constrained by a benchmark.

### Strategy

The Investment Manager aims to generate returns through the interest income from a diversified portfolio of primarily senior and short maturity investments with a focus on floating rate or low interest rate sensitivity. Investments are spread across highly rated corporate bonds, asset-backed securities, residential mortgage-backed securities and money market instruments. With no benchmark to follow the managers have the flexibility to vary the portfolio mix based on relative value and the desired risk and return.

### Performance summary

#### Cumulative performance

	Six months	One year	Three years	Five years	Since inception
	30 Jun 21 - 31 Dec 21	31 Dec 20 - 31 Dec 21	31 Dec 18 - 31 Dec 21	31 Dec 16 - 31 Dec 21	24 Nov 15 - 31 Dec 21
	%	%	%	%	%
<b>Class Z accumulation (Net)</b>	0.1	0.2	2.4	3.7	5.0
<b>SONIA</b>	0.0	0.1	1.3*	2.3*	2.9*
<b>Class Z accumulation (Gross)</b>	0.1	0.3	2.5	3.9	5.2
<b>SONIA + 0.25%</b>	0.2	0.3	2.0*	3.6*	4.5*

#### Discrete performance

	31 Dec 20 - 31 Dec 21	31 Dec 19 - 31 Dec 20	31 Dec 18 - 31 Dec 19	31 Dec 17 - 31 Dec 18	31 Dec 16 - 31 Dec 17
	%	%	%	%	%
<b>Class Z accumulation (Net)</b>	0.2	0.8	1.3	0.6	0.7
<b>SONIA</b>	0.1	0.4*	0.8*	0.7*	0.3*
<b>Class Z accumulation (Gross)</b>	0.3	0.9	1.3	0.6	0.7
<b>SONIA + 0.25%</b>	0.3	0.6*	1.1*	0.9*	0.6*

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

\* From 19 April 2021, the fund benchmark changed from the 3 month GBP LIBOR Interest Rate to SONIA. Past Performance before 19 April 2021 is shown for the previous fund benchmark.



## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Source: BNP Paribas

Class Z accumulation (Net), net of OCF and net income reinvested as at 12 noon valuation point.

Class Z accumulation (Gross), gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are as at close of business.

Class Z accumulation is disclosed as it is the representative share class.

### Benchmark usage

Index: SONIA

Index usage: Target

Index description: SONIA reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions. The Bank of England is the administrator for SONIA and they are responsible for its governance and publication every London business day. It is the basis of the fund's performance target.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

## Significant portfolio changes for the six months ended 31 December 2021

Largest purchases	£000	Largest sales/maturities	£000
Bavarian Sky UK 4A FRN 20/08/2029	18,328	MUFG Bank 0.10% 25/08/2021	20,000
SC Germany Compartment Consumer 2021-1A FRN 14/11/2035	17,096	First Abu Dhabi Bank 0.07% 23/07/2021	15,000
Bumper BE1 A FRN 23/10/2031	16,373	First Abu Dhabi Bank 0.14% 12/11/2021	15,000
Citibank 0.11% 04/03/2022	15,000	Handelsbanken 0.06% 02/07/2021	15,000
First Abu Dhabi Bank 0.15% 04/04/2022	15,000	ING Bank 0.05% 19/10/2021	15,000
Pepper SPARKZ Trust No.4 A 1A FRN 15/09/2030	14,198	Storm FRN 22/06/2054	13,325
Silver Arrow FRN 20/10/2027	13,435	Commonwealth Bank of Australia FRN 12/07/2021	12,000
FCT Pixel 2021-1 A FRN 25/02/2038	11,118	Met Life Global Funding 1.125% 15/12/2021	11,000
Canadian Imperial Bank of Commerce 0.20% 31/08/2022	10,000	Colgate-Palmolive 0.00% 12/11/2021	10,491
Commonwealth Bank of Australia 0.16% 14/07/2022	10,000	National Australia Bank 5.125% 09/12/2021	10,000
<b>Total purchases</b>	<b>327,055</b>	<b>Total sales/maturities</b>	<b>383,175</b>

### Investment review

The fund returned 0.1% (Net), 0.1% (Gross) based on Class Z accumulation over the period under review, compared with a return of 0.0% in the SONIA Index and a return of 0.2% in the Target Index + 0.25%.

Returns from fixed income markets were negative. In corporate bonds, credit spreads experienced some widening during the period, with most of the movement taking place in the fourth quarter. In core government debt markets, yields on benchmark 10-year bonds were moderately higher (i.e. bond prices fell) and yields on shorter-dated issues rose sharply.

The outlook for monetary policy in developed markets became increasingly hawkish as the period progressed. As inflation rose well above official targets, the US Federal Reserve (Fed) announced in November that it would wind down monetary stimulus. The shift towards tighter policy accelerated in December as the Fed sped up its stimulus withdrawal and suggested that 2022 may see three rate hikes, while the Bank of England raised its key interest rate for the first time since 2018. In the Eurozone, the European Central Bank announced that it would phase out the pandemic stimulus programme known as PEPP, although it will continue stimulus on a smaller scale and expects to keep its key rate on hold in 2022.

The spread of the Delta variant of COVID-19 as the period began and the emergence of the Omicron strain later on were also concerns for investors. However, the Delta infection rate slowed as the period progressed, and while Omicron proved to be highly contagious, initial data suggested that its effects were less severe than those of other variants.

Of the fund's three main asset classes, asset-backed securities (ABS) made the strongest contribution to returns, although this was partially offset by negative returns from money market instruments. Corporate bond holdings were also a small drag on performance. Excess returns were positive across all asset classes including corporates and ABS. The strength of the spread compression was broadly uniform across sectors, with no outliers to note.

All asset classes were impacted by the rise in government bonds yields across the UK, US and Europe. In relation to corporate credit investments, as we hedge interest rate risks, the negative impact of the rate rises was offset by the fund's interest rate swap positions.

In euro-denominated ABS, despite being floating rate products, due to the Euribor floor levels (the lowest agreed European interbank offer rates), the rate rises had a negative impact on prices as the value of the Euribor floor diminished. However, the impact on returns was muted.

In money market investments, despite the short duration nature of these assets, the sharp increase in short-term base rate expectations across the globe resulted in a negative impact on prices for these instruments. The money market holdings detracted about 0.01% from returns and underperformed the SONIA Index benchmark.

The main change was an increase in the fund's ABS exposure, via purchases in both primary and secondary markets. We also added to the money market allocation, although this was little changed over the period as a percentage of fund assets. The corporate credit holdings fell modestly, reflecting the channelling of investment towards relatively more attractive ABS. At the end of the period, ABS accounted for 37.0% of the fund, while money market instruments made up 32.0% and corporate credit was at 24.2% (with the remainder comprising cash and derivatives contracts).

The fund's average spread at the end of the period was around 20 basis points (based on the invested portfolio, excluding cash), with spread duration of about a year.

In terms of the outlook, we are positive on ABS and anticipate robust primary supply. This reflects our expectation for stable fundamental performance of the collateral. It also reflects the view that ABS is well positioned to weather any market volatility induced by potential rate rises, given the floating-rate nature of the assets.

Concerning money market instruments, the maturity profile of the fund's exposure within the strategy is well distributed throughout the year. While the path of yield rises is uncertain, regular maturities in money market holdings will offer opportunities to reinvest at higher yield levels should those rise.

For corporate credit, valuations overall remain tight relative to historical levels. While the Omicron variant is a potential hinderance to the growth trajectory, central banks' ability to be accommodative when required, confidence in the rapid development of new medications and desire to avoid lockdowns where possible should result in less severe economic impact than that experienced in 2020. Thus, while we continue to run a small overweight exposure to credit beta, we have been using the recent weakness as an opportunity to sell down outperformers in order to buy underperformers.

## Comparative table for the six months ended 31 December 2021

	Class Z accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	104.86	104.25	103.28	102.18
Return before operating charges*	0.10	0.65	1.01	1.13
Operating charges	(0.02)	(0.04)	(0.04)	(0.03)
Return after operating charges*	0.08	0.61	0.97	1.10
Distributions on accumulation shares	(0.18)	(0.40)	(0.84)	(0.83)
Retained distributions on accumulation shares	0.18	0.40	0.84	0.83
Closing net asset value per share	104.94	104.86	104.25	103.28
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	0.07%	0.59%	0.94%	1.08%
<b>Other information</b>				
Closing net asset value (£000s)	958,290	966,316	1,065,805	1,084,257
Closing number of shares	913,211,627	921,563,079	1,022,310,852	1,049,790,246
Operating charges (annualised)	0.04%	0.04%	0.04%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	104.97	104.89	104.30	103.30
Lowest share price (pence)	104.89	104.30	103.17	102.22

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period.

## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/21 %	30/06/21 %
<b>Class Z accumulation</b>	0.04	0.04

The OCF is calculated in accordance with guidelines issued by ESMA.

## Risk and reward profile

The fund currently has one type of share class in issue: Z accumulation.

The risk and reward profile is as follows:



The share class appears at 3 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The SRRI is calculated based on historical volatility over a rolling 5 year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Counterparties** The fund could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the fund.

**Default Risk** An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the fund. If this happens or the market perceives this may happen, the value of the bond will fall.

**Derivatives** The fund may use derivatives with the aim of reducing risk or managing the portfolio more efficiently. However this introduces other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Interest Rates** When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise. This risk is generally greater the longer the maturity of a bond investment.

**Liquidity** Securities within the fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

**Prepayment and Extension** Callable debt securities, such as some asset-backed or mortgage-backed securities (ABS/MBS), give issuers the right to repay capital before the maturity date or to extend the maturity. Issuers may exercise these rights when favourable to them and as a result the value of the fund may be impacted.

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

There has been no change to the risk rating in the period.

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

## Portfolio statement as at 31 December 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Bonds 61.01% (30/06/2021: 65.62%)</b>		
	<b>Australia 2.51% (30/06/2021: 3.42%)</b>		
	<b>Asset Backed 2.12% (30/06/2021: 0.74%)</b>		
AUD 1,296,568	Driver Australia Five Trust FRN 21/07/2026	696	0.07
AUD 4,889,615	Pepper Asset Finance FRN 16/11/2027 A1A	2,632	0.28
AUD 5,105,725	Pepper SPARKZ Trust No.3 FRN 17/08/2028 3 A1A	2,748	0.29
AUD 26,500,000	Pepper SPARKZ Trust No.4 A 1A FRN 15/09/2030	14,214	1.48
		<u>20,290</u>	<u>2.12</u>
	<b>Fixed Rate Bond 0.39% (30/06/2021: 1.44%)</b>		
USD 5,000,000	Westpac Banking 2.00% 13/01/2023	<u>3,747</u>	<u>0.39</u>
	<b>Floating Rate Note 0.00% (30/06/2021: 1.24%)</b>		
	<b>Austria 1.75% (30/06/2021: 2.07%)</b>		
	<b>Asset Backed 1.75% (30/06/2021: 2.07%)</b>		
EUR 17,809,280	Fact FRN 20/07/2028 1 A	15,072	1.57
EUR 2,030,818	Fact FRN 20/11/2025	<u>1,707</u>	<u>0.18</u>
		<u>16,779</u>	<u>1.75</u>
	<b>Belgium 2.83% (30/06/2021: 1.17%)</b>		
	<b>Asset Backed 2.83% (30/06/2021: 1.17%)</b>		
EUR 13,000,000	BL Consumer Issuance Platform FRN 25/09/2038 1 A	11,048	1.15
EUR 19,000,000	Bumper BE1 A FRN 23/10/2031	<u>16,042</u>	<u>1.68</u>
		<u>27,090</u>	<u>2.83</u>
	<b>Denmark 0.53% (30/06/2021: 0.54%)</b>		
	<b>Fixed Rate Bond 0.53% (30/06/2021: 0.54%)</b>		
EUR 6,000,000	Novo Nordisk Finance 0% 04/06/2020	<u>5,049</u>	<u>0.53</u>
	<b>France 8.40% (30/06/2021: 6.86%)</b>		
	<b>Asset Backed 3.88% (30/06/2021: 2.32%)</b>		
EUR 11,500,000	Auto ABS French Leases FRN 29/06/2033 FR1 A	9,730	1.02
EUR 5,000,000	FCT Noria 2021-1 A FRN 25/10/2049	4,246	0.44
EUR 13,000,000	FCT Pixel 2021-1 A FRN 25/02/2038	11,016	1.15
EUR 14,400,000	Purple Master Credit Cards FRN 25/05/2034 1 A	<u>12,170</u>	<u>1.27</u>
		<u>37,162</u>	<u>3.88</u>
	<b>Fixed Rate Bond 4.06% (30/06/2021: 4.07%)</b>		
GBP 16,900,000	Banque Fédérative du Crédit Mutuel 1.875% 13/12/2022	17,058	1.78
GBP 7,200,000	BPCE 2.125% 16/12/2022	7,286	0.76
GBP 8,000,000	LVMH 1.00% 11/02/2023	7,995	0.84
GBP 6,500,000	TotalEnergies Capital 2.25% 09/06/2022	<u>6,547</u>	<u>0.68</u>
		<u>38,886</u>	<u>4.06</u>
	<b>Floating Rate Note 0.46% (30/06/2021: 0.47%)</b>		
EUR 5,300,000	LVMH FRN 11/02/2022	<u>4,452</u>	<u>0.46</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Germany 8.91% (30/06/2021: 11.65%)</b>		
	<b>Asset Backed 6.27% (30/06/2021: 9.00%)</b>		
EUR 2,547,007	Bavarian Sky FRN 20/05/2027 GE10A	2,150	0.22
EUR 11,277,135	Cars Alliance Auto Loans Germany FRN 18/08/2031	9,494	0.99
EUR 2,297,463	Limes Funding FRN 22/09/2029 1A	1,933	0.20
EUR 2,497,887	PBD Germany Auto FRN 19/09/2031	2,099	0.22
EUR 11,000,000	PBD Germany Auto Lease Master - Compartment 2021-1 FRN 26/11/2030	9,295	0.97
EUR 6,201,385	RED & Black Auto No.7 FRN 15/10/2029 7 A	5,254	0.55
EUR 15,191,957	SC Germany SA Compartment Consumer FRN 14/11/2034 1 A	12,858	1.34
EUR 20,000,000	SC Germany SA Compartment Consumer FRN 14/11/2035 1 A	17,009	1.78
		<u>60,092</u>	<u>6.27</u>
	<b>Fixed Rate Bond 2.64% (30/06/2021: 2.65%)</b>		
GBP 8,500,000	Henkel 1.00% 30/09/2022	8,510	0.89
EUR 7,100,000	Siemens Financieringsmaatschappij 0.00% 20/02/2023	5,984	0.62
GBP 3,300,000	Siemens Financieringsmaatschappij 0.875% 05/06/2023	3,293	0.34
GBP 3,300,000	Volkswagen Financial Services 1.75% 12/09/2022	3,317	0.35
GBP 4,200,000	Volkswagen Financial Services 1.625% 09/06/2022	4,215	0.44
		<u>25,319</u>	<u>2.64</u>
	<b>Japan 1.74% (30/06/2021: 1.74%)</b>		
	<b>Fixed Rate Bond 1.74% (30/06/2021: 1.74%)</b>		
USD 10,000,000	NTT Finance 0.583% 01/03/2024	7,299	0.76
EUR 11,000,000	Toyota Motor Finance 0.625% 26/09/2023	9,356	0.98
		<u>16,655</u>	<u>1.74</u>
	<b>Netherlands 4.49% (30/06/2021: 6.24%)</b>		
	<b>Asset Backed 2.89% (30/06/2021: 4.63%)</b>		
EUR 11,407,608	Magoi FRN 27/07/2039 A	9,626	1.00
EUR 21,400,000	Silver Arrow Athlon FRN 26/04/2031 1 A	18,080	1.89
		<u>27,706</u>	<u>2.89</u>
	<b>Fixed Rate Bond 1.60% (30/06/2021: 1.61%)</b>		
GBP 9,000,000	ABN AMRO Bank 1.375% 07/06/2022	9,034	0.94
GBP 6,171,000	Coöperatieve Rabobank 4.00% 19/09/2022	6,311	0.66
		<u>15,345</u>	<u>1.60</u>
	<b>Spain 0.75% (30/06/2021: 1.07%)</b>		
	<b>Asset Backed 0.75% (30/06/2021: 1.07%)</b>		
EUR 8,579,902	Driver Espana FRN 25/09/2030 6A	7,232	0.75
	<b>Sweden 1.30% (30/06/2021: 1.29%)</b>		
	<b>Fixed Rate Bond 1.30% (30/06/2021: 1.29%)</b>		
EUR 6,000,000	Skandinaviska Enskilda Banken 0.25% 19/05/2023	5,073	0.53
USD 10,000,000	Svenska Handelsbanken 0.625% 20/06/2023	7,362	0.77
		<u>12,435</u>	<u>1.30</u>
	<b>Switzerland 0.80% (30/06/2021: 0.79%)</b>		
	<b>Fixed Rate Bond 0.80% (30/06/2021: 0.79%)</b>		
EUR 2,910,000	UBS 0.75% 21/04/2023	2,472	0.26
USD 7,000,000	UBS 1.75% 21/04/2022	5,184	0.54
		<u>7,656</u>	<u>0.80</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>United Kingdom 24.76% (30/06/2021: 22.94%)</b>			
<b>Asset Backed 17.81% (30/06/2021: 17.01%)</b>			
GBP 18,320,000	Bavarian Sky UK 4A FRN 20/08/2029	18,329	1.91
GBP 6,111,819	Brass FRN 16/04/2069 10X A2	6,117	0.64
GBP 10,689,000	Brass FRN 16/10/2059	10,718	1.12
GBP 9,581,451	Brass FRN 16/11/2066 8XA2	9,644	1.01
GBP 12,353,000	Bumper Finance 1 FRN 20/12/2030 1 A	12,377	1.29
GBP 5,770,000	Economic Master Issuer FRN 25/06/2072 1X A1	5,779	0.60
GBP 9,500,000	Elvet Mortgages 2021-1 FRN 22/10/2063	9,503	0.99
GBP 9,501,728	Elvet Mortgages FRN 22/10/2058	9,526	0.99
GBP 6,669,829	Friary FRN 21/11/2067 6 A	6,717	0.70
GBP 10,365,451	Friary No.4 FRN 21/01/2050	10,366	1.08
GBP 4,952,000	Lanark Master Issuer FRN 22/12/2069 2A	4,967	0.52
GBP 3,500,000	Lanark Master Issuer FRN 22/12/2069 2X2A	3,513	0.37
GBP 8,551,806	Orbita Funding FRN 16/03/2027 1A	8,559	0.89
GBP 3,920,000	Penarth Master Issuer 1X A2 FRN 18/07/2024	3,926	0.41
GBP 7,360,000	PLC Funding V FRN 15/10/2025 1 A	7,382	0.77
GBP 12,121,914	Silver Arrow Compartment Silver Arrow UK 2021-2UK A FRN 20/10/2027	12,119	1.27
GBP 17,290,000	Silverstone Master Issuer 2020 FRN 21/01/2070 1X1A	17,322	1.81
GBP 13,740,898	Turbo Finance FRN 20/08/2028 9 A	13,800	1.44
		<u>170,664</u>	<u>17.81</u>
<b>Fixed Rate Bond 2.81% (30/06/2021: 2.81%)</b>			
GBP 12,000,000	Coventry Building Society 1.50% 23/01/2023	12,045	1.26
GBP 8,840,000	Nationwide Building Society 1.00% 24/01/2023	8,836	0.92
GBP 6,000,000	Unilever 1.125% 03/02/2022	6,004	0.63
		<u>26,885</u>	<u>2.81</u>
<b>Floating Rate Note 3.14% (30/06/2021: 2.08%)</b>			
GBP 10,000,000	HSBC Bank FRN 08/03/2023	10,077	1.05
GBP 10,000,000	Santander UK FRN 16/11/2022	10,014	1.04
GBP 10,000,000	TSB Bank FRN 07/12/2022	10,020	1.05
		<u>30,111</u>	<u>3.14</u>
<b>Stepped Rate Bond 0.00% (30/06/2021: 1.04%)</b>			
<b>Variable Rate Bond 1.00% (30/06/2021: 0.00%)</b>			
GBP 9,500,000	HSBC 2.175% 27/06/2023	9,563	1.00
<b>United States 3.58% (30/06/2021: 5.84%)</b>			
<b>Fixed Rate Bond 3.58% (30/06/2021: 5.84%)</b>			
EUR 9,000,000	Apple 1.00% 10/11/2022	7,650	0.80
EUR 9,000,000	Berkshire Hathaway 0.625% 17/01/2023	7,623	0.80
USD 14,000,000	US Bank 1.95% 09/01/2023	10,470	1.09
GBP 8,500,000	Wells Fargo 2.125% 22/04/2022	8,537	0.89
		<u>34,280</u>	<u>3.58</u>
<b>Certificates of Deposit 32.00% (2020: 34.57%)</b>			
<b>Australia 2.60% (30/06/2021: 1.55%)</b>			
GBP 10,000,000	Commonwealth Bank of Australia 0.16% 14/07/2022	9,984	1.04
GBP 15,000,000	Commonwealth Bank of Australia 0.16% 28/06/2022	14,980	1.56
		<u>24,964</u>	<u>2.60</u>



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Canada 8.97% (30/06/2021: 2.07%)</b>			
GBP 10,000,000	Bank of Montreal 0.62% 16/11/2022	9,999	1.04
GBP 10,000,000	Bank of Montreal 0.63% 02/12/2022	9,998	1.04
GBP 10,000,000	Canadian Imperial Bank of Commerce 0.20% 16/08/2022	9,981	1.04
GBP 10,000,000	Canadian Imperial Bank of Commerce 0.20% 31/08/2022	9,979	1.04
GBP 8,000,000	Canadian Imperial Bank of Commerce 0.67% 29/11/2022	8,002	0.84
GBP 10,000,000	National Bank of Canada 0.61% 21/10/2022	10,001	1.05
GBP 10,000,000	Toronto-Dominion Bank 0.17% 04/07/2022	9,986	1.04
GBP 9,000,000	Toronto-Dominion Bank 0.17% 17/05/2022	8,994	0.94
GBP 9,000,000	Toronto-Dominion Bank 0.42% 19/07/2022	8,998	0.94
		<u>85,938</u>	<u>8.97</u>
<b>Denmark 3.03% (30/06/2021: 0.00%)</b>			
GBP 10,000,000	DNB Bank 0.52% 16/09/2022	9,998	1.05
GBP 9,000,000	DNB Bank 0.60% 10/11/2022	8,998	0.94
GBP 10,000,000	DNB Bank 0.50% 06/10/2022	9,995	1.04
		<u>28,991</u>	<u>3.03</u>
<b>Finland 3.02% (30/06/2021: 2.48%)</b>			
GBP 5,000,000	Nordea Bank 0.15% 03/05/2022	4,997	0.52
GBP 15,000,000	Nordea Bank 0.15% 11/05/2022	14,989	1.56
GBP 9,000,000	Nordea Bank 0.16% 07/04/2022	8,997	0.94
		<u>28,983</u>	<u>3.02</u>
<b>France 2.61% (30/06/2021: 4.66%)</b>			
GBP 15,000,000	Crédit Industriel et Commercial 0.145% 24/02/2022	14,999	1.57
GBP 10,000,000	Société Générale 0.10% 14/01/2022	10,000	1.04
		<u>24,999</u>	<u>2.61</u>
<b>Japan 0.00% (30/06/2021: 2.07%)</b>			
<b>Netherlands 1.04% (30/06/2021: 2.59%)</b>			
GBP 10,000,000	Rabobank 0.30% 19/04/2022	<u>10,000</u>	<u>1.04</u>
<b>Singapore 0.00% (30/06/2021: 3.11%)</b>			
<b>Sweden 2.08% (30/06/2021: 3.62%)</b>			
GBP 10,000,000	SEB 0.15% 16/06/2022	9,988	1.04
GBP 10,000,000	SEB 0.22% 08/09/2022	9,979	1.04
		<u>19,967</u>	<u>2.08</u>
<b>Switzerland 1.87% (30/06/2021: 3.62%)</b>			
GBP 8,000,000	UBS 0.17% 05/08/2022	7,985	0.83
GBP 10,000,000	UBS 0.21% 23/08/2022	9,981	1.04
		<u>17,966</u>	<u>1.87</u>
<b>United Arab Emirates 1.56% (30/06/2021: 3.11%)</b>			
GBP 15,000,000	First Abu Dhabi Bank 0.15% 04/04/2022	<u>14,995</u>	<u>1.56</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>United Kingdom 3.65% (30/06/2021: 4.65%)</b>			
GBP 15,000,000	Barclays 0.20% 10/05/2022	14,993	1.57
GBP 10,000,000	Standard Chartered Bank 0.20% 22/07/2022	9,985	1.04
GBP 10,000,000	Standard Chartered Bank 0.15% 23/02/2022	9,999	1.04
		<u>34,977</u>	<u>3.65</u>
<b>United States 1.57% (30/06/2021: 1.04%)</b>			
GBP 15,000,000	Citibank 0.11% 04/03/2022	<u>14,997</u>	<u>1.57</u>
<b>Derivatives 0.39% (30/06/2021: (0.13%))</b>			
<b>Swaps 0.04% (30/06/2021: (0.08%))<sup>1</sup></b>			
<b>Interest Rate Swaps 0.00% (30/06/2021: (0.08%))<sup>1</sup></b>			
2,910,000	IRS -0.3692% EURIBOR 3 Month - Pay Fixed EUR	(6)	-
7,100,000	IRS -0.4120% EURIBOR 3 Month - Pay Fixed EUR	(10)	-
4,000,000	IRS -0.4200% EURIBOR 3 Month - Pay Fixed EUR	(8)	-
6,000,000	IRS -0.4250% EURIBOR 3 Month - Pay Fixed EUR	(5)	-
5,000,000	IRS -0.4320% EURIBOR 3 Month - Pay Fixed EUR	(9)	-
6,000,000	IRS -0.4520% EURIBOR 3 Month - Pay Fixed EUR	23	-
11,000,000	IRS -0.4865% EURIBOR 3 Month - Pay Fixed EUR	18	-
9,000,000	IRS -0.4990% EURIBOR 3 Month - Pay Fixed EUR	(9)	-
		<u>(6)</u>	<u>-</u>
<b>Overnight Index Swaps 0.04% (30/06/2021: 0.00%)<sup>1</sup></b>			
7,000,000	OIS 0.0557% SOFR 1 Day - Receive Floating - USD <sup>2</sup>	-	-
6,000,000	OIS 0.0887% SONIA 1 Day - Receive Floating - GBP <sup>2</sup>	-	-
14,000,000	OIS 0.1117% SOFR 1 Day - Receive Floating - USD	27	-
5,000,000	OIS 0.1127% SOFR 1 Day - Receive Floating - USD	10	-
8,500,000	OIS 0.1472% SONIA 1 Day - Receive Floating - GBP	3	-
9,000,000	OIS 0.1837% SONIA 1 Day - Receive Floating - GBP	7	-
6,500,000	OIS 0.1852% SONIA 1 Day - Receive Floating - GBP	5	-
10,000,000	OIS 0.2092% SOFR 1 Day - Receive Floating - USD	36	0.01
6,171,000	OIS 0.2592% SONIA 1 Day - Receive Floating - GBP	12	-
8,500,000	OIS 0.2662% SONIA 1 Day - Receive Floating - GBP	18	-
9,500,000	OIS 0.2747% SONIA 1 Day - Receive Floating - GBP	5	-
9,500,000	OIS 0.3122% SONIA 1 Day - Receive Floating - GBP	37	0.01
7,400,000	OIS 0.3147% SONIA 1 Day - Receive Floating - GBP	29	-
7,200,000	OIS 0.3162% SONIA 1 Day - Receive Floating - GBP	29	-
12,000,000	OIS 0.3332% SONIA 1 Day - Receive Floating - GBP	47	0.01
8,840,000	OIS 0.3347% SONIA 1 Day - Receive Floating - GBP	35	-
8,000,000	OIS 0.3477% SONIA 1 Day - Receive Floating - GBP	33	-
10,000,000	OIS 0.3737% SOFR 1 Day - Receive Floating - USD	57	0.01
3,300,000	OIS 0.4022% SONIA 1 Day - Receive Floating - GBP	19	-
		<u>409</u>	<u>0.04</u>
<b>Forward Foreign Exchange Contracts 0.35% (30/06/2021: (0.05%))<sup>1</sup></b>			
	Buy GBP 20,794,364 : Sell AUD 38,712,913 January 2022	11	-
	Buy GBP 230,400,218 : Sell EUR 271,095,904 January 2022	2,669	0.28
	Buy GBP 34,995,349 : Sell USD 46,479,952 January 2022	677	0.07
	Buy EUR 709,657 : Sell GBP 604,784 January 2022	(9)	-
	Buy USD 33,776 : Sell GBP 25,326 January 2022 <sup>2</sup>	-	-
	Buy EUR 2,730 : Sell GBP 2,317 January 2022 <sup>2</sup>	-	-
	Buy AUD 768,134 : Sell GBP 413,005 January 2022	(1)	-

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b> (continued)			
	Buy EUR 346,195 : Sell GBP 294,921 January 2022	(4)	-
	Buy EUR 155,147 : Sell GBP 131,716 January 2022	(1)	-
	Buy AUD 119,105 : Sell GBP 64,334 January 2022 <sup>2</sup>	-	-
	Buy EUR 476,458 : Sell GBP 402,211 January 2022	(2)	-
	Buy EUR 277,581 : Sell GBP 234,300 January 2022	(1)	-
	Buy EUR 759,165 : Sell GBP 639,233 January 2022	(2)	-
	Buy EUR 589,640 : Sell GBP 496,597 January 2022	(1)	-
	Buy EUR 1,265 : Sell GBP 1,063 January 2022 <sup>2</sup>	-	-
	Buy EUR 474,653 : Sell GBP 398,716 January 2022 <sup>2</sup>	-	-
		<u>3,336</u>	<u>0.35</u>
	<b>Investment assets including investment liabilities</b>	<b>907,914</b>	<b>94.74</b>
	Other net assets	<u>50,376</u>	<u>5.26</u>
	<b>Total net assets</b>	<b>958,290</b>	<b>100.00</b>

<sup>1</sup> Not listed on an official stock exchange

<sup>2</sup> Due to rounding to nearest £1,000

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

## Credit ratings

	Market value £000	Percentage of total net assets %
<b>31/12/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)*	904,175	94.35
<b>Total debt securities</b>	<b>904,175</b>	<b>94.35</b>
Derivatives	3,739	0.39
<b>Investment assets including investment liabilities</b>	<b>907,914</b>	<b>94.74</b>
Other net assets	50,376	5.26
<b>Total net assets</b>	<b>958,290</b>	<b>100.00</b>

	Market value £000	Percentage of total net assets %
<b>30/06/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)*	968,227	100.19
<b>Total debt securities</b>	<b>968,227</b>	<b>100.19</b>
Derivatives	(1,285)	(0.13)
<b>Investment assets including investment liabilities</b>	<b>966,942</b>	<b>100.06</b>
Other net liabilities	(626)	(0.06)
<b>Total net assets</b>	<b>966,316</b>	<b>100.00</b>

\* Certificates of deposits included within investment grade have been rated based on the rating of the issuer.

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(925)		1,789
Revenue	1,864		2,549	
Expenses	(201)		(215)	
Interest payable and similar charges	(2)		(4)	
	<u>1,661</u>		<u>2,330</u>	
Net revenue before taxation				
Taxation	-		-	
	<u>1,661</u>		<u>2,330</u>	
Net revenue after taxation		1,661		2,330
Total return before distributions		736		4,119
Distributions		(1,661)		(2,330)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u>(925)</u>		<u>1,789</u>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>966,316</b>		<b>1,065,805</b>
Amounts receivable on issue of shares	14,197		33,744	
Amounts payable on cancellation of shares	(22,961)		(117,614)	
	<u>(8,764)</u>		<u>(83,870)</u>	
Dilution adjustment		-		49
Change in net assets attributable to shareholders from investment activities		(925)		1,789
Retained distributions on accumulation shares		1,663		2,282
<b>Closing net assets attributable to shareholders</b>		<u><b>958,290</b></u>		<u><b>986,055</b></u>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	907,982	968,564
Current assets:		
Debtors	1,495	1,673
Cash and bank balances	49,367	28,012
<b>Total assets</b>	<b>958,844</b>	<b>998,249</b>
<b>Liabilities:</b>		
Investment liabilities	68	1,622
Creditors:		
Amounts held at derivative clearing houses and brokers	447	-
Other creditors	39	30,311
<b>Total liabilities</b>	<b>554</b>	<b>31,933</b>
<b>Net assets attributable to shareholders</b>	<b>958,290</b>	<b>966,316</b>

## Distribution tables for the six months ended 31 December 2021 (in pence per share)

### Interim interest distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 July 2021

Group 2: shares purchased on or after 1 July 2021

	Distribution per share	Equalisation	Total distribution per share 30/11/21	Total distribution per share 30/11/20
<b>Class Z accumulation</b>				
Group 1	0.0671	-	0.0671	0.1314
Group 2	0.0671	-	0.0671	0.1314

### Interim interest distribution (accounting date 31 December 2021, paid on 28 February 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Equalisation	Total distribution per share 28/02/22	Total distribution per share 26/02/21
<b>Class Z accumulation</b>				
Group 1	0.1151	-	0.1151	0.1034
Group 2	0.0390	0.0761	0.1151	0.1034

# Janus Henderson Institutional UK Gilt Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Andrew Mulliner and Bethany Payne

### Investment objective and policy

The fund aims to provide an income with the potential for capital growth over the long term.

Performance target: To outperform the FTSE Actuaries All Stocks Gilt Index by 0.75% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in UK government bonds (also known as gilts) of any maturity.

The fund is actively managed with reference to the FTSE Actuaries All Stocks Gilt Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

### Strategy

The Investment Manager aims to provide a return in excess of the benchmark by investing primarily in UK government bonds, including inflation-linked gilts and floating rate assets. The managers can also invest in other global fixed income securities with a focus on G10 government bond markets and associated fixed income derivatives, with the aim of providing diversification in the portfolio, as well as looking to enhance returns and/or manage risk.

### Performance summary

#### Cumulative performance

	Six months	One year	Three years	Five years	Since inception
	30 Jun 21 -	31 Dec 20 -	31 Dec 18 -	31 Dec 16 -	4 Sep 00 -
	31 Dec 21	31 Dec 21	31 Dec 21	31 Dec 21	31 Dec 21
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	0.4	(6.6)	9.7	9.8	125.7
<b>FTSE Actuaries All Stocks Gilt Index</b>	0.5	(5.2)	9.8	12.4	181.4
<b>IA UK Gilts</b>	0.8	(5.3)	10.6	12.4	135.0
<b>Class I accumulation (Gross)</b>	0.6	(6.2)	11.4	12.8	152.7
<b>FTSE Actuaries All Stocks Gilt Index + 0.75%</b>	0.9	(4.4)	12.3	16.7	230.0

#### Discrete performance

	31 Dec 20 -	31 Dec 19 -	31 Dec 18 -	31 Dec 17 -	31 Dec 16 -
	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18	31 Dec 17
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	(6.6)	9.4	7.3	(1.0)	1.2
<b>FTSE Actuaries All Stocks Gilt Index</b>	(5.2)	8.3	6.9	0.6	1.8
<b>IA UK Gilts</b>	(5.3)	9.0	7.2	(0.1)	1.7
<b>Class I accumulation (Gross)</b>	(6.2)	10.1	7.9	(0.5)	1.7
<b>FTSE Actuaries All Stocks Gilt Index + 0.75%</b>	(4.4)	9.1	7.7	1.3	2.6

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

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are as at close of business.

Class I accumulation is disclosed as it is the representative share class.



## Authorised Corporate Director's report (continued)

### Performance summary (continued)

#### Benchmark usage

Index: FTSE Actuaries All Stocks Gilt Index

Index usage: Target

Index description: The FTSE Actuaries All Stock Gilt Index is a measure of the combined performance of conventional bonds issued by the British government. It is the basis for the fund's performance target.

Peer group: IA UK Gilts

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

### Significant portfolio changes for the six months ended 31 December 2021

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Janus Henderson Asset-Backed Securities Fund Z Accumulation <sup>1</sup>	3,280	UK Treasury 1.75% 07/09/2037	2,586
UK Treasury 0.875% 31/07/2033	1,529	UK Treasury 4.25% 07/06/2032	1,904
UK Treasury 1.75% 07/09/2037	1,491	UK Treasury 0.625% 22/10/2050	1,458
UK Treasury 0.625% 07/06/2025	1,393	UK Treasury 4.00% 07/03/2022	1,263
UK Treasury 0.625% 22/10/2050	1,369	UK Treasury 0.875% 31/07/2033	824
UK Treasury 0.625% 31/07/2035	1,344	UK Treasury 0.50% 22/07/2022	627
UK Treasury 4.75% 07/12/2038	1,148	UK Treasury 4.75% 07/12/2038	450
UK Treasury 0.125% 31/01/2024	796	UK Treasury 1.75% 22/07/2057	285
UK Treasury 2.50% 22/07/2065	572	UK Treasury 0.25% 31/07/2031	250
UK Treasury 0.875% 31/01/2046	540	UK Treasury 2.50% 22/07/2065	124
<b>Total purchases</b>	<b>13,949</b>	<b>Total sales</b>	<b>9,771</b>

All sales are included.

<sup>1</sup> Related party to the fund

### Investment review

The fund returned 0.4% (Net), 0.6% (Gross) based on Class I accumulation over the period under review, compared with a return of 0.5% in the FTSE Actuaries All Stocks Gilt Index, a return of 0.9 % in the Target Index + 0.75% and a return of 0.8% in the IA UK Gilts peer group benchmark.

Apprehension about COVID-19 was a persistent theme during the period, while continuing supply bottlenecks and rising energy costs saw inflation remain elevated, with developed market central banks turning increasingly hawkish in response. At its December meeting, the Bank of England (BoE) raised interest rates for the first time in three years, from 0.10% to 0.25%. The UK consumer price index for November rose 5.1% year on year – the highest in a decade – with the BoE warning that inflation was likely to increase further and could hit 6% in the spring.

The flattening of global yield curves was notable during the period and reflected the strong performance of longer maturity government bonds. The hawkish rhetoric from central banks mobilised aggressive pricing of near-term rate hikes, while uncertainty about the global economic recovery suppressed long-term yields. In the UK, the two-year gilt yield rose by nearly 50 basis points (bps) during the period as expectations for rate hikes grew, the 10-year yield was slightly higher and the 30-year gilt yield finished 12bps lower. Inflation-linked gilts outperformed fixed-interest gilts as inflation expectations moved higher.

Positioning within UK markets detracted from performance. The fund was positioned for UK breakeven inflation pricing to fall from elevated levels. However, we exited the position as 10-year inflation swaps moved in tandem with higher near-term inflation readings. Later in the period, we put in place a position on the UK yield curve expecting short-term rates to outperform intermediate UK rates. This suffered initially as the market continued to price in more short-term rate hikes to combat inflation, with market pricing now implying that the rate hikes over the next 18 months will subsequently need to be reversed. A position expecting short-term rates in Switzerland to perform strongly suffered as Swiss yields rose along with other global markets due to the more hawkish rhetoric from the major central banks.

The active management of portfolio duration (interest rate sensitivity) was beneficial for performance. In July, we added exposure to Eurozone sovereign debt on a tactical basis, which performed well as yields moved lower over the summer. We reduced interest rate duration in the second half of the period, both in the UK and other core markets such as the US and Germany. This benefited performance as yields rose sharply in September and again in December. In emerging market government debt, the fund's holdings in Indonesian government bonds aided returns.

Returns from currency positions were broadly flat. A long sterling versus euro position performed well as the BoE hiked interest rates. On the negative side, a position expecting the Japanese yen to weaken detracted as concerns about the Omicron variant of COVID-19 triggered a flight to safe-haven currencies in November.

The fund utilises derivatives. During the period, derivative positions included the use of government bond futures, and interest rate/inflation swaps to implement active positions and manage overall interest rate exposure. Forward foreign exchange contracts were used to implement a small number of currency positions.

Global economic growth is expected to be resilient, albeit lower than in 2021. Given the hawkish tone from central banks and the persistence of inflationary risks, we expect to maintain the fund's shorter duration bias and underweight exposure to government duration in core markets. The recent flattening of the yield curve has emerged very early in the cycle, reflecting a pessimistic view of long-term growth prospects. This could normalise as central banks either hike less aggressively or long-term rates move higher towards the average of the past decade.

## Comparative tables for the six months ended 31 December 2021

	Class A income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	216.50	235.13	213.83	207.10
Return before operating charges*	1.40	(15.40)	25.51	10.45
Operating charges	(0.92)	(1.90)	(2.09)	(1.88)
Return after operating charges*	0.48	(17.30)	23.42	8.57
Distributions on income shares	(0.20)	(1.33)	(2.12)	(1.84)
Closing net asset value per share	216.78	216.50	235.13	213.83
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	0.22%	(7.36%)	10.95%	4.14%
<b>Other information</b>				
Closing net asset value (£000s)	767	811	998	1,024
Closing number of shares	353,770	374,389	424,556	479,035
Operating charges (annualised)	0.84%	0.84%	0.93%	0.91%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	225.61	236.85	241.34	215.80
Lowest share price (pence)	208.78	213.13	213.23	198.80
	Class D accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	164.26	176.39	157.94	150.70
Return before operating charges*	1.07	(11.62)	18.95	7.68
Operating charges	(0.25)	(0.51)	(0.50)	(0.44)
Return after operating charges*	0.82	(12.13)	18.45	7.24
Distributions on accumulation shares	(0.60)	(1.92)	(2.61)	(2.29)
Retained distributions on accumulation shares	0.60	1.92	2.61	2.29
Closing net asset value per share	165.08	164.26	176.39	157.94
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	0.50%	(6.88%)	11.68%	4.80%
<b>Other information</b>				
Closing net asset value (£000s)	4,585	4,111	3,499	13,112
Closing number of shares	2,777,623	2,502,794	1,983,717	8,301,968
Operating charges (annualised)	0.30%	0.30%	0.30%	0.29%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	171.70	177.76	180.25	159.00
Lowest share price (pence)	158.75	161.37	158.40	145.20

## Comparative tables (continued)

	Six months to 31/12/21 (pence per share)	Class E income Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	216.49	235.13	217.09 <sup>1</sup>
Return before operating charges*	1.42	(15.42)	22.22
Operating charges	(0.66)	(1.33)	(1.51)
Return after operating charges*	0.76	(16.75)	20.71
Distributions on income shares	(0.48)	(1.89)	(2.67)
Closing net asset value per share	216.77	216.49	235.13
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.35%	(7.12%)	9.54%
<b>Other information</b>			
Closing net asset value (£000s)	152	135	134
Closing number of shares	70,277	62,388	57,103
Operating charges (annualised)	0.59%	0.59%	0.68%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	225.71	236.89	241.44
Lowest share price (pence)	208.78	213.19	213.34

<sup>1</sup> Class E income launched on 8 July 2019 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	358.78	385.84	346.34	331.26
Return before operating charges*	2.34	(25.38)	41.55	16.87
Operating charges	(0.83)	(1.68)	(2.05)	(1.79)
Return after operating charges*	1.51	(27.06)	39.50	15.08
Distributions on accumulation shares	(1.05)	(3.64)	(4.80)	(4.21)
Retained distributions on accumulation shares	1.05	3.64	4.80	4.21
Closing net asset value per share	360.29	358.78	385.84	346.34
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	0.42%	(7.01%)	11.40%	4.55%
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### Other information

Closing net asset value (£000s)	5,079	5,326	7,461	6,620
Closing number of shares	1,409,635	1,484,526	1,933,599	1,911,355
Operating charges (annualised)	0.45%	0.45%	0.56%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	374.76	388.80	394.59	348.70
Lowest share price (pence)	346.58	352.53	347.30	318.90

	Class I income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	214.74	233.22	212.09	205.42
Return before operating charges*	1.39	(15.28)	25.31	10.36
Operating charges	(0.50)	(1.01)	(1.25)	(1.11)
Return after operating charges*	0.89	(16.29)	24.06	9.25
Distributions on income shares	(0.62)	(2.19)	(2.93)	(2.58)
Closing net asset value per share	215.01	214.74	233.22	212.09
* after direct transaction costs of:	-	-	-	-

### Performance

Return after charges	0.41%	(6.98%)	11.34%	4.50%
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### Other information

Closing net asset value (£000s)	1,553	1,678	2,227	2,101
Closing number of shares	722,087	781,217	954,588	990,497
Operating charges (annualised)	0.45%	0.45%	0.56%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	223.93	235.01	239.54	214.20
Lowest share price (pence)	207.10	211.49	211.66	197.20

## Comparative tables (continued)

	Class Z accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	239.66	256.70	229.28	218.21
Return before operating charges*	1.56	(16.92)	27.54	11.16
Operating charges	(0.07)	(0.12)	(0.12)	(0.09)
Return after operating charges*	1.49	(17.04)	27.42	11.07
Distributions on accumulation shares	(1.19)	(3.42)	(4.40)	(3.86)
Retained distributions on accumulation shares	1.19	3.42	4.40	3.86
Closing net asset value per share	241.15	239.66	256.70	229.28
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	0.62%	(6.64%)	11.96%	5.07%
<b>Other information</b>				
Closing net asset value (£000s)	61,613	57,794	54,842	252,474
Closing number of shares	25,549,523	24,115,526	21,363,973	110,118,005
Operating charges (annualised)	0.05%	0.05%	0.05%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price (pence)	250.77	258.76	262.12	230.80
Lowest share price (pence)	231.77	235.35	229.90	210.40

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period.

## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/21 %	30/06/21 %
<b>Class A income</b>	0.84	0.84
<b>Class D accumulation</b>	0.30	0.30
<b>Class E income</b>	0.59	0.59
<b>Class I accumulation</b>	0.45	0.45
<b>Class I income</b>	0.45	0.45
<b>Class Z accumulation</b>	0.05	0.05

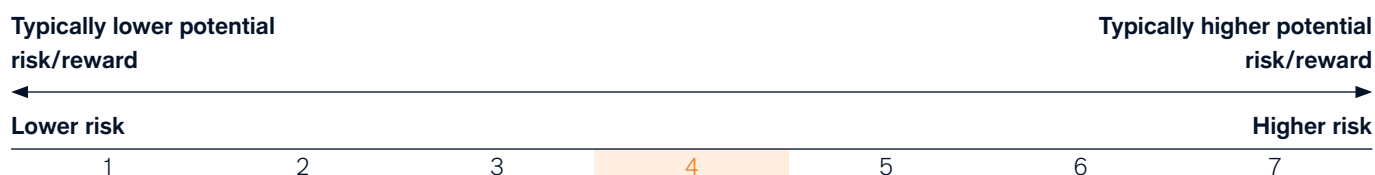
The OCF is calculated in accordance with guidelines issued by ESMA.

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

## Risk and reward profile

The fund currently has 6 types of share class in issue: A income, D accumulation, E income, I accumulation, I income and Z accumulation.

Each share class has the same risk and reward profile which is as follows:



The share classes appear at 4 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The SRRI is calculated based on historical volatility over a rolling 5\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your shares, they may be worth less than you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Counterparty Risk and Operational Risk** The fund could lose money if a counterparty with which the fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

**Country or Region** If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

**Credit Risk** An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the fund. If this happens or the market perceives this may happen, the value of the bond will fall.

**Derivatives and Leverage** The fund may use derivatives towards the aim of achieving its investment objective. This can result in 'leverage', which can magnify an investment outcome and gains or losses to the fund may be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Interest Rates** When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise. This risk is generally greater the longer the maturity of a bond investment.

**Liquidity** Securities within the fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

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

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

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class E income launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the A income share class.



Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Bonds 91.20% (30/06/2021: 94.92%)</b>		
	<b>Indonesia 1.39% (30/06/2021: 1.39%)</b>		
	<b>Fixed Rate Bond 1.39% (30/06/2021: 1.39%)</b>		
IDR 17,642,000,000	Indonesia (Republic of) 8.375% 15/03/2034	1,025	1.39
	<b>Spain 1.19% (30/06/2021: 1.30%)</b>		
	<b>Fixed Rate Bond 1.19% (30/06/2021: 1.30%)</b>		
EUR 412,000	Spain (Kingdom of) 0.50% 30/04/2030	350	0.47
EUR 588,000	Spain (Kingdom of) 1.25% 31/10/2030	529	0.72
		879	1.19
	<b>United Kingdom 88.62% (30/06/2021: 92.23%)</b>		
	<b>Fixed Rate Bond 88.62% (30/06/2021: 92.23%)</b>		
GBP 3,376,895	UK Treasury 0.125% 30/01/2026	3,295	4.47
GBP 1,863,735	UK Treasury 0.125% 31/01/2024	1,843	2.50
GBP 1,038,868	UK Treasury 0.125% 31/01/2028	999	1.35
GBP 3,836,929	UK Treasury 0.25% 31/07/2031	3,586	4.86
GBP 3,039,741	UK Treasury 0.375% 22/10/2030	2,903	3.94
GBP 2,072,464	UK Treasury 0.50% 22/07/2022	2,077	2.82
GBP 1,091,535	UK Treasury 0.50% 22/10/2061	922	1.25
GBP 4,418,317	UK Treasury 0.625% 07/06/2025	4,412	5.98
GBP 1,589,604	UK Treasury 0.625% 22/10/2050	1,397	1.90
GBP 3,505,360	UK Treasury 0.625% 31/07/2035	3,277	4.44
GBP 2,830,074	UK Treasury 0.875% 22/10/2029	2,835	3.84
GBP 853,686	UK Treasury 0.875% 31/01/2046	796	1.08
GBP 689,428	UK Treasury 0.875% 31/07/2033	678	0.92
GBP 4,020,855	UK Treasury 1.25% 22/07/2027	4,129	5.60
GBP 1,070,531	UK Treasury 1.25% 22/10/2041	1,081	1.47
GBP 84,239	UK Treasury 1.25% 31/07/2051	86	0.12
GBP 2,382,322	UK Treasury 1.50% 22/07/2047	2,555	3.46
GBP 170,474	UK Treasury 1.50% 31/07/2053	188	0.25
GBP 306,989	UK Treasury 1.625% 22/10/2028	324	0.44
GBP 899,510	UK Treasury 1.625% 22/10/2054	1,028	1.39
GBP 938,313	UK Treasury 1.625% 22/10/2071	1,226	1.66
GBP 1,745,567	UK Treasury 1.75% 07/09/2022	1,763	2.39
GBP 1,293,444	UK Treasury 1.75% 07/09/2037	1,402	1.90
GBP 1,366,060	UK Treasury 1.75% 22/01/2049	1,558	2.11
GBP 1,253,012	UK Treasury 1.75% 22/07/2057	1,509	2.05
GBP 104,190	UK Treasury 2.25% 07/09/2023	107	0.15
GBP 704,585	UK Treasury 2.50% 22/07/2065	1,092	1.48
GBP 952,416	UK Treasury 2.75% 07/09/2024	1,004	1.36
GBP 1,178,128	UK Treasury 3.25% 22/01/2044	1,647	2.23
GBP 1,032,026	UK Treasury 3.50% 22/01/2045	1,511	2.05
GBP 677,665	UK Treasury 3.50% 22/07/2068	1,327	1.80
GBP 656,517	UK Treasury 3.75% 22/07/2052	1,100	1.49
GBP 657,892	UK Treasury 4.00% 22/01/2060	1,278	1.73
GBP 383,184	UK Treasury 4.25% 07/03/2036	542	0.73
GBP 545,464	UK Treasury 4.25% 07/06/2032	721	0.98
GBP 1,212,179	UK Treasury 4.25% 07/09/2039	1,814	2.46
GBP 1,248,618	UK Treasury 4.25% 07/12/2040	1,901	2.58
GBP 726,316	UK Treasury 4.25% 07/12/2049	1,265	1.73
GBP 926,940	UK Treasury 4.25% 07/12/2055	1,758	2.38

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Fixed Rate Bond (continued)</b>		
GBP 818,997	UK Treasury 4.50% 07/12/2042	1,325	1.80
GBP 317,454	UK Treasury 4.75% 07/12/2030	422	0.57
GBP 431,593	UK Treasury 4.75% 07/12/2038	673	0.91
		<u>65,356</u>	<u>88.62</u>
	<b>Collective Investment Schemes 7.87% (30/06/2021: 4.15%)</b>		
2,509,480	Deutsche Global Liquidity Managed Sterling Fund Platinum Class	2,509	3.40
3,228,607	Janus Henderson Asset-Backed Securities Fund Z Accumulation <sup>1</sup>	3,293	4.47
		<u>5,802</u>	<u>7.87</u>
	<b>Derivatives 0.00% (30/06/2021: (0.53%))</b>		
	<b>Futures 0.06% (30/06/2021: (0.02%))</b>		
(24)	CBT US 10 Year Note March 2022	(3)	-
(18)	EUX Euro Bund March 2022	40	0.05
13	ICE Long Gilt March 2022	4	0.01
		<u>41</u>	<u>0.06</u>
	<b>Swaps (0.11%) (30/06/2021: (0.43%))<sup>2</sup></b>		
	<b>Inflation Index Swaps 0.00% (30/06/2021: (0.20%))<sup>2</sup></b>		
	<b>Interest Rate Swaps (0.01%) (30/06/2021: (0.23%))<sup>2</sup></b>		
35,905,000	IRS 1.82% NOK NIBOR 6 Month - Receive Floating - EUR	(5)	(0.01)
	<b>Overnight Index Swaps (0.10%) (30/06/2021: 0.00%)<sup>2</sup></b>		
22,600,000	OIS -0.6150% SARON 1 Day - Receive Fixed - CHF	(29)	(0.04)
19,100,000	OIS 0.9960% SONIA 1 Day - Receive Floating - GBP	(27)	(0.04)
3,525,000	OIS 1.0990% SOFR 1 Day - Receive Floating - USD	(2)	-
18,400,000	OIS 1.1450% SONIA 1 Day - Receive Fixed - GBP	(14)	(0.02)
		<u>(72)</u>	<u>(0.10)</u>
	<b>Forward Foreign Exchange Contracts 0.05% (30/06/2021: (0.08%))<sup>2</sup></b>		
	Buy CHF 22,145 : Sell GBP 18,072 January 2022 <sup>3</sup>	-	-
	Buy CHF 86,991 : Sell GBP 71,169 January 2022	(1)	-
	Buy EUR 52,500 : Sell GBP 44,106 January 2022 <sup>3</sup>	-	-
	Buy GBP 3,307 : Sell CHF 4,078 January 2022 <sup>3</sup>	-	-
	Buy GBP 9,136 : Sell CHF 11,258 January 2022 <sup>3</sup>	-	-
	Buy GBP 1,993 : Sell CHF 2,447 January 2022 <sup>3</sup>	-	-
	Buy GBP 7,498 : Sell CHF 9,205 January 2022 <sup>3</sup>	-	-
	Buy GBP 1,812 : Sell CHF 2,223 January 2022 <sup>3</sup>	-	-
	Buy GBP 5,506 : Sell CHF 6,752 January 2022 <sup>3</sup>	-	-
	Buy GBP 71,381 : Sell CHF 87,306 January 2022	1	-
	Buy GBP 12,588 : Sell CHF 15,394 January 2022 <sup>3</sup>	-	-
	Buy GBP 69,911 : Sell CHF 85,046 January 2022	1	-
	Buy GBP 1,021,172 : Sell EUR 1,201,543 January 2022	12	0.02
	Buy GBP 1,993 : Sell NOK 24,014 January 2022 <sup>3</sup>	-	-
	Buy GBP 3,126 : Sell NOK 37,488 January 2022 <sup>3</sup>	-	-
	Buy GBP 9,966 : Sell NOK 119,123 January 2022 <sup>3</sup>	-	-
	Buy GBP 4,420 : Sell NOK 52,570 January 2022 <sup>3</sup>	-	-
	Buy GBP 4,049 : Sell NOK 48,099 January 2022 <sup>3</sup>	-	-
	Buy GBP 12,174 : Sell NOK 144,564 January 2022 <sup>3</sup>	-	-
	Buy GBP 4,802 : Sell NOK 56,954 January 2022 <sup>3</sup>	-	-

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Forward Foreign Exchange Contracts</b> (continued)		
	Buy GBP 1,149,373 : Sell USD 1,526,568 January 2022	22	0.03
	Buy NOK 17,690 : Sell GBP 1,465 January 2022 <sup>3</sup>	-	-
	Buy NOK 79,711 : Sell GBP 6,648 January 2022 <sup>3</sup>	-	-
	Buy NOK 16,872 : Sell GBP 1,420 January 2022 <sup>3</sup>	-	-
		<u>35</u>	<u>0.05</u>
	<b>Investment assets including investment liabilities</b>	<b>73,061</b>	<b>99.07</b>
	Other net assets	688	0.93
	<b>Total net assets</b>	<b>73,749</b>	<b>100.00</b>

<sup>1</sup> Related party to the fund

<sup>2</sup> Not listed on an official stock exchange

<sup>3</sup> Due to rounding to nearest £1,000

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

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules.

## Credit ratings

	Market value £000	Percentage of total net assets %
<b>31/12/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	67,260	91.20
<b>Total debt securities</b>	<b>67,260</b>	<b>91.20</b>
Collective investment schemes	5,802	7.87
Derivatives	(1)	-
<b>Investment assets including investment liabilities</b>	<b>73,061</b>	<b>99.07</b>
Other net assets	688	0.93
<b>Total net assets</b>	<b>73,749</b>	<b>100.00</b>
	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
<b>30/06/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	66,302	94.92
<b>Total debt securities</b>	<b>66,302</b>	<b>94.92</b>
Collective investment schemes	2,899	4.15
Derivatives	(368)	(0.53)
<b>Investment assets including investment liabilities</b>	<b>68,833</b>	<b>98.54</b>
Other net assets	1,022	1.46
<b>Total net assets</b>	<b>69,855</b>	<b>100.00</b>

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		85		(309)
Revenue	381		517	
Expenses	(40)		(43)	
Interest payable and similar charges	(1)		(16)	
	<u>340</u>		<u>458</u>	
Taxation	(4)		(8)	
	<u>336</u>		<u>450</u>	
Net revenue after taxation		336		450
Total return before distributions		421		141
Distributions		(337)		(450)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u>84</u>		<u>(309)</u>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>69,855</b>		<b>69,161</b>
Amounts receivable on issue of shares	8,700		10,747	
Amounts payable on cancellation of shares	<u>(5,222)</u>		<u>(9,520)</u>	
		3,478		1,227
Dilution adjustment		1		5
Change in net assets attributable to shareholders from investment activities		84		(309)
Retained distributions on accumulation shares		331		443
<b>Closing net assets attributable to shareholders</b>		<u><b>73,749</b></u>		<u><b>70,527</b></u>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	73,142	69,519
Current assets:		
Debtors	274	420
Cash and bank balances	501	756
<b>Total assets</b>	<b>73,917</b>	<b>70,695</b>
<b>Liabilities:</b>		
Investment liabilities	81	686
Creditors:		
Amounts held at derivative clearing houses and brokers	53	109
Bank overdrafts	4	-
Distributions payable	2	5
Other creditors	28	40
<b>Total liabilities</b>	<b>168</b>	<b>840</b>
<b>Net assets attributable to shareholders</b>	<b>73,749</b>	<b>69,855</b>

## Distribution tables for the six months ended 31 December 2021 (in pence per share)

### Interim interest distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 July 2021

Group 2: shares purchased on or after 1 July 2021

	Distribution per share	Equalisation	Total distribution per share 30/11/21	Total distribution per share 30/11/20
<b>Class A income</b>				
Group 1	0.1336	-	0.1336	0.2531
Group 2	0.0750	0.0586	0.1336	0.2531
<b>Class D accumulation</b>				
Group 1	0.3295	-	0.3295	0.4295
Group 2	0.1525	0.1770	0.3295	0.4295
<b>Class E income</b>				
Group 1	0.2729	-	0.2729	0.4024
Group 2	0.2213	0.0516	0.2729	0.4024
<b>Class I accumulation</b>				
Group 1	0.5826	-	0.5826	0.7920
Group 2	0.5480	0.0346	0.5826	0.7920
<b>Class I income</b>				
Group 1	0.3477	-	0.3477	0.4802
Group 2	0.2204	0.1273	0.3477	0.4802
<b>Class Z accumulation</b>				
Group 1	0.6348	-	0.6348	0.7858
Group 2	0.4854	0.1494	0.6348	0.7858

## Distribution tables (continued)

### Interim interest distribution (accounting date 31 December 2021, paid on 28 February 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Equalisation	Total distribution per share 28/02/22	Total distribution per share 26/02/21
<b>Class A income</b>				
Group 1	0.0648	-	0.0648	0.4391
Group 2	0.0401	0.0247	0.0648	0.4391
<b>Class D accumulation</b>				
Group 1	0.2749	-	0.2749	0.5673
Group 2	0.1722	0.1027	0.2749	0.5673
<b>Class E income</b>				
Group 1	0.2021	-	0.2021	0.5844
Group 2	0.0891	0.1130	0.2021	0.5844
<b>Class I accumulation</b>				
Group 1	0.4649	-	0.4649	1.0958
Group 2	0.4533	0.0116	0.4649	1.0958
<b>Class I income</b>				
Group 1	0.2767	-	0.2767	0.6614
Group 2	0.1673	0.1094	0.2767	0.6614
<b>Class Z accumulation</b>				
Group 1	0.5536	-	0.5536	0.9862
Group 2	0.4047	0.1489	0.5536	0.9862



# Janus Henderson Preference & Bond Fund

## Authorised Corporate Director's report

The Janus Henderson Preference & Bond Fund merged into the Janus Henderson Fixed Interest Monthly Income Fund on 18 March 2021. The fund holds illiquid stocks on the Portfolio which has prevented the fund from terminating. It is the ACD's intention to terminate the fund once the stocks have been removed from the Portfolio.

As the fund has ceased investment activity, standard disclosures relating to the investment review, risk and reward profile, portfolio statement and significant purchases and sales have not been presented within the financial statements.

### Investment objective and policy up to 18 March 2021

The fund aimed to provide a return, from a combination of income and capital growth over the long term.

Performance target: To outperform the IA Sterling Strategic Bond Sector average, after the deduction of charges, over any 5 year period.

The fund invested at least 80% of its assets in a global portfolio of bonds of any quality, including high yield (non-investment grade) bonds, issued by governments or companies. Where investments were made in assets in currencies other than sterling, the fund sought to hedge at least 80% of those assets back to sterling to largely remove the risk of currency exchange rate movements.

In certain market conditions, the fund may have invested more than 35% of its assets in government bonds issued by any one body.

The fund may also have held other assets including bonds of other types from any issuer, preference shares, Collective Investment Schemes (including those managed by Janus Henderson), cash and money market instruments.

The Investment Manager may have used derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund was actively managed with reference to the IA Sterling Strategic Bond Sector average, which is based on a peer group of broadly similar funds, as this formed the basis of the fund's performance target. The Investment Manager had complete freedom to choose individual investments for the fund and to vary allocations between different types of bonds.

### Strategy

The Investment Manager looked to create a diversified portfolio of bonds that could deliver a quarterly income. Free from a benchmark but with a strong focus on income generation, the portfolio managers search for investment opportunities across the entire spectrum of fixed income assets in the developed world used macroeconomic research and company analysis. The portfolio was then actively managed to include the most suitable investments for the prevailing market and economic environment.

### Performance summary

#### Cumulative performance

	Period from 31 Dec 20 - 18 Mar 21*	Period from 31 Dec 18 - 18 Mar 21*	Period from 31 Dec 16 - 18 Mar 21*	Since inception 31 Oct 78 - 18 Mar 21*
	%	%	%	%
<b>Class I accumulation (Net)</b>	6.6	19.5	26.1	2,007.3
<b>IA Sterling Strategic Bond Sector</b>	4.9	14.6	17.6	..**

#### Discrete performance

	31 Dec 20 - 18 Mar 21*	31 Dec 19 - 31 Dec 20	31 Dec 18 - 31 Dec 19	31 Dec 17 - 31 Dec 18	31 Dec 16 - 31 Dec 17
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	6.6	8.6	12.1	(2.5)	8.2
<b>IA Sterling Strategic Bond Sector</b>	4.9	6.1	9.2	(2.5)	5.2

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

\* The fund closed on 18 March 2021.

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

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation is disclosed as it is the representative share class.

### Benchmark usage

Peer group: IA Sterling Strategic Bond Sector

Peer group usage: Target

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) forms the basis for the fund's performance target.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

## Comparative tables for the six months ended 31 December 2021

	Class A income		
	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	52.45	52.90	51.21
Return before operating charges*	3.15	2.52	4.49
Operating charges	(0.56)	(0.75)	(0.72)
Return after operating charges*	2.59	1.77	3.77
Distributions on income shares	(1.65)	(2.22)	(2.08)
Final cancellation	(53.39) <sup>1</sup>	-	-
Closing net asset value per share	-	52.45	52.90
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.94%	3.35%	7.36%
<b>Other information</b>			
Closing net asset value (£000s)	-	62,608	127,269
Closing number of shares	-	176,567,728	240,576,818
Operating charges (annualised)	1.43%	1.41%	1.40%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	55.79 <sup>2</sup>	54.60	53.54
Lowest share price (pence)	52.63 <sup>2</sup>	46.24	50.12

<sup>1</sup> Class A income closed on 18 March 2021.

<sup>2</sup> to 18 March 2021.

## Comparative tables (continued)

	Class E income	
	Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	52.71	53.14 <sup>3</sup>
Return before operating charges*	3.16	2.27
Operating charges	(0.37)	(0.47)
Return after operating charges*	2.79	1.80
Distributions on income shares	(1.66)	(2.23)
Final cancellation	(53.84) <sup>4</sup>	-
Closing net asset value per share	-	52.71
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	5.29%	3.39%
<b>Other information</b>		
Closing net asset value (£000s)	-	27,931
Closing number of shares	-	52,993,675
Operating charges (annualised)	0.93%	0.91%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest share price (pence)	56.20 <sup>5</sup>	54.74
Lowest share price (pence)	52.89 <sup>5</sup>	46.41

<sup>3</sup> Class E income launched on 8 July 2019 and this is the first published price.

<sup>4</sup> Class E income closed on 18 March 2021.

<sup>5</sup> to 18 March 2021.

## Comparative tables (continued)

	Class G accumulation 19/10/20 - 30/06/21 (pence per share)
<b>Change in net assets per share</b>	
Opening net asset value per share	167.43 <sup>6</sup>
Return before operating charges*	2.81
Operating charges	(0.67)
Return after operating charges*	2.14
Distributions on accumulation shares	(3.48)
Retained distributions on accumulation shares	3.48
Final cancellation	(169.57) <sup>7</sup>
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	1.28%
<b>Other information</b>	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges (annualised)	0.54%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest share price (pence)	174.40 <sup>8</sup>
Lowest share price (pence)	166.60 <sup>8</sup>

<sup>6</sup> Class G accumulation launched on 19 October 2020 and this is the first published price.

<sup>7</sup> Class G accumulation closed on 18 March 2021.

<sup>8</sup> to 18 March 2021.

## Comparative tables (continued)

### Class G income 19/10/20 - 30/06/21 (pence per share)

#### Change in net assets per share

Opening net asset value per share	59.42 <sup>9</sup>
Return before operating charges*	1.02
Operating charges	(0.24)
Return after operating charges*	0.78
Distributions on income shares	(1.23)
Final cancellation	(58.97) <sup>10</sup>
Closing net asset value per share	-
* after direct transaction costs of:	-

#### Performance

Return after charges	1.31%
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#### Other information

Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges (annualised)	0.54%
Direct transaction costs	0.00%

#### Prices

Highest share price (pence)	61.54 <sup>11</sup>
Lowest share price (pence)	59.13 <sup>11</sup>

<sup>9</sup> Class G income launched on 19 October 2020 and this is the first published price.

<sup>10</sup> Class G income closed on 18 March 2021.

<sup>11</sup> to 18 March 2021.

## Comparative tables (continued)

	Class I accumulation		
	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	160.68	154.21	142.37
Return before operating charges*	9.63	7.56	12.85
Operating charges	(0.84)	(1.09)	(1.01)
Return after operating charges*	8.79	6.47	11.84
Distributions on accumulation shares	(5.22)	(6.72)	(6.00)
Retained distributions on accumulation shares	5.22	6.72	6.00
Final cancellation	(169.47) <sup>12</sup>	-	-
Closing net asset value per share	-	160.68	154.21
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.47%	4.20%	8.32%
<b>Other information</b>			
Closing net asset value (£000s)	-	99,144	76,509
Closing number of shares	-	61,704,215	49,613,814
Operating charges (annualised)	0.70%	0.69%	0.69%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	174.30 <sup>13</sup>	162.90	154.50
Lowest share price (pence)	161.20 <sup>13</sup>	138.10	141.70

<sup>12</sup> Class I accumulation closed on 18 March 2021.

<sup>13</sup> to 18 March 2021.

## Comparative tables (continued)

	Class I income		
	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	57.64	57.76	55.55
Return before operating charges*	3.45	2.76	4.90
Operating charges	(0.30)	(0.40)	(0.39)
Return after operating charges*	3.15	2.36	4.51
Distributions on income shares	(1.85)	(2.48)	(2.30)
Final cancellation	(58.94) <sup>14</sup>	-	-
Closing net asset value per share	-	57.64	57.76
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.46%	4.09%	8.12%
<b>Other information</b>			
Closing net asset value (£000s)	-	541,084	559,457
Closing number of shares	-	938,761,365	968,626,637
Operating charges (annualised)	0.70%	0.69%	0.69%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	61.52 <sup>15</sup>	59.84	58.46
Lowest share price (pence)	57.84 <sup>15</sup>	50.74	54.54

<sup>14</sup> Class I income closed on 18 March 2021.

<sup>15</sup> to 18 March 2021.



## Comparative tables (continued)

	Class Z accumulation		
	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	247.83	236.31	216.75
Return before operating charges*	14.85	11.62	19.63
Operating charges	(0.08)	(0.10)	(0.07)
Return after operating charges*	14.77	11.52	19.56
Distributions on accumulation shares	(8.19)	(10.46)	(9.28)
Retained distributions on accumulation shares	8.19	10.46	9.28
Final cancellation	(262.60) <sup>16</sup>	-	-
Closing net asset value per share	-	247.83	236.31
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.96%	4.87%	9.02%
<b>Other information</b>			
Closing net asset value (£000s)	-	25,677	20,860
Closing number of shares	-	10,361,065	8,827,435
Operating charges (annualised)	0.04%	0.04%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	270.00 <sup>17</sup>	250.70	236.80
Lowest share price (pence)	248.70 <sup>17</sup>	212.60	216.30

<sup>16</sup> Class Z accumulation closed on 18 March 2021.

<sup>17</sup> to 18 March 2021.

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period. The fund closed on 18 March 2021.

## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/21 %	30/06/21 %
<b>Class A income<sup>1</sup></b>	n/a	1.43
<b>Class E income<sup>1</sup></b>	n/a	0.93
<b>Class G accumulation<sup>1</sup></b>	n/a	0.54
<b>Class G income<sup>1</sup></b>	n/a	0.54
<b>Class I accumulation<sup>1</sup></b>	n/a	0.70
<b>Class I income<sup>1</sup></b>	n/a	0.70
<b>Class Z accumulation<sup>1</sup></b>	n/a	0.04

The OCF is calculated in accordance with guidelines issued by ESMA.

<sup>1</sup> The fund closed on 18 March 2021.

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital gains		23		44,486
Revenue	-		17,556	
Expenses	1		(3,048)	
Interest payable and similar charges	-		(4)	
Net revenue before taxation	1		14,504	
Taxation	(20)		(20)	
Net (expense)/revenue after taxation		(19)		14,484
Total return before distributions		4		58,970
Distributions		-		(17,923)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>4</b>		<b>41,047</b>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		-		<b>786,444</b>
Amounts receivable on issue of shares	-		27,036	
Amounts payable on merger**	(10)		-	
Amounts payable on cancellation of shares	-		(27,621)	
		(10)		(585)
Change in net assets attributable to shareholders from investment activities		4		41,047
Retained distributions on accumulation shares		-		2,939
Unclaimed distributions		6		7
<b>Closing net assets attributable to shareholders<sup>1</sup></b>		<b>-</b>		<b>829,852</b>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

\*\* The Janus Henderson Preference & Bond Fund merged into the Janus Henderson Fixed Interest Monthly Income Fund on 18 March 2021.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Current assets:		
Debtors	-	1,066
Cash and bank balances	5	6
<b>Total assets</b>	<b>5</b>	<b>1,072</b>
<b>Liabilities:</b>		
Creditors:		
Other creditors	5	1,072
<b>Total liabilities</b>	<b>5</b>	<b>1,072</b>
<b>Net assets attributable to shareholders</b>	<b>-</b>	<b>-</b>

## Distribution tables for the six months ended 31 December 2021 (in pence per share)

### Interim interest distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 July 2021

Group 2: shares purchased on or after 1 July 2021

	Distribution per share	Equalisation	Total distribution per share 30/11/21	Total distribution per share 30/11/20
<b>Class A income<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	0.5701
Group 2	n/a	n/a	n/a	0.5701
<b>Class E income<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	0.5745
Group 2	n/a	n/a	n/a	0.5745
<b>Class I accumulation<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	1.7880
Group 2	n/a	n/a	n/a	1.7880
<b>Class I income<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	0.6394
Group 2	n/a	n/a	n/a	0.6394
<b>Class Z accumulation<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	2.7973
Group 2	n/a	n/a	n/a	2.7973

<sup>1</sup> The fund closed on 18 March 2021.

## Distribution tables (continued)

### Interim interest distribution (accounting date 31 December 2021, paid on 28 February 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Equalisation	Total distribution per share 28/02/22	Total distribution per share 26/02/21
<b>Class A income<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	0.6009
Group 2	n/a	n/a	n/a	0.6009
<b>Class E income<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	0.6051
Group 2	n/a	n/a	n/a	0.6051
<b>Class G accumulation<sup>1,2</sup></b>				
Group 1	n/a	n/a	n/a	1.9216
Group 2	n/a	n/a	n/a	1.9216
<b>Class G income<sup>1,2</sup></b>				
Group 1	n/a	n/a	n/a	0.6816
Group 2	n/a	n/a	n/a	0.6816
<b>Class I accumulation<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	1.9010
Group 2	n/a	n/a	n/a	1.9010
<b>Class I income<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	0.6743
Group 2	n/a	n/a	n/a	0.6743
<b>Class Z accumulation<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	2.9789
Group 2	n/a	n/a	n/a	2.9789

<sup>1</sup> The fund closed on 18 March 2021.

<sup>2</sup> Class G accumulation and Class G income launched on 19 October 2020.

# Janus Henderson Strategic Bond Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Jenna Barnard and John Pattullo

### Investment objective and policy

The fund aims to provide a return, from a combination of income and capital growth over the long term.

Performance target: To outperform the IA Sterling Strategic Bond Sector average, after the deduction of charges, over any 5 year period.

The fund invests in a global portfolio of bonds of any quality, including high yield (non-investment grade) bonds, issued by governments or companies. Where investments are made in assets in currencies other than the base currency of the fund, the fund will seek to hedge those assets back to the base currency to remove the risk of currency exchange rate movements.

In certain market conditions, the fund may invest more than 35% of its assets in government bonds issued by any one body. The Investment Manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the IA Sterling Strategic Bond Sector average, which is based on a peer group of broadly similar funds, as this forms the basis of the fund's performance target. The Investment Manager has complete freedom to choose individual investments for the fund and to vary allocations between different types of bonds.

### Strategy

The Investment Manager follows a flexible strategy that seeks to deliver total returns (capital appreciation and income) from investments across the entire spectrum of fixed income assets. Using careful macroeconomic research and credit analysis, the portfolio managers actively vary the allocation to different types of bonds to suit the prevailing economic environment.

### Performance summary

#### Cumulative performance

	Six months	One year	Three years	Five years	Since inception
	30 Jun 21 - 31 Dec 21	31 Dec 20 - 31 Dec 21	31 Dec 18 - 31 Dec 21	31 Dec 16 - 31 Dec 21	31 Jan 95 - 31 Dec 21
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	0.7	0.1	21.0	26.5	179.1
<b>IA Sterling Strategic Bond Sector</b>	0.2	0.9	17.0	20.0	117.5

#### Discrete performance

	31 Dec 20 - 31 Dec 21	31 Dec 19 - 31 Dec 20	31 Dec 18 - 31 Dec 19	31 Dec 17 - 31 Dec 18	31 Dec 16 - 31 Dec 17
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	0.1	10.3	9.6	(1.4)	6.0
<b>IA Sterling Strategic Bond Sector</b>	0.9	6.1	9.2	(2.5)	5.2

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

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation is disclosed as it is the representative share class.

### Benchmark usage

Peer group: IA Sterling Strategic Bond Sector

Peer group usage: Target

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) forms the basis for the fund's performance target.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

**Significant portfolio changes** for the six months ended 31 December 2021

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales/maturities</b>	<b>£000</b>
Canadian (Government of) 0.25% 01/02/2023	102,987	US Treasury 0.375% 15/07/2024	66,483
UK Treasury 0.50% 22/07/2022	70,168	Australia (Commonwealth of) 1.75% 21/06/2051	55,922
US Treasury 0.375% 15/07/2024	66,752	Amazon.com 3.15% 22/08/2027	48,466
UK Treasury 0.125% 31/01/2023	66,059	Canadian (Government of) 0.50% 01/12/2030	35,697
US Treasury 0.125% 30/11/2022	50,395	Australia (Commonwealth of) 2.25% 21/05/2028	34,888
Microsoft 2.40% 08/08/2026	38,793	US Treasury 1.625% 15/05/2031	34,229
Canadian (Government of) 0.50% 01/12/2030	35,457	Australia (Commonwealth of) 2.75% 21/05/2041	33,888
Australia (Commonwealth of) 0.25% 21/11/2025	31,480	Australia (Commonwealth of) 1.50% 21/06/2031	32,789
ING 4.25% Perpetual	27,459	The Stars FRN 10/07/2025 B1	32,784
Mozart Debt Merger 3.875% 01/04/2029	23,507	AT&T 2.75% 01/06/2031	26,290
<b>Total purchases</b>	<b>899,854</b>	<b>Total sales/maturities</b>	<b>955,186</b>



### Investment review

The fund returned 0.7% based on Class I accumulation (Net) over the period under review, compared with a return of 0.2% in the IA Sterling Strategic Bond Sector peer group benchmark.

Government bond yields staged a summer collapse and then recovered – something we had long anticipated. We had argued all year that a linear narrative of rising bond yields was naive and that the sequencing of bond yield moves was likely to be dictated by the sharp 'handbrake turns' in cyclical momentum, which were easily forecastable due to extreme base effects from 2020. As a result, we added material duration into the rise in bond yields in early 2021 and removed it once yields collapsed in late July/early August. By using our 'rate-of-change' framework, we had positioned the fund long duration from February to early August. The base effects gave this forecasting approach little edge until early 2022. We, therefore, positioned the fund low duration from August, fearing that central banks would shift more hawkishly. This duration position was maintained through to year end.

The final quarter of 2021 was dominated by hawkish central banks, which were collectively stopped out of their transitory inflation narrative, as well as headlines about the new Omicron variant of COVID-19 in December. We received a report from the UBS inflation forecaster Alan Detmeister on 19 October, predicting that there would be a final (unexpected) surge in US headline inflation to over 7% by January 2022. For context, at the beginning of 2021, the expected inflation pick-up was to approximately 3% by April/May. No central banker could possibly sit through such an inflation surge. Furthermore, the significant surprise to most commentators is how tight many labour markets have become – this has been driven not so much by the strength of the reopened economies but by many workers choosing not to re-enter the labour markets. This so-called great resignation has surprised policy makers and gives justification to change policy due to both inflation and unemployment objectives being exceeded. The Bank of England and the Reserve Bank of New Zealand began their hiking cycles as the US Federal Reserve (Fed) was only just beginning its 'tapering' of quantitative easing. The Fed was clearly the monetary policy laggard and by December was playing catch-up via its guidance of a quicker end to quantitative easing and 2022 interest rate hikes.

All year we discussed how credit had been sitting in a sweet spot from a fundamental perspective, but opportunities had been sparse given low realised volatility and tight credit spreads. To emphasise this point, at the end of the 2021 US high yield defaults hit an all-time low of 0.9% for the previous 12 months – a remarkable feat. The outlook for defaults remains for around 1% in the next year or so. In the end, December was an extremely strong month for high yield credit markets as risk assets recovered from the worst fears about the Omicron variant. Developed market credit remains a rather low beta asset class and, unlike previous cycles, is not showing any sign of being the villain of the business cycle. A sizeable number of 'rising stars' continued to get upgraded from high yield to investment grade, dwarfing the sparse number of 'fallen angels' (issuers downgraded from investment grade to high yield). We managed to capture a number of these rising stars to the benefit of shareholders.

The duration management was encouraging and value additive. Readers must remember we are coming from two previous 12-month periods of near back-to-back double-digit returns. This period in the economic cycle requires a degree of acceptance and patience as it is definitively late cycle. It is important to avoid late-cycle credit traps while letting interest rate expectations rise as central banks respond to overheating economies. We changed interest rate sensitivity in line with our process. At the end of June, duration sat at the high point for the year (about 7.7 years) while by the end of September, it was down to 4.6 years, having been as low as 3.9 years at the end of August. Towards year end, we further built this short to one of the lowest levels for many years, of around the low threes. We generally trimmed marginal credit in both investment grade and high yield bonds, predominately on valuation grounds. We continue to run unusually high amounts of cash and short-dated sovereign bonds pending re-investment. The Omicron-related sell-off in early December gave us the opportunity to tactically add European high yield credit via the iTraxx-Crossover Index to the equivalent of approximately 8% of the fund. This worked well. We would prefer to participate in the credit markets in a tactical and synthetic sense at this late stage in the credit cycle.

We expect 2022 to be a much more fruitful year in terms of total returns for core bond investors, despite the predictably weak start to the calendar year. As always, our message is to caution against linearly extrapolating higher bond yields (which so many commentators are wont to do) and instead look for inflection points in the acceleration/deceleration of the economic cycle. We think a clear shift is coming. The Fed and other central banks remain in a very tight spot and, hence, the chance of engineering a soft landing seems remote.

## Comparative tables for the six months ended 31 December 2021

	Class A income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	129.79	128.28	125.25	120.95
Return before operating charges*	1.24	7.75	8.61	9.77
Operating charges	(0.94)	(1.88)	(1.77)	(1.70)
Return after operating charges*	0.30	5.87	6.84	8.07
Distributions on income shares	(1.77)	(4.36)	(3.81)	(3.77)
Closing net asset value per share	128.32	129.79	128.28	125.25
* after direct transaction costs of:	-	-	-	0.01

### Performance

Return after charges	0.23%	4.58%	5.46%	6.67%
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### Other information

Closing net asset value (£000s)	114,906	120,167	114,122	119,620
Closing number of shares	89,545,875	92,584,481	88,960,146	95,504,454
Operating charges (annualised)	1.43%	1.43%	1.40%	1.40%
Direct transaction costs	0.00%	0.00%	0.00%	0.01%

### Prices

Highest share price (pence)	132.30	134.40	130.20	126.40
Lowest share price (pence)	128.40	128.20	114.90	118.70

	Class E income		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	131.10	128.93	125.63 <sup>1</sup>
Return before operating charges*	1.26	7.80	8.25
Operating charges	(0.62)	(1.23)	(1.12)
Return after operating charges*	0.64	6.57	7.13
Distributions on income shares	(1.79)	(4.40)	(3.83)
Closing net asset value per share	129.94	131.10	128.93
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	0.49%	5.10%	5.68%
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### Other information

Closing net asset value (£000s)	7,788	8,045	7,214
Closing number of shares	5,993,410	6,136,298	5,595,485
Operating charges (annualised)	0.93%	0.93%	0.90%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	133.80	135.50	130.80
Lowest share price (pence)	130.00	129.20	115.30

<sup>1</sup> Class E income launched on 8 July 2019 and this is the first published price.

## Comparative tables (continued)

	Class G accumulation		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	05/05/20 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	372.52	353.00	340.00 <sup>2</sup>
Return before operating charges*	3.55	21.50	13.28
Operating charges	(1.02)	(1.98)	(0.28)
Return after operating charges*	2.53	19.52	13.00
Distributions on accumulation shares	(5.39)	(13.01)	(2.55)
Retained distributions on accumulation shares	5.39	13.01	2.55
Closing net asset value per share	375.05	372.52	353.00
* after direct transaction costs of:	0.01	-	-
<b>Performance</b>			
Return after charges	0.68%	5.53%	3.82%
<b>Other information</b>			
Closing net asset value (£000s)	29,010	18,354	10,449
Closing number of shares	7,734,970	4,926,902	2,959,936
Operating charges (annualised)	0.54%	0.54%	0.53%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	380.50	375.10	354.80
Lowest share price (pence)	372.40	353.80	338.50

<sup>2</sup> Class G accumulation launched on 5 May 2020 and this is the first published price.

## Comparative tables (continued)

	Class G income		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	05/05/20 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	136.48	133.91	130.00 <sup>3</sup>
Return before operating charges*	1.30	8.24	4.99
Operating charges	(0.37)	(0.74)	(0.11)
Return after operating charges*	0.93	7.50	4.88
Distributions on income shares	(1.97)	(4.93)	(0.97)
Closing net asset value per share	135.44	136.48	133.91
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.68%	5.60%	3.75%
<b>Other information</b>			
Closing net asset value (£000s)	327,017	270,166	1
Closing number of shares	241,446,032	197,954,588	537
Operating charges (annualised)	0.54%	0.54%	0.53%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	139.40	140.80	135.60
Lowest share price (pence)	135.50	134.20	129.40

<sup>3</sup> Class G income launched on 5 May 2020 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	393.64	373.59	351.34	326.62
Return before operating charges*	3.73	22.77	24.73	26.98
Operating charges	(1.39)	(2.72)	(2.48)	(2.26)
Return after operating charges*	2.34	20.05	22.25	24.72
Distributions on accumulation shares	(5.58)	(13.24)	(11.12)	(10.56)
Retained distributions on accumulation shares	5.58	13.24	11.12	10.56
Closing net asset value per share	395.98	393.64	373.59	351.34
* after direct transaction costs of:	0.01	-	-	0.02

### Performance

Return after charges	0.59%	5.37%	6.33%	7.57%
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### Other information

Closing net asset value (£000s)	1,592,954	1,501,864	1,404,579	975,018
Closing number of shares	402,284,994	381,533,676	375,971,044	277,514,358
Operating charges (annualised)	0.70%	0.70%	0.69%	0.68%
Direct transaction costs	0.00%	0.00%	0.00%	0.01%

### Prices

Highest share price (pence)	401.90	396.70	375.50	352.10
Lowest share price (pence)	393.20	374.40	328.10	323.90

	Class I income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	143.99	141.39	137.15	131.58
Return before operating charges*	1.38	8.56	9.49	10.67
Operating charges	(0.51)	(1.02)	(0.96)	(0.90)
Return after operating charges*	0.87	7.54	8.53	9.77
Distributions on income shares	(2.03)	(4.94)	(4.29)	(4.20)
Closing net asset value per share	142.82	143.99	141.39	137.15
* after direct transaction costs of:	-	-	-	0.01

### Performance

Return after charges	0.60%	5.33%	6.22%	7.43%
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### Other information

Closing net asset value (£000s)	1,308,740	1,353,436	1,448,176	1,294,506
Closing number of shares	916,326,787	939,939,538	1,024,241,987	943,875,930
Operating charges (annualised)	0.70%	0.70%	0.69%	0.68%
Direct transaction costs	0.00%	0.00%	0.00%	0.01%

### Prices

Highest share price (pence)	147.00	148.70	143.50	138.50
Lowest share price (pence)	142.90	141.70	126.40	129.40

## Comparative tables (continued)

	Class Z accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	436.22	411.27	384.27	354.91
Return before operating charges*	4.14	25.12	27.12	29.47
Operating charges	(0.09)	(0.17)	(0.12)	(0.11)
Return after operating charges*	4.05	24.95	27.00	29.36
Distributions on accumulation shares	(6.32)	(14.89)	(12.41)	(11.70)
Retained distributions on accumulation shares	6.32	14.89	12.41	11.70
Closing net asset value per share	440.27	436.22	411.27	384.27
* after direct transaction costs of:	0.01	-	-	0.02
<b>Performance</b>				
Return after charges	0.93%	6.07%	7.03%	8.27%
<b>Other information</b>				
Closing net asset value (£000s)	10,338	10,206	10,647	11,749
Closing number of shares	2,348,069	2,339,605	2,588,907	3,057,563
Operating charges (annualised)	0.04%	0.04%	0.03%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%	0.01%
<b>Prices</b>				
Highest share price (pence)	446.00	438.20	413.30	385.10
Lowest share price (pence)	436.90	412.20	360.60	352.60

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period.

## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

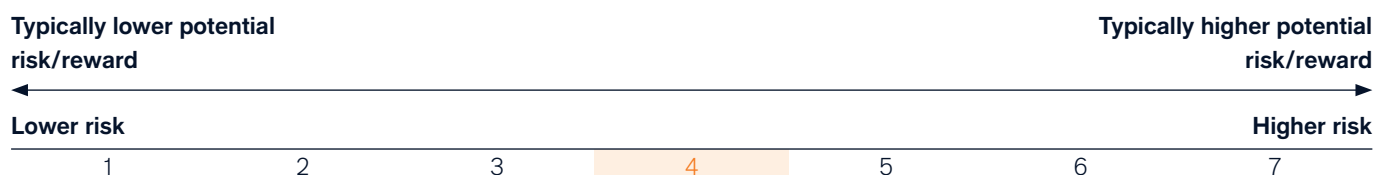
	31/12/21 %	30/06/21 %
<b>Class A income</b>	1.43	1.43
<b>Class E income</b>	0.93	0.93
<b>Class G accumulation</b>	0.54	0.54
<b>Class G income</b>	0.54	0.54
<b>Class I accumulation</b>	0.70	0.70
<b>Class I income</b>	0.70	0.70
<b>Class Z accumulation</b>	0.04	0.04

The OCF is calculated in accordance with guidelines issued by ESMA.

## Risk and reward profile

The fund currently has 7 types of share class in issue: A income, E income, G accumulation, G income, I accumulation, I income and Z accumulation.

Each share class has the same risk and reward profile which is as follows:



The share classes appear at 4 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The SRRI is calculated based on historical volatility over a rolling 5\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up and down. When you sell your shares, they may be worth less than what you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Charges to Capital** Some or all of the ongoing charges may be taken from capital, which may erode capital or reduce potential for capital growth.

**Counterparty Risk and Operational Risk** The fund could lose money if a counterparty with which the fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

**Country or Region** If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

**Credit Risk** An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the fund. If this happens or the market perceives this may happen, the value of the bond will fall.

**Currency Hedging** When the fund, or a hedged share class, seeks to mitigate exchange rate movements of a currency relative to the base currency, the hedging strategy itself may create a positive or negative impact to the value of the fund due to differences in short-term interest rates between the currencies.

**Derivatives and Leverage** The fund may use derivatives towards the aim of achieving its investment objective. This can result in 'leverage', which can magnify an investment outcome and gains or losses to the fund may be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**High Yield Bonds** The fund invests in high yield (non-investment grade) bonds and while these generally offer higher rates of interest than investment grade bonds, they are more speculative and more sensitive to adverse changes in market conditions.

**Interest Rates** When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise. This risk is generally greater the longer the maturity of a bond investment.

**Liquidity** Securities within the fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

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

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

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class E income launched on 8 July 2019, Class G accumulation and Class G income launched on 5 May 2020. As these share classes do not have a 5 year history, a synthetic history has been created for Class E income using the A income share class and for Class G accumulation and Class G income created using the fund's sector average.



## Portfolio statement as at 31 December 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 0.73% (30/06/2021: 0.74%)</b>		
	<b>United Kingdom 0.73% (30/06/2021: 0.74%)</b>		
	<b>Financials 0.73% (30/06/2021: 0.74%)</b>		
130,350	Nationwide Building Society CDDS	24,807	0.73
	<b>Bonds 84.43% (30/06/2021: 89.68%)</b>		
	<b>Australia 1.83% (30/06/2021: 5.69%)</b>		
	<b>Fixed Rate Bond 1.83% (30/06/2021: 5.69%)</b>		
AUD 120,000,000	Australia (Commonwealth of) 0.25% 21/11/2025	62,021	1.83
	<b>Belgium 0.71% (30/06/2021: 0.33%)</b>		
	<b>Fixed Rate Bond 0.32% (30/06/2021: 0.33%)</b>		
USD 8,220,000	Anheuser-Busch InBev 3.50% 01/06/2030	6,659	0.20
AUD 7,000,000	Anheuser-Busch InBev Worldwide 4.10% 06/09/2027	4,080	0.12
		10,739	0.32
	<b>Variable Rate Bond 0.39% (30/06/2021: 0.00%)</b>		
EUR 15,000,000	KBC 4.25% Perpetual	13,237	0.39
	<b>Canada 3.80% (30/06/2021: 0.55%)</b>		
	<b>Fixed Rate Bond 3.80% (30/06/2021: 0.55%)</b>		
USD 7,715,000	1011778 BC 3.50% 15/02/2029	5,637	0.17
USD 25,564,000	1011778 BC 4.00% 15/10/2030	18,544	0.55
CAD 180,000,000	Canadian (Government of) 0.25% 01/02/2023	104,626	3.08
		128,807	3.80
	<b>Finland 0.22% (30/06/2021: 0.00%)</b>		
	<b>Variable Rate Bond 0.22% (30/06/2021: 0.00%)</b>		
USD 10,560,000	Nordea Bank 3.75% Perpetual	7,391	0.22
	<b>France 2.92% (30/06/2021: 2.93%)</b>		
	<b>Fixed Rate Bond 2.35% (30/06/2021: 2.61%)</b>		
USD 10,457,000	Altice France 5.50% 15/01/2028	7,653	0.22
EUR 10,190,000	Altice France 5.875% 01/02/2027	8,916	0.26
GBP 15,000,000	BNP Paribas 1.875% 14/12/2027	15,006	0.44
EUR 16,900,000	CAB 3.375% 01/02/2028	14,158	0.42
EUR 24,700,000	Orange 2.00% 15/01/2029	23,014	0.68
GBP 10,000,000	Orange 3.25% 15/01/2032	11,096	0.33
		79,843	2.35
	<b>Secured Loans 0.44% (30/06/2021: 0.18%)<sup>1</sup></b>		
EUR 6,740,000	Biogroup FRN 09/02/2028	5,606	0.16
EUR 11,200,000	Cerba Healthcare FRN 24/05/2028	9,392	0.28
		14,998	0.44
	<b>Variable Rate Bond 0.13% (30/06/2021: 0.14%)</b>		
GBP 3,500,000	AXA 5.625% 16/01/2054	4,276	0.13
	<b>Germany 2.27% (30/06/2021: 2.60%)</b>		
	<b>Asset Backed 0.00% (30/06/2021: 0.00%)</b>		
EUR 1,231,147	Talisman-6 Finance FRN 22/10/2016 <sup>2</sup>	-	-

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Fixed Rate Bond 1.77% (30/06/2021: 2.60%)</b>		
EUR 19,720,000	Deutsche Telekom 1.375% 05/07/2034	17,503	0.52
EUR 11,360,000	Symrise 1.25% 29/11/2025	9,858	0.29
EUR 9,430,000	Symrise 1.375% 01/07/2027	8,227	0.24
EUR 8,140,000	TK Elevator 4.375% 15/07/2027	7,052	0.21
USD 5,769,000	TK Elevator 5.25% 15/07/2027	4,477	0.13
EUR 15,500,000	Vantage Towers 0.75% 31/03/2030	12,800	0.38
		<u>59,917</u>	<u>1.77</u>
	<b>Variable Rate Bond 0.50% (30/06/2021: 0.00%)</b>		
USD 24,000,000	Allianz 3.20% Perpetual	<u>16,944</u>	<u>0.50</u>
	<b>Ireland 0.33% (30/06/2021: 0.39%)</b>		
	<b>Fixed Rate Bond 0.33% (30/06/2021: 0.39%)</b>		
EUR 3,200,000	Eircom Finance 2.625% 15/02/2027	2,635	0.08
EUR 6,800,000	Eircom Finance 3.50% 15/05/2026	5,782	0.17
EUR 1,850,000	Smurfit Kappa 1.00% 22/09/2033	1,525	0.05
EUR 1,320,000	Smurfit Kappa 1.50% 15/09/2027	1,162	0.03
		<u>11,104</u>	<u>0.33</u>
	<b>Luxembourg 0.17% (30/06/2021: 0.18%)</b>		
	<b>Secured Loans 0.17% (30/06/2021: 0.18%)<sup>1</sup></b>		
EUR 7,000,000	Eircom FRN 15/05/2026 B	<u>5,829</u>	<u>0.17</u>
	<b>Netherlands 5.36% (30/06/2021: 4.05%)</b>		
	<b>Fixed Rate Bond 2.38% (30/06/2021: 2.14%)</b>		
USD 10,000,000	Coöperatieve Rabobank 3.75% 21/07/2026	7,956	0.23
EUR 8,600,000	Heineken 1.50% 03/10/2029	7,720	0.23
EUR 3,920,000	Heineken 2.25% 30/03/2030	3,717	0.11
USD 12,220,000	Heineken 3.50% 29/01/2028	9,722	0.29
EUR 25,520,000	VZ Vendor Financing 2.875% 15/01/2029	20,684	0.61
EUR 9,920,000	WP/AP Telecom IV 3.75% 15/01/2029	8,414	0.25
EUR 3,792,000	Ziggo 4.25% 15/01/2027	3,243	0.09
USD 25,570,000	Ziggo 4.875% 15/01/2030	19,362	0.57
		<u>80,818</u>	<u>2.38</u>
	<b>Secured Loans 0.34% (30/06/2021: 0.36%)<sup>1</sup></b>		
EUR 7,000,000	Refresco FRN 28/03/2025 B1	5,788	0.17
EUR 7,000,000	Ziggo FRN 31/01/2029 H	<u>5,788</u>	<u>0.17</u>
		<u>11,576</u>	<u>0.34</u>
	<b>Stepped Rate Bond 1.18% (30/06/2021: 0.82%)</b>		
EUR 34,522,500	Rabobank 6.50% Perpetual	<u>39,854</u>	<u>1.18</u>
	<b>Variable Rate Bond 1.46% (30/06/2021: 0.73%)</b>		
EUR 13,200,000	Coöperatieve Rabobank 3.25% Perpetual	11,334	0.33
USD 37,870,000	ING 4.25% Perpetual	26,352	0.78
USD 4,314,000	ING 5.75% Perpetual	3,428	0.10
USD 10,500,000	ING 6.50% Perpetual	8,444	0.25
		<u>49,558</u>	<u>1.46</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Spain 1.01% (30/06/2021: 1.17%)</b>		
	<b>Fixed Rate Bond 1.01% (30/06/2021: 1.17%)</b>		
EUR 8,100,000	Cellnex Finance 2.00% 15/02/2033	6,463	0.19
USD 6,124,000	Cellnex Finance 3.875% 07/07/2041	4,324	0.13
EUR 7,900,000	Cellnex Telecom 1.875% 26/06/2029	6,576	0.19
EUR 20,010,000	Lorca Telecom 4.00% 18/09/2027	17,047	0.50
		<u>34,410</u>	<u>1.01</u>
	<b>Sweden 0.94% (30/06/2021: 0.72%)</b>		
	<b>Fixed Rate Bond 0.78% (30/06/2021: 0.63%)</b>		
EUR 13,190,000	Verisure 3.25% 15/02/2027	11,035	0.32
EUR 11,100,000	Verisure 3.875% 15/07/2026	9,468	0.28
EUR 7,165,000	Verisure Midholding 5.25% 15/02/2029	6,089	0.18
		<u>26,592</u>	<u>0.78</u>
	<b>Secured Loans 0.09% (30/06/2021: 0.09%)<sup>1</sup></b>		
EUR 3,500,000	Verisure FRN 20/07/2026	2,918	0.09
	<b>Variable Rate Bond 0.07% (30/06/2021: 0.00%)</b>		
USD 3,000,000	Svenska Handelsbanken 4.75% Perpetual	2,306	0.07
	<b>Switzerland 0.75% (30/06/2021: 0.80%)</b>		
	<b>Fixed Rate Bond 0.54% (30/06/2021: 0.58%)</b>		
EUR 10,700,000	Argentum Givaudan Finance 2.00% 17/09/2030	10,014	0.30
EUR 9,170,000	Firmanich International 1.75% 30/04/2030	8,319	0.24
		<u>18,333</u>	<u>0.54</u>
	<b>Variable Rate Bond 0.21% (30/06/2021: 0.22%)</b>		
USD 8,700,000	UBS 7.00% Perpetual	7,168	0.21
	<b>United Kingdom 22.17% (30/06/2021: 18.28%)</b>		
	<b>Fixed Rate Bond 13.50% (30/06/2021: 11.01%)</b>		
USD 14,973,000	Bacardi 4.45% 15/05/2025	11,975	0.35
USD 18,991,000	Bacardi 4.70% 15/05/2028	15,870	0.47
GBP 28,590,000	BUPA Finance 4.125% 14/06/2035	31,708	0.94
GBP 17,500,000	BUPA Finance 5.00% 08/12/2026	19,747	0.58
GBP 10,810,000	Co-operative 5.125% 17/05/2024	11,239	0.33
GBP 8,520,000	CPUK Finance 4.875% 28/08/2025	8,519	0.25
GBP 6,540,000	CPUK Finance 6.5% 28/08/2026	6,801	0.20
USD 3,914,000	Diageo Capital 2.00% 29/04/2030	2,862	0.08
GBP 12,090,000	Diageo Finance 2.875% 27/03/2029	13,267	0.39
USD 21,741,000	Experian Finance 2.75% 08/03/2030	16,420	0.48
GBP 1,900,000	Experian Finance 3.25% 07/04/2032	2,113	0.06
USD 20,169,000	Experian Finance 4.25% 01/02/2029	16,545	0.49
GBP 8,030,000	Galaxy Bidco 6.50% 31/07/2026	8,266	0.24
AUD 16,240,000	Lloyds Bank 4.25% 22/11/2027	9,455	0.28
USD 7,200,000	Lloyds Bank 4.375% 22/03/2028	5,968	0.18
USD 7,000,000	NatWest 5.125% 28/05/2024	5,574	0.16
GBP 15,607,000	Phoenix 4.125% 20/07/2022	15,854	0.47
GBP 9,100,000	Phoenix 6.625% 18/12/2025	10,541	0.31
GBP 5,000,000	Scottish Widows 5.50% 16/06/2023	5,266	0.16
GBP 2,515,000	Scottish Widows 7.00% 16/06/2043	3,847	0.11

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond (continued)</b>			
USD 1,008,000	Tesco 6.15% 15/11/2037	967	0.03
GBP 10,593,914	Tesco Property Finance 5.744% 13/04/2040	13,636	0.40
GBP 7,280,000	Tesco Treasury Services 2.75% 27/04/2030	7,524	0.22
GBP 66,000,000	UK Treasury 0.125% 31/01/2023	65,723	1.94
GBP 70,000,000	UK Treasury 0.50% 22/07/2022	70,161	2.07
GBP 10,240,000	Unilever 1.50% 22/07/2026	10,425	0.31
GBP 8,230,000	Virgin Media 4.125% 15/08/2030	8,101	0.24
GBP 23,380,000	Virgin Media 4.875% 15/07/2028	23,355	0.69
USD 7,542,000	Virgin Media 5.00% 15/07/2030	5,540	0.16
GBP 14,824,000	Virgin Media 5.25% 15/05/2029	15,436	0.46
GBP 12,520,000	Vmed O2 UK Financing I 4.00% 31/01/2029	12,251	0.36
USD 3,500,000	Vodafone 4.375% 30/05/2028	2,910	0.09
		<u>457,866</u>	<u>13.50</u>
<b>Secured Loans 2.11% (30/06/2021: 1.39%)<sup>1</sup></b>			
EUR 11,622,175	Ion Analytics FRN 16/02/2028	9,782	0.29
GBP 11,070,000	IVC FRN 13/02/2026	11,030	0.33
GBP 1,370,000	IVC FRN 13/02/2026 B3	1,365	0.04
EUR 8,180,000	IVC FRN 13/02/2026 B5	6,869	0.20
USD 5,559,338	LGC FRN 21/04/2027	4,079	0.12
USD 10,776,922	LGC FRN 21/04/2027 B	7,857	0.23
EUR 6,470,000	LGC FRN 21/04/2027 B1	5,312	0.16
EUR 7,000,000	Masmovil FRN 17/09/2027	5,877	0.17
EUR 9,020,000	UDG Healthcare B1 FRN 19/08/2028	7,569	0.22
USD 16,011,478	UDG Healthcare B2 FRN 19/08/2028	11,814	0.35
		<u>71,554</u>	<u>2.11</u>
<b>Stepped Rate Bond 0.50% (30/06/2021: 0.54%)</b>			
GBP 14,819,000	Co-operative 7.50% 08/07/2026	<u>17,017</u>	<u>0.50</u>
<b>Variable Rate Bond 6.06% (30/06/2021: 5.34%)</b>			
GBP 5,330,000	Aviva 4.00% 03/06/2055	5,736	0.17
GBP 2,340,000	Aviva 6.125% Perpetual	2,413	0.07
USD 24,000,000	Barclays 4.375% Perpetual	17,356	0.51
USD 23,020,000	Barclays 6.278% Perpetual	23,624	0.70
USD 3,250,000	Barclays 7.75% Perpetual	2,575	0.08
GBP 15,302,000	BUPA Finance 4.00% Perpetual	14,690	0.43
GBP 2,060,000	Legal & General 4.50% 01/11/2050	2,267	0.07
GBP 14,580,000	Lloyds Bank 1.875% 15/01/2026	14,684	0.43
GBP 14,113,000	Lloyds Bank 2.707% 03/12/2035	14,106	0.42
USD 14,080,000	Lloyds Bank 3.369% 14/12/2046	10,336	0.31
USD 9,800,000	Lloyds Bank 7.50% Perpetual A	8,181	0.24
USD 4,000,000	Lloyds Bank 7.50% Perpetual B	3,265	0.10
GBP 21,770,000	Nationwide Building Society 5.75% Perpetual	23,516	0.69
GBP 6,000,000	NatWest 2.875% 19/09/2026	6,214	0.18
GBP 28,180,000	NatWest 3.622% 14/08/2030	29,321	0.86
GBP 24,400,000	NatWest 5.125% Perpetual	25,594	0.75
USD 1,930,000	NatWest 6.00% Perpetual	1,559	0.05
		<u>205,437</u>	<u>6.06</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>United States 41.95% (30/06/2021: 51.99%)</b>		
	<b>Fixed Rate Bond 41.09% (30/06/2021: 50.39%)</b>		
USD 4,471,000	Allied Universal 4.625% 01/06/2028	3,299	0.10
USD 18,710,000	Alphabet 1.10% 15/08/2030	13,076	0.39
USD 71,446,000	Alphabet 1.998% 15/08/2026	54,386	1.60
USD 18,853,000	American Tower 2.90% 15/01/2030	14,279	0.42
USD 14,240,000	American Tower 3.60% 15/01/2028	11,334	0.33
USD 20,487,000	American Tower 3.80% 15/08/2029	16,470	0.49
USD 24,342,000	Anthem 2.25% 15/05/2030	17,927	0.53
USD 31,500,000	Apple 2.40% 03/05/2023	23,813	0.70
CAD 10,000,000	Apple 2.513% 19/08/2024	5,987	0.18
USD 25,000,000	Apple 2.90% 12/09/2027	19,686	0.58
USD 3,545,000	Apple 3.35% 09/02/2027	2,842	0.08
USD 17,814,000	Arches Buyer 4.25% 01/06/2028	13,140	0.39
USD 3,582,000	Arches Buyer 6.125% 01/12/2028	2,661	0.08
USD 6,918,000	Ardagh Packaging Finance 5.25% 15/08/2027	5,140	0.15
USD 23,655,000	Ardagh Packaging Finance A 5.25% 15/08/2027	17,574	0.52
USD 2,964,000	Atlas LuxCo 4.625% 01/06/2028	2,148	0.06
USD 25,168,000	Autodesk 2.85% 15/01/2030	19,197	0.57
EUR 18,600,000	Avantor Funding 3.875% 15/07/2028	16,230	0.48
USD 15,293,000	Avantor Funding 4.625% 15/07/2028	11,771	0.35
USD 42,089,000	Ball 2.875% 15/08/2030	30,142	0.89
USD 3,640,000	Ball 4.875% 15/03/2026	2,960	0.09
USD 18,730,000	Ball 5.25% 01/07/2025	15,246	0.45
USD 11,524,000	Cable One 4% 15/11/2030	8,338	0.25
USD 8,095,000	Catalent Pharma Solutions 3.125% 15/02/2029	5,895	0.17
USD 8,693,000	Catalent Pharma Solutions 3.50% 01/04/2030	6,360	0.19
USD 3,054,000	CCO 4.25% 01/02/2031	2,275	0.07
USD 6,995,000	CCO 4.50% 15/08/2030	5,284	0.16
USD 7,058,000	CCO 4.75% 01/03/2030	5,419	0.16
USD 11,739,000	CCO 5.375% 01/06/2029	9,353	0.28
USD 28,177,000	Centene 2.50% 01/03/2031	20,252	0.60
USD 20,414,000	Centene 2.625% 01/08/2031	14,770	0.44
USD 8,467,000	Centene 3.00% 15/10/2030	6,354	0.19
USD 33,100,000	Charter Communications Operating Capital 4.20% 15/03/2028	26,769	0.79
EUR 6,500,000	Charter Communications Operating Capital 5.05% 30/03/2029	5,498	0.16
EUR 4,800,000	Coca-Cola 1.625% 09/03/2035	4,388	0.13
USD 13,000,000	Coca-Cola 2.125% 06/09/2029	9,766	0.29
USD 11,934,000	Crowdstrike 3.00% 15/02/2029	8,701	0.26
USD 2,788,000	Crown Americas 4.25% 30/09/2026	2,197	0.06
USD 1,810,000	Crown Americas 4.75% 01/02/2026	1,370	0.04
USD 13,434,000	Crown Castle International 2.25% 15/01/2031	9,675	0.29
USD 13,750,000	Crown Castle International 3.10% 15/11/2029	10,605	0.31
USD 15,319,000	Crown Castle International 3.30% 01/07/2030	11,943	0.35
USD 9,644,000	Crown Castle International 3.65% 01/09/2027	7,654	0.23
USD 8,590,000	Crown Castle International 3.80% 15/02/2028	6,906	0.20
USD 8,912,000	CSC 4.125% 01/12/2030	6,424	0.19
USD 2,100,000	CSC 6.50% 01/02/2029	1,659	0.05
USD 9,091,000	DaVita 4.625% 01/06/2030	6,871	0.20
USD 21,560,000	Dell International 6.02% 15/06/2026	18,408	0.54
USD 6,502,000	Dell International 6.20% 15/07/2030	6,063	0.18

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond</b> (continued)			
EUR 10,190,000	Digital Intrepid 0.625% 15/07/2031	8,070	0.24
USD 7,080,000	Digital Realty Trust 4.75% 01/10/2025	5,789	0.17
USD 13,400,000	Elanco Animal Health 4.90% 28/08/2028	11,476	0.34
USD 37,686,000	Equinix 3.20% 18/11/2029	29,273	0.86
USD 10,021,000	Expedia 2.95% 15/03/2031	7,396	0.22
EUR 9,480,000	Fiserv 1.625% 01/07/2030	8,407	0.25
GBP 2,760,000	Fiserv 2.25% 01/07/2025	2,830	0.08
USD 7,680,000	Fiserv 2.65% 01/06/2030	5,759	0.17
USD 18,513,000	Fiserv 3.50% 01/07/2029	14,712	0.43
USD 8,715,000	Gartner 3.75% 01/10/2030	6,578	0.19
USD 3,620,000	HCA 3.50% 01/09/2030	2,825	0.08
USD 23,125,000	HCA 4.125% 15/06/2029	18,803	0.55
USD 3,433,000	HCA 5.00% 15/03/2024	2,726	0.08
USD 12,320,000	HCA 5.125% 15/06/2039	11,228	0.33
USD 7,834,000	HCA 5.25% 15/06/2026	6,508	0.19
USD 2,467,000	HCA 5.875% 01/02/2029	2,170	0.06
USD 20,472,000	Hologic 3.25% 15/02/2029	15,115	0.45
USD 3,323,000	IHS Markit 4.00% 01/03/2026	2,651	0.08
USD 8,960,000	IHS Markit 4.75% 15/02/2025	7,202	0.21
USD 17,950,000	Intercontinental Exchange 1.85% 15/09/2032	12,685	0.37
EUR 930,000	International Flavors & Fragrances 1.80% 25/09/2026	827	0.02
USD 32,067,000	International Flavors & Fragrances 2.30% 01/11/2030	23,241	0.69
USD 2,867,000	International Flavors & Fragrances 4.45% 26/09/2028	2,398	0.07
EUR 3,200,000	IQVIA 2.25% 15/01/2028	2,694	0.08
USD 1,903,000	IQVIA 5.00% 15/05/2027	1,455	0.04
USD 4,827,000	Iron Mountain 4.50% 15/02/2031	3,602	0.11
USD 9,178,000	Iron Mountain 4.875% 15/09/2029	7,013	0.21
USD 2,044,000	Keurig Dr Pepper 3.20% 01/05/2030	1,597	0.05
USD 8,580,000	Keurig Dr Pepper 4.597% 25/05/2028	7,210	0.21
USD 3,524,000	Kimberly-Clark 3.10% 26/03/2030	2,806	0.08
USD 3,292,000	Lamar Media 3.625% 15/01/2031	2,367	0.07
GBP 846,862	Lehman Brothers 7.875% 08/05/2018 <sup>2</sup>	5	-
USD 14,806,000	Levi Strauss 3.50% 01/03/2020	11,146	0.33
USD 20,643,000	Mars 3.20% 01/04/2030	16,428	0.48
USD 15,182,000	McCormick 3.40% 15/08/2027	12,064	0.36
USD 50,000,000	Microsoft 2.40% 08/08/2026	38,652	1.14
USD 31,657,000	Mozart Debt Merger 3.875% 01/04/2029	23,290	0.69
USD 10,076,000	MSCI 3.625% 01/09/2030	7,607	0.22
USD 12,569,000	MSCI 3.625% 01/11/2031	9,628	0.28
USD 6,737,000	MSCI 3.875% 15/02/2031	5,179	0.15
USD 6,592,000	MSCI 4.00% 15/11/2029	5,086	0.15
EUR 34,850,000	Netflix 3.625% 15/06/2030	34,834	1.03
EUR 6,510,000	Netflix 3.875% 15/11/2029	6,579	0.19
USD 7,385,000	Netflix 4.875% 15/04/2028	6,216	0.18
USD 4,985,000	Netflix 4.875% 15/06/2030	4,292	0.13
USD 12,000,000	Nvidia 0.584% 14/06/2024	8,779	0.26
USD 12,000,000	Nvidia 1.55% 15/06/2028	8,796	0.26
USD 24,000,000	Nvidia 2.00% 15/06/2031	17,647	0.52
USD 2,790,000	Nvidia 3.20% 16/09/2026	2,213	0.07
USD 5,450,000	Paypal 2.65% 01/10/2026	4,226	0.12
USD 5,450,000	Paypal 2.85% 01/10/2029	4,239	0.12

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond (continued)</b>			
USD 6,914,000	PepsiCo 2.625% 29/07/2029	5,374	0.16
USD 12,243,000	Salesforce.com 1.95% 15/07/2031	8,965	0.26
USD 15,521,000	Salesforce.com 3.70% 11/04/2028	12,725	0.38
USD 11,497,000	SBA Communications 3.125% 01/02/2029	8,149	0.24
USD 19,160,000	Service International 3.375% 15/08/2030	13,901	0.41
USD 12,700,000	Service International 4.00% 15/05/2031	9,494	0.28
USD 16,068,000	Service International 4.625% 15/12/2027	12,382	0.37
USD 5,936,000	Service International 5.125% 01/06/2029	4,700	0.14
USD 9,987,000	Sirius XM Radio 4.00% 15/07/2028	7,415	0.22
USD 24,391,000	Sirius XM Radio 4.125% 01/07/2030	18,008	0.53
USD 4,538,000	Sirius XM Radio 5.00% 01/08/2027	3,482	0.10
USD 14,932,000	Sirius XM Radio 5.50% 01/07/2029	11,879	0.35
USD 25,241,000	Square 3.50% 01/06/2031	19,101	0.56
USD 3,902,000	T-Mobile USA 2.625% 15/02/2029	2,838	0.08
USD 20,500,000	T-Mobile USA 3.875% 15/04/2030	16,575	0.49
USD 3,997,000	T-Mobile USA 4.75% 01/02/2028	3,106	0.09
USD 1,858,000	Twitter 3.875% 15/12/2027	1,433	0.04
USD 68,000,000	US Treasury 0.125% 30/11/2022	50,091	1.48
AUD 10,000,000	Verizon Communications 2.35% 23/03/2028	5,229	0.15
USD 13,478,000	Verizon Communications 2.55% 21/03/2031	10,051	0.30
AUD 18,360,000	Verizon Communications 2.65% 06/05/2030	9,489	0.28
USD 13,683,000	Verizon Communications 4.016% 03/12/2029	11,336	0.33
AUD 16,640,000	Verizon Communications 4.50% 17/08/2027	9,811	0.29
USD 6,338,000	Vertiv 4.125% 15/11/2028	4,726	0.14
USD 5,335,000	VMware 1.40% 15/08/2026	3,873	0.11
USD 14,369,000	VMware 3.90% 21/08/2027	11,557	0.34
USD 9,743,000	VMware 4.50% 15/05/2025	7,836	0.23
USD 33,175,000	VMware 4.70% 15/05/2030	28,534	0.84
USD 20,535,000	Walt Disney 2.00% 01/09/2029	15,096	0.45
USD 21,338,000	Walt Disney 2.65% 13/01/2031	16,406	0.48
EUR 10,450,000	WMG Acquisition 2.75% 15/07/2028	8,989	0.27
USD 4,818,000	WMG Acquisition 3.875% 15/07/2030	3,615	0.11
USD 15,949,000	Zayo 4.00% 01/03/2027	11,599	0.34
USD 10,812,000	Zoetis 2.00% 15/05/2030	7,877	0.23
USD 6,018,000	Zoetis 3.90% 20/08/2028	4,934	0.15
		<u>1,393,400</u>	<u>41.09</u>
<b>Floating Rate Note 0.00% (30/06/2021: 0.82%)</b>			
<b>Secured Loans 0.86% (30/06/2021: 0.78%)<sup>1</sup></b>			
EUR 5,037,500	Ion Analytics FRN 16/02/2028	3,727	0.11
USD 8,288,630	McAfee FRN 30/09/2024 B	6,123	0.18
EUR 4,033,819	McAfee FRN 30/09/2024 B1	3,384	0.10
USD 21,458,648	Realpage FRN 24/04/2028	15,786	0.47
		<u>29,020</u>	<u>0.86</u>



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Derivatives 1.42% (30/06/2021: (0.41%))</b>			
<b>Futures (0.16%) (30/06/2021: 0.15%)</b>			
(2,433)	CBT US 10 Year Note March 2022	(2,414)	(0.07)
(1,935)	CBT US 10 Year Ultra Note March 2022	(3,435)	(0.10)
(453)	CBT US Long Bond March 2022	(753)	(0.03)
(580)	ICE Long Gilt March 2022	1,269	0.04
		<u>(5,333)</u>	<u>(0.16)</u>
<b>Swaps 0.88% (30/06/2021: (0.25%))<sup>1</sup></b>			
<b>Credit Default Index Swaps 0.88% (30/06/2021: (0.25%))<sup>1</sup></b>			
40,000,000	CDX 5.00% 20/12/2026 iTraxx-Crossover Pay EUR	3,986	0.12
40,000,000	CDX 5.00% 20/12/2026 iTraxx-Crossover Pay EUR	3,986	0.11
40,000,000	CDX 5.00% 20/12/2026 iTraxx-Crossover Pay EUR	3,986	0.12
40,000,000	CDX 5.00% 20/12/2026 iTraxx-Crossover Pay EUR	3,986	0.12
40,000,000	CDX 5.00% 20/12/2026 iTraxx-Crossover Pay EUR	3,986	0.12
40,000,000	CDX 5.00% 20/12/2026 iTraxx-Crossover Pay EUR	3,986	0.12
40,000,000	CDX 5.00% 20/12/2026 iTraxx-Crossover Pay EUR	3,986	0.12
18,450,000	CDX 5.00% 20/12/2026 iTraxx-Crossover Pay EUR	1,838	0.05
		<u>29,740</u>	<u>0.88</u>
<b>Forward Foreign Exchange Contracts 0.70% (30/06/2021: (0.31%))<sup>1</sup></b>			
	Buy AUD 216,844 : Sell GBP 115,860 February 2022	1	-
	Buy AUD 333,900 : Sell GBP 179,811 February 2022	(1)	-
	Buy AUD 150,000 : Sell GBP 80,914 February 2022 <sup>3</sup>	-	-
	Buy AUD 345,100 : Sell GBP 186,318 February 2022	(1)	-
	Buy AUD 13,756,411 : Sell GBP 7,434,817 February 2022	(49)	-
	Buy AUD 295,000 : Sell GBP 160,859 February 2022	(2)	-
	Buy AUD 22,408,581 : Sell GBP 12,281,619 February 2022	(250)	(0.01)
	Buy AUD 333,800 : Sell GBP 181,148 January 2022	(2)	-
	Buy AUD 286,100 : Sell GBP 155,622 January 2022	(2)	-
	Buy AUD 445,300 : Sell GBP 242,238 January 2022	(3)	-
	Buy AUD 178,700 : Sell GBP 97,211 January 2022	(1)	-
	Buy AUD 699,200 : Sell GBP 380,434 January 2022	(5)	-
	Buy AUD 165,600 : Sell GBP 90,216 January 2022	(1)	-
	Buy AUD 1,364,000 : Sell GBP 744,535 January 2022	(12)	-
	Buy AUD 179,600 : Sell GBP 98,271 January 2022	(2)	-
	Buy AUD 451,400 : Sell GBP 247,646 January 2022	(5)	-
	Buy AUD 2,362,800 : Sell GBP 1,301,788 January 2022	(33)	-
	Buy AUD 6,645,265 : Sell GBP 3,602,064 March 2022	(33)	-
	Buy CAD 35,946,440 : Sell GBP 21,362,506 February 2022	(350)	(0.01)
	Buy CAD 128,266,629 : Sell GBP 76,609,748 January 2022	(1,638)	(0.05)
	Buy EUR 17,596 : Sell GBP 15,066 February 2022 <sup>3</sup>	-	-
	Buy EUR 39,530 : Sell GBP 33,690 February 2022 <sup>3</sup>	-	-
	Buy EUR 21,329,812 : Sell GBP 18,172,531 February 2022	(245)	(0.01)
	Buy EUR 617,559 : Sell GBP 526,024 February 2022	(7)	-
	Buy EUR 165,226 : Sell GBP 140,623 February 2022	(2)	-
	Buy EUR 3,408,126 : Sell GBP 2,893,509 February 2022	(29)	-
	Buy EUR 10,377,999 : Sell GBP 8,794,492 February 2022	(72)	-
	Buy EUR 248,175 : Sell GBP 210,302 February 2022	(2)	-
	Buy EUR 49,826 : Sell GBP 41,977 February 2022 <sup>3</sup>	-	-
	Buy EUR 1,463,646 : Sell GBP 1,231,704 February 2022	(2)	-
	Buy EUR 7,917,180 : Sell GBP 6,662,480 February 2022	(8)	-



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b> (continued)			
	Buy EUR 4,240,611 : Sell GBP 3,568,541 February 2022	(4)	-
	Buy EUR 52,045,937 : Sell GBP 43,766,927 February 2022	(23)	-
	Buy EUR 320,087 : Sell GBP 274,606 January 2022	(6)	-
	Buy EUR 57,766 : Sell GBP 49,505 January 2022	(1)	-
	Buy EUR 102,245 : Sell GBP 87,536 January 2022	(2)	-
	Buy EUR 209,090 : Sell GBP 178,919 January 2022	(3)	-
	Buy EUR 89,986 : Sell GBP 76,452 January 2022	(1)	-
	Buy EUR 73,106 : Sell GBP 62,057 January 2022	(1)	-
	Buy EUR 423,341 : Sell GBP 358,830 January 2022	(3)	-
	Buy EUR 554,355 : Sell GBP 469,666 January 2022	(4)	-
	Buy EUR 3,485,605 : Sell GBP 2,948,275 January 2022	(21)	-
	Buy EUR 130,606 : Sell GBP 110,357 January 2022	(1)	-
	Buy EUR 418,779 : Sell GBP 353,722 January 2022	(2)	-
	Buy EUR 37,428 : Sell GBP 31,605 January 2022 <sup>3</sup>	-	-
	Buy EUR 1,672,107 : Sell GBP 1,437,055 March 2022	(30)	-
	Buy EUR 295,154 : Sell GBP 252,791 March 2022	(4)	-
	Buy EUR 149,922 : Sell GBP 128,404 March 2022	(2)	-
	Buy EUR 195,532 : Sell GBP 167,025 March 2022	(3)	-
	Buy EUR 376,175 : Sell GBP 321,142 March 2022	(5)	-
	Buy EUR 1,020,564 : Sell GBP 869,608 March 2022	(11)	-
	Buy EUR 1,006,693 : Sell GBP 856,147 March 2022	(9)	-
	Buy EUR 995,468 : Sell GBP 846,317 March 2022	(9)	-
	Buy EUR 720,663 : Sell GBP 609,306 March 2022	(3)	-
	Buy EUR 430,835 : Sell GBP 364,219 March 2022	(2)	-
	Buy EUR 842,444 : Sell GBP 712,014 March 2022	(3)	-
	Buy EUR 70,314 : Sell GBP 59,296 March 2022 <sup>3</sup>	-	-
	Buy EUR 1,169,699 : Sell GBP 984,367 March 2022 <sup>3</sup>	-	-
	Buy EUR 485,810 : Sell GBP 408,706 March 2022 <sup>3</sup>	-	-
	Buy GBP 49,732,007 : Sell AUD 91,251,859 February 2022	736	0.02
	Buy GBP 87,731 : Sell AUD 160,500 February 2022	2	-
	Buy GBP 507,378 : Sell AUD 940,700 January 2022	2	-
	Buy GBP 16,060,579 : Sell AUD 29,731,170 January 2022	100	-
	Buy GBP 273,565 : Sell AUD 506,100 January 2022	2	-
	Buy GBP 1,288,667 : Sell AUD 2,376,800 January 2022	13	-
	Buy GBP 493,166 : Sell AUD 907,900 January 2022	6	-
	Buy GBP 112,564 : Sell AUD 206,800 January 2022	2	-
	Buy GBP 607,494 : Sell AUD 1,110,400 January 2022	11	-
	Buy GBP 226,232 : Sell AUD 413,200 January 2022	4	-
	Buy GBP 860,069 : Sell AUD 1,569,600 January 2022	17	-
	Buy GBP 53,852,123 : Sell AUD 99,229,106 March 2022	556	0.02
	Buy GBP 9,206,979 : Sell CAD 15,450,740 February 2022	175	-
	Buy GBP 45,921,558 : Sell CAD 76,895,649 February 2022	973	0.03
	Buy GBP 108,746,783 : Sell CAD 184,666,578 January 2022	809	0.02
	Buy GBP 33,702,091 : Sell CAD 56,399,949 March 2022	733	0.02
	Buy GBP 38,739 : Sell EUR 45,125 February 2022	1	-
	Buy GBP 178,230,543 : Sell EUR 207,668,502 February 2022	3,688	0.11
	Buy GBP 279,750 : Sell EUR 327,464 February 2022	5	-
	Buy GBP 282,754 : Sell EUR 331,714 February 2022	4	-
	Buy GBP 138,856 : Sell EUR 162,182 January 2022	3	-
	Buy GBP 4,127,955 : Sell EUR 4,824,542 January 2022	76	-
	Buy GBP 23,954 : Sell EUR 28,107 January 2022 <sup>3</sup>	-	-

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b> (continued)			
	Buy GBP 99,415 : Sell EUR 117,108 January 2022	1	-
	Buy GBP 170,181,378 : Sell EUR 200,472,669 January 2022	1,800	0.05
	Buy GBP 10,142,996 : Sell EUR 11,961,080 January 2022	97	-
	Buy GBP 28,238 : Sell EUR 33,311 January 2022 <sup>3</sup>	-	-
	Buy GBP 100,309 : Sell EUR 118,392 January 2022	1	-
	Buy GBP 63,152 : Sell EUR 74,666 January 2022 <sup>3</sup>	-	-
	Buy GBP 69,522 : Sell EUR 82,211 January 2022 <sup>3</sup>	-	-
	Buy GBP 4,906 : Sell EUR 5,806 January 2022 <sup>3</sup>	-	-
	Buy GBP 36,715 : Sell EUR 43,588 January 2022 <sup>3</sup>	-	-
	Buy GBP 195,059,421 : Sell EUR 227,000,052 March 2022	4,085	0.12
	Buy GBP 212,780 : Sell EUR 248,605 March 2022	4	-
	Buy GBP 63,107 : Sell EUR 73,963 March 2022	1	-
	Buy GBP 19,410 : Sell EUR 22,750 March 2022 <sup>3</sup>	-	-
	Buy GBP 876,946 : Sell EUR 1,027,948 March 2022	12	-
	Buy GBP 8,432,189 : Sell EUR 9,920,000 March 2022	87	-
	Buy GBP 45,513 : Sell USD 61,289 February 2022 <sup>3</sup>	-	-
	Buy GBP 170,672 : Sell USD 229,824 February 2022	1	-
	Buy GBP 283,536 : Sell USD 381,000 February 2022	2	-
	Buy GBP 52,605,245 : Sell USD 70,536,680 February 2022	519	0.01
	Buy GBP 312,727,267 : Sell USD 419,050,957 February 2022	3,288	0.10
	Buy GBP 298,573,295 : Sell USD 400,000,000 February 2022	3,202	0.09
	Buy GBP 34,894 : Sell USD 46,740 February 2022 <sup>3</sup>	-	-
	Buy GBP 786,405 : Sell USD 1,048,200 February 2022	12	-
	Buy GBP 4,353,311 : Sell USD 5,801,700 February 2022	69	-
	Buy GBP 7,900,973 : Sell USD 10,512,889 February 2022	138	-
	Buy GBP 98,026,676 : Sell USD 129,824,864 February 2022	2,160	0.06
	Buy GBP 5,036,114 : Sell USD 6,669,645 February 2022	111	-
	Buy GBP 11,400 : Sell USD 15,750 January 2022 <sup>3</sup>	-	-
	Buy GBP 172,795 : Sell USD 238,000 January 2022	(3)	-
	Buy GBP 307,950,762 : Sell USD 422,328,684 January 2022	(3,870)	(0.11)
	Buy GBP 1,919,054 : Sell USD 2,631,300 January 2022	(24)	-
	Buy GBP 291,989,509 : Sell USD 400,000,000 January 2022	(3,345)	(0.10)
	Buy GBP 33,327,943 : Sell USD 45,613,522 January 2022	(350)	(0.01)
	Buy GBP 720,885 : Sell USD 986,535 January 2022	(8)	-
	Buy GBP 2,364,985 : Sell USD 3,235,335 January 2022	(24)	-
	Buy GBP 613,160 : Sell USD 837,711 January 2022	(5)	-
	Buy GBP 2,527,221 : Sell USD 3,429,100 January 2022	(5)	-
	Buy GBP 31,142 : Sell USD 42,223 January 2022 <sup>3</sup>	-	-
	Buy GBP 34,487 : Sell USD 46,553 January 2022 <sup>3</sup>	-	-
	Buy GBP 1,207,374 : Sell USD 1,629,400 January 2022	4	-
	Buy GBP 888,626 : Sell USD 1,197,900 January 2022	4	-
	Buy GBP 976,252 : Sell USD 1,321,465 March 2022 <sup>3</sup>	-	-
	Buy GBP 422,538 : Sell USD 569,700 March 2022	2	-
	Buy GBP 18,801,364 : Sell USD 25,279,937 March 2022	130	-
	Buy GBP 1,076,675 : Sell USD 1,443,100 March 2022	11	-
	Buy GBP 2,494,675 : Sell USD 3,303,200 March 2022	55	-
	Buy GBP 1,007,892 : Sell USD 1,333,800 March 2022	23	-
	Buy GBP 206,063 : Sell USD 272,402 March 2022	5	-
	Buy GBP 270,023,457 : Sell USD 356,719,921 March 2022	6,559	0.19
	Buy GBP 302,834,811 : Sell USD 400,000,000 March 2022	7,405	0.22
	Buy USD 646,310 : Sell GBP 479,318 February 2022	(2)	-

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b> (continued)			
	Buy USD 7,464,455 : Sell GBP 5,535,922 February 2022	(24)	-
	Buy USD 12,249,047 : Sell GBP 9,084,437 February 2022	(39)	-
	Buy USD 982,315 : Sell GBP 729,243 February 2022	(4)	-
	Buy USD 10,218,430 : Sell GBP 7,586,003 February 2022	(40)	-
	Buy USD 6,928,467 : Sell GBP 5,143,616 February 2022	(27)	-
	Buy USD 25,240,811 : Sell GBP 18,784,319 February 2022	(146)	-
	Buy USD 6,771,228 : Sell GBP 5,043,125 February 2022	(43)	-
	Buy USD 107,707,906 : Sell GBP 80,221,994 February 2022	(687)	(0.02)
	Buy USD 7,112,344 : Sell GBP 5,304,350 February 2022	(52)	-
	Buy USD 3,141,500 : Sell GBP 2,345,378 February 2022	(26)	-
	Buy USD 3,864,500 : Sell GBP 2,888,894 February 2022	(35)	-
	Buy USD 9,944,287 : Sell GBP 7,433,940 February 2022	(91)	-
	Buy USD 4,409,590 : Sell GBP 3,296,451 February 2022	(40)	-
	Buy USD 1,411,009 : Sell GBP 1,057,872 February 2022	(16)	-
	Buy USD 6,085,878 : Sell GBP 4,562,858 February 2022	(69)	-
	Buy USD 3,261,971 : Sell GBP 2,445,659 February 2022	(37)	-
	Buy USD 1,666,446 : Sell GBP 1,251,539 February 2022	(21)	-
	Buy USD 7,609,767 : Sell GBP 5,715,191 February 2022	(96)	-
	Buy USD 3,941,355 : Sell GBP 2,962,172 February 2022	(52)	-
	Buy USD 29,784,414 : Sell GBP 22,397,075 February 2022	(403)	(0.01)
	Buy USD 6,850,748 : Sell GBP 5,172,974 February 2022	(114)	-
	Buy USD 4,100,656 : Sell GBP 3,096,399 February 2022	(68)	-
	Buy USD 7,837,100 : Sell GBP 5,917,872 February 2022	(131)	-
	Buy USD 8,087,900 : Sell GBP 6,107,391 February 2022	(135)	-
	Buy USD 2,398,686 : Sell GBP 1,811,645 February 2022	(40)	-
	Buy USD 12,307,545 : Sell GBP 9,305,192 February 2022	(217)	(0.01)
	Buy USD 1,344,200 : Sell GBP 1,016,325 February 2022	(24)	-
	Buy USD 8,062,231 : Sell GBP 5,835,860 January 2022	117	-
	Buy USD 793,883 : Sell GBP 574,657 January 2022	10	-
	Buy USD 1,323,709 : Sell GBP 959,021 January 2022	18	-
	Buy USD 10,250,237 : Sell GBP 7,428,594 January 2022	139	-
	Buy USD 119,411 : Sell GBP 86,562 January 2022	2	-
	Buy USD 19,467,522 : Sell GBP 14,133,052 January 2022	240	0.01
	Buy USD 186,000 : Sell GBP 135,065 January 2022	2	-
	Buy USD 141,400 : Sell GBP 102,680 January 2022	2	-
	Buy USD 2,233,451 : Sell GBP 1,627,969 January 2022	21	-
	Buy USD 10,080,889 : Sell GBP 7,348,280 January 2022	95	-
	Buy USD 104,100 : Sell GBP 75,897 January 2022	1	-
	Buy USD 9,258,170 : Sell GBP 6,776,621 January 2022	59	-
	Buy USD 4,315,916 : Sell GBP 3,159,097 January 2022	27	-
	Buy USD 700,398 : Sell GBP 514,478 January 2022	3	-
	Buy USD 1,181,200 : Sell GBP 875,132 January 2022	(3)	-
	Buy USD 57,293,575 : Sell GBP 43,262,277 January 2022	(960)	(0.03)
	Buy USD 3,072,900 : Sell GBP 2,277,646 March 2022	(8)	-
	Buy USD 195,994 : Sell GBP 146,034 March 2022	(1)	-
	Buy USD 1,713,400 : Sell GBP 1,277,076 March 2022	(12)	-
	Buy USD 4,866,114 : Sell GBP 3,647,058 March 2022	(53)	-
	Buy USD 12,834,085 : Sell GBP 9,619,280 March 2022	(140)	-
	Buy USD 2,295,592 : Sell GBP 1,720,614 March 2022	(25)	-
	Buy USD 3,805,651 : Sell GBP 2,854,446 March 2022	(44)	-
	Buy USD 10,084,587 : Sell GBP 7,603,288 March 2022	(155)	-

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b> (continued)			
	Buy USD 2,459,413 : Sell GBP 1,858,570 March 2022	(42)	-
	Buy USD 700,100 : Sell GBP 529,246 March 2022	(12)	-
	Buy USD 24,512 : Sell GBP 18,539 March 2022 <sup>3</sup>	-	-
	Buy USD 2,260,600 : Sell GBP 1,709,804 March 2022	(40)	-
	Buy USD 1,035,051 : Sell GBP 782,988 March 2022	(19)	-
	Buy USD 1,579,540 : Sell GBP 1,195,641 March 2022	(29)	-
	Buy USD 3,469,905 : Sell GBP 2,626,621 March 2022	(64)	-
		<u>23,613</u>	<u>0.70</u>
	<b>Investment assets including investment liabilities</b>	<b>2,935,760</b>	<b>86.58</b>
	Other net assets	<u>454,993</u>	<u>13.42</u>
	<b>Total net assets</b>	<b>3,390,753</b>	<b>100.00</b>

<sup>1</sup> Not listed on an official stock exchange

<sup>2</sup> Defaulted

<sup>3</sup> Due to rounding to nearest £1,000

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

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

## Credit ratings

	Market value £000	Percentage of total net assets %
<b>31/12/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	1,728,402	50.97
Below investment grade (BB and below)	1,076,587	31.75
Unrated	57,944	1.71
<b>Total debt securities</b>	<b>2,862,933</b>	<b>84.43</b>
Derivatives	48,020	1.42
Equities	24,807	0.73
<b>Investment assets including investment liabilities</b>	<b>2,935,760</b>	<b>86.58</b>
Other net assets	454,993	13.42
<b>Total net assets</b>	<b>3,390,753</b>	<b>100.00</b>
	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
<b>30/06/21</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	1,790,983	54.58
Below investment grade (BB and below)	1,101,711	33.55
Unrated	50,681	1.55
<b>Total debt securities</b>	<b>2,943,375</b>	<b>89.68</b>
Derivatives	(13,492)	(0.41)
Equities	24,323	0.74
<b>Investment assets including investment liabilities</b>	<b>2,954,206</b>	<b>90.01</b>
Other net assets	328,032	9.99
<b>Total net assets</b>	<b>3,282,238</b>	<b>100.00</b>

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(14,619)		133,591
Revenue	45,666		56,971	
Expenses	(11,995)		(11,513)	
Interest payable and similar charges	(27)		(21)	
	<u>33,644</u>		<u>45,437</u>	
Net revenue before taxation				
Taxation	-		-	
	<u>33,644</u>		<u>45,437</u>	
Net revenue after taxation		33,644		45,437
Total return before distributions		19,025		179,028
Distributions		(47,464)		(58,311)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u>(28,439)</u>		<u>120,717</u>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>3,282,238</b>		<b>2,995,188</b>
Amounts receivable on issue of shares	212,366		302,482	
Amounts payable on cancellation of shares	(97,979)		(80,457)	
		114,387		222,025
Change in net assets attributable to shareholders from investment activities		(28,439)		120,717
Retained distributions on accumulation shares		22,563		28,146
Unclaimed distributions		4		6
<b>Closing net assets attributable to shareholders</b>		<u><b>3,390,753</b></u>		<u><b>3,366,082</b></u>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	2,957,192	2,984,706
Current assets:		
Debtors	33,943	80,149
Cash and bank balances	470,677	329,548
<b>Total assets</b>	<b>3,461,812</b>	<b>3,394,403</b>
<b>Liabilities:</b>		
Investment liabilities	21,432	30,500
Creditors:		
Amounts held at derivative clearing houses and brokers	32,917	4,993
Distributions payable	13,005	13,012
Other creditors	3,705	63,660
<b>Total liabilities</b>	<b>71,059</b>	<b>112,165</b>
<b>Net assets attributable to shareholders</b>	<b>3,390,753</b>	<b>3,282,238</b>

## Distribution tables for the six months ended 31 December 2021 (in pence per share)

### Interim interest distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 July 2021

Group 2: shares purchased on or after 1 July 2021

	Distribution per share	Equalisation	Total distribution per share 30/11/21	Total distribution per share 30/11/20
<b>Class A income</b>				
Group 1	0.8517	-	0.8517	1.1171
Group 2	0.6104	0.2413	0.8517	1.1171
<b>Class E income</b>				
Group 1	0.8623	-	0.8623	1.1236
Group 2	0.5601	0.3022	0.8623	1.1236
<b>Class G accumulation</b>				
Group 1	2.5869	-	2.5869	3.2714
Group 2	1.9763	0.6106	2.5869	3.2714
<b>Class G income</b>				
Group 1	0.9474	-	0.9474	1.3782
Group 2	0.5724	0.3750	0.9474	1.3782
<b>Class I accumulation</b>				
Group 1	2.6726	-	2.6726	3.3404
Group 2	2.0890	0.5836	2.6726	3.3404
<b>Class I income</b>				
Group 1	0.9770	-	0.9770	1.2619
Group 2	0.7302	0.2468	0.9770	1.2619
<b>Class Z accumulation</b>				
Group 1	3.0307	-	3.0307	3.7530
Group 2	1.9689	1.0618	3.0307	3.7530



## Distribution tables (continued)

### Interim interest distribution (accounting date 31 December 2021, paid on 28 February 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Equalisation	Total distribution per share 28/02/22	Total distribution per share 26/02/21
<b>Class A income</b>				
Group 1	0.9197	-	0.9197	1.2218
Group 2	0.6998	0.2199	0.9197	1.2218
<b>Class E income</b>				
Group 1	0.9316	-	0.9316	1.2305
Group 2	0.7222	0.2094	0.9316	1.2305
<b>Class G accumulation</b>				
Group 1	2.8028	-	2.8028	3.5341
Group 2	2.0526	0.7502	2.8028	3.5341
<b>Class G income</b>				
Group 1	1.0228	-	1.0228	1.3275
Group 2	0.8116	0.2112	1.0228	1.3275
<b>Class I accumulation</b>				
Group 1	2.9120	-	2.9120	3.6789
Group 2	2.4913	0.4207	2.9120	3.6789
<b>Class I income</b>				
Group 1	1.0538	-	1.0538	1.3797
Group 2	0.8662	0.1876	1.0538	1.3797
<b>Class Z accumulation</b>				
Group 1	3.2895	-	3.2895	4.1257
Group 2	2.6139	0.6756	3.2895	4.1257

# Janus Henderson UK Equity Income & Growth Fund

## Authorised Corporate Director's report

### Investment Fund Managers

James Henderson and Laura Foll

### Investment objective and policy

The fund aims to provide a dividend income, with prospects for both income and capital growth over the long term (5 years or more).

The fund invests at least 80% of its assets in shares (also known as equities) of companies, in any industry, in the UK. Companies will be incorporated, headquartered, or deriving significant revenue from, the UK. The fund will typically have a bias towards small and medium sized companies.

The fund is actively managed with reference to the FTSE All Share Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

### Strategy

The Investment Manager seeks to benefit from investment opportunities created by market inefficiencies and aims to add value by investigating under-analysed areas of the market in order to identify out-of-favour, quality companies. The investment process is driven by fundamental company research and focuses on companies with above-average yield and growing dividends.

### Performance summary

#### Cumulative performance

	Six months	One year	Three years	Five years	Since inception
	30 Jun 21 - 31 Dec 21	31 Dec 20 - 31 Dec 21	31 Dec 18 - 31 Dec 21	31 Dec 16 - 31 Dec 21	4 Oct 74 - 31 Dec 21
	%	%	%	%	%
<b>Class I income (Net)</b>	4.6	18.0	15.3	9.4	20,502.7
<b>FTSE All Share Index</b>	6.5	18.3	27.2	30.2	-*
<b>IA UK Equity Income Sector</b>	5.6	18.3	26.6	26.3	20,660.0

#### Discrete performance

	31 Dec 20 - 31 Dec 21	31 Dec 19 - 31 Dec 20	31 Dec 18 - 31 Dec 19	31 Dec 17 - 31 Dec 18	31 Dec 16 - 31 Dec 17
	%	%	%	%	%
<b>Class I income (Net)</b>	18.0	(12.8)	12.1	(12.8)	8.8
<b>FTSE All Share Index</b>	18.3	(9.8)	19.2	(9.5)	13.1
<b>IA UK Equity Income Sector</b>	18.3	(10.9)	20.1	(10.5)	11.5

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

Source: Morningstar

Class I income (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Benchmark values are as at close of business.

Class I income is disclosed as it is the representative share class.

### Benchmark usage

Index: FTSE All Share Index

Index usage: Comparator

Index description: The FTSE All Share Index is a measure of the combined performance of a large number of the companies listed on the London Stock Exchange and includes large, medium and smaller companies. It provides a useful comparison against which the fund's performance can be assessed over time.

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Peer group: IA UK Equity Income Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

### Significant portfolio changes for the six months ended 31 December 2021

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Kingfisher	2,381	Prudential	4,622
Irish Continental	1,585	Meggitt	3,490
Reckitt Benckiser	1,529	abrdn	2,451
James Fisher & Sons	998	Lloyds Banking	2,152
DFS Furniture	902	Secure Income REIT	1,362
GlaxoSmithKline	649	Royal Dutch Shell 'A'	1,328
Brooks Macdonald	620	Vitec	1,248
M&G	579	Palace Capital	1,234
Tesco	353	GlaxoSmithKline	1,113
Reach	343	Anglo American	1,031
<b>Total purchases</b>	<b>12,601</b>	<b>Total sales</b>	<b>30,024</b>

### Investment review

The fund returned 4.6% based on Class I income (Net) over the period under review, compared with a return of 6.5% in the FTSE All Share Index and a return of 5.6% in the IA UK Equity Income Sector peer group benchmark.

During the second half of 2021, the UK equity market performance was a resilient outcome against a backdrop of rising UK inflation (with the consumer price index reaching 5.1% in November), a modest rise in interest rates by the Bank of England in December, and rapidly rising COVID-19 cases towards the end of the year as the Omicron variant spread. Offsetting this volatile backdrop, company earnings remained broadly resilient, with many companies reporting strong demand (offset in some cases by supply chain outages and input cost pressures).

The largest detractor from relative performance was Studio Retail, an online 'value' retailer that sells, for example, clothing and electrical items. This lowered its full-year earnings expectations as a result of stock outages in some categories and mixed trading performance in others (with women's clothes, for example, selling less well than expected). This is a trend we have seen elsewhere within the retail sector. For example, the second-largest (actively held) detractor from performance was cycling and automotive parts retailer Halfords, which had some difficulties getting stock (such as adult bikes) as well as some cost pressures (such as wage inflation). Towards the end of the year, Halfords acquired a chain of garages (which we thought looked a sensible strategic fit) and an associated equity placing, in which the fund participated.

The largest contributor to relative performance was aerospace components supplier Meggitt following a takeover offer from a US peer. We sold the long-held position following the offer. Also among the best performers was retailer Marks & Spencer, which upgraded earnings expectations materially as sales recovered faster than expected following the pandemic.

New positions established during period included retailer Kingfisher (which operates brands such as B&Q and Screwfix) and consumer staples company Reckitt Benckiser (which owns brands such as Nurofen). In the case of Kingfisher, we were encouraged by the strength of its balance sheet. The new position in Reckitt Benckiser followed an encouraging trading update in which organic sales growth showed signs of improvement following a period of reinvestment. Within smaller companies there were also new positions established in law firm DWF and wealth management firm Brooks Macdonald. The fund's exit from financial services provider Prudential in October was among the largest sales during the period. The position was sold as the stock had narrowed its valuation gap materially with peer AIA.

Following a 43% fall in UK dividends in 2020, 2021 saw a sharp recovery, with UK dividends forecast to rise 45% (note that despite this recovery, dividends are forecast to remain approximately 17% lower in 2021 than in 2019). This recovery in dividends was driven, in part, by the mining sector, which in many cases (such as Rio Tinto and Anglo American) paid special dividends alongside ordinary dividends as a result of high commodity prices. The energy sector also contributed to dividend growth, following an upward rebasing by Royal Dutch Shell of its quarterly dividend by approximately 40% as oil prices recovered. Outside of these two sectors there was also a broad recovery in dividends within, for example, the financial sector as banks returned to paying dividends following their suspension in 2020.

Looking ahead to 2022, there are a number of reasons to be optimistic about the UK backdrop. Consensus estimates of real UK economic growth in 2022 amount to 4.8%, and the UK is starting the year with a low unemployment rate and a better than historical average household balance sheet (which should give households more of a savings 'buffer' to counteract rising prices). The UK equity market also enters 2022 at a valuation (measured by the 12-month forward price-to-earnings ratio) that is not out of line with its own historical average and is lower than other developed equity markets (particularly the US). However, risks remain, the most material of which is, in our view, persistently high inflation. This brings alongside it the risks of central bank policy error and pressure on household real disposable incomes.

## Comparative tables for the six months ended 31 December 2021

	Class A accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	707.24	536.17	698.63	764.83
Return before operating charges*	34.41	181.68	(151.52)	(54.20)
Operating charges	(6.28)	(10.61)	(10.94)	(12.00)
Return after operating charges*	28.13	171.07	(162.46)	(66.20)
Distributions on accumulation shares	(13.43)	(26.85)	(22.09)	(30.35)
Retained distributions on accumulation shares	13.43	26.85	22.09	30.35
Closing net asset value per share	735.37	707.24	536.17	698.63
* after direct transaction costs of:	0.22	0.99	0.55	0.23

### Performance

Return after charges	3.98%	31.91%	(23.25%)	(8.66%)
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### Other information

Closing net asset value (£000s)	136	129	119	499
Closing number of shares	18,425	18,270	22,199	71,392
Operating charges (annualised)	1.73%	1.73%	1.70%	1.70%
Direct transaction costs	0.03%	0.16%	0.09%	0.03%

### Prices

Highest share price (pence)	744.10	720.20	739.00	771.50
Lowest share price (pence)	684.10	504.10	442.00	644.90

	Class A income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	520.79	412.11	556.07	636.06
Return before operating charges*	25.11	137.00	(117.95)	(45.30)
Operating charges	(4.60)	(8.01)	(8.60)	(9.85)
Return after operating charges*	20.51	128.99	(126.55)	(55.15)
Distributions on income shares	(9.85)	(20.31)	(17.41)	(24.84)
Closing net asset value per share	531.45	520.79	412.11	556.07
* after direct transaction costs of:	0.16	0.75	0.43	0.18

### Performance

Return after charges	3.94%	31.30%	(22.76%)	(8.67%)
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### Other information

Closing net asset value (£000s)	11,121	11,529	11,308	44,915
Closing number of shares	2,092,668	2,213,828	2,743,847	8,077,260
Operating charges (annualised)	1.73%	1.73%	1.70%	1.70%
Direct transaction costs	0.03%	0.16%	0.09%	0.03%

### Prices

Highest share price (pence)	548.00	536.30	577.00	641.60
Lowest share price (pence)	503.80	382.30	344.30	531.00

## Comparative tables (continued)

	Class C income			Year to 30/06/19 (pence per share)
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	
<b>Change in net assets per share</b>				
Opening net asset value per share	147.37	116.62	157.35	179.98
Return before operating charges*	7.10	38.76	(33.29)	(12.82)
Operating charges	(1.30)	(2.27)	(2.51)	(2.78)
Return after operating charges*	5.80	36.49	(35.80)	(15.60)
Distributions on income shares	(2.79)	(5.74)	(4.93)	(7.03)
Closing net asset value per share	150.38	147.37	116.62	157.35
* after direct transaction costs of:	0.04	0.21	0.13	0.05

### Performance

Return after charges	3.94%	31.29%	(22.75%)	(8.67%)
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### Other information

Closing net asset value (£000s)	4,712	4,760	4,176	112,933
Closing number of shares	3,133,064	3,229,895	3,581,272	71,771,287
Operating charges (annualised)	1.73%	1.73%	1.70%	1.70%
Direct transaction costs	0.03%	0.16%	0.09%	0.03%

### Prices

Highest share price (pence)	155.10	151.80	163.30	181.60
Lowest share price (pence)	142.60	108.20	97.43	150.30

	Class E accumulation		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	714.32	538.83	707.70 <sup>1</sup>
Return before operating charges*	34.82	183.15	(161.39)
Operating charges	(4.53)	(7.66)	(7.48)
Return after operating charges*	30.29	175.49	(168.87)
Distributions on accumulation shares	(13.57)	(27.06)	(22.16)
Retained distributions on accumulation shares	13.57	27.06	22.16
Closing net asset value per share	744.61	714.32	538.83
* after direct transaction costs of:	0.22	1.00	0.55

### Performance

Return after charges	4.24%	32.57%	(23.86%)
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### Other information

Closing net asset value (£000s)	383	337	260
Closing number of shares	51,446	47,179	48,300
Operating charges (annualised)	1.23%	1.23%	1.20%
Direct transaction costs	0.03%	0.16%	0.09%

### Prices

Highest share price (pence)	752.00	727.30	741.00
Lowest share price (pence)	691.10	507.50	443.60

<sup>1</sup> Class E accumulation launched on 8 July 2019 and this is the first published price.

## Comparative tables (continued)

	Six months to 31/12/21 (pence per share)	Class E income Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	148.84	117.19	159.42 <sup>2</sup>
Return before operating charges*	7.19	39.07	(35.63)
Operating charges	(0.94)	(1.63)	(1.66)
Return after operating charges*	6.25	37.44	(37.29)
Distributions on income shares	(2.82)	(5.79)	(4.94)
Closing net asset value per share	152.27	148.84	117.19
* after direct transaction costs of:	0.05	0.21	0.12
<b>Performance</b>			
Return after charges	4.20%	31.95%	(23.39%)
<b>Other information</b>			
Closing net asset value (£000s)	123,299	121,186	97,129
Closing number of shares	80,971,687	81,420,219	82,882,125
Operating charges (annualised)	1.23%	1.23%	1.20%
Direct transaction costs	0.03%	0.16%	0.09%
<b>Prices</b>			
Highest share price (pence)	156.70	153.20	163.70
Lowest share price (pence)	144.00	108.90	97.77

<sup>2</sup> Class E income launched on 8 July 2019 and this is the first published price.

## Comparative tables (continued)

	Class G accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	14/02/19 - 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	104.75	78.63	101.47	100.00 <sup>3</sup>
Return before operating charges*	5.11	26.80	(22.16)	1.73
Operating charges	(0.41)	(0.68)	(0.68)	(0.26)
Return after operating charges*	4.70	26.12	(22.84)	1.47
Distributions on accumulation shares	(2.08)	(4.10)	(2.91)	(2.32)
Retained distributions on accumulation shares	2.08	4.10	2.91	2.32
Closing net asset value per share	109.45	104.75	78.63	101.47
* after direct transaction costs of:	0.03	0.15	0.08	0.03
<b>Performance</b>				
Return after charges	4.48%	33.22%	(22.51%)	1.47%
<b>Other information</b>				
Closing net asset value (£000s)	36	141	142	1
Closing number of shares	33,310	134,906	180,037	542
Operating charges (annualised)	0.75%	0.75%	0.74%	0.71%
Direct transaction costs	0.03%	0.16%	0.09%	0.03%
<b>Prices</b>				
Highest share price (pence)	110.30	106.60	107.90	103.50
Lowest share price (pence)	101.40	74.17	64.65	97.68

<sup>3</sup> Class G accumulation launched on 14 February 2019 and this is the first published price.



## Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	1,345.71	1,011.28	1,306.42	1,418.06
Return before operating charges*	65.66	344.28	(285.00)	(100.58)
Operating charges	(5.92)	(9.85)	(10.14)	(11.06)
Return after operating charges*	59.74	334.43	(295.14)	(111.64)
Distributions on accumulation shares	(26.49)	(52.39)	(42.79)	(57.90)
Retained distributions on accumulation shares	26.49	52.39	42.79	57.90
Closing net asset value per share	1,405.45	1,345.71	1,011.28	1,306.42
* after direct transaction costs of:	0.41	1.87	1.03	0.42

### Performance

Return after charges	4.44%	33.07%	(22.59%)	(7.87%)
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### Other information

Closing net asset value (£000s)	15,575	16,735	16,254	26,502
Closing number of shares	1,108,153	1,243,588	1,607,301	2,028,561
Operating charges (annualised)	0.85%	0.85%	0.84%	0.84%
Direct transaction costs	0.03%	0.16%	0.09%	0.03%

### Prices

Highest share price (pence)	1,417.00	1,370.00	1,388.00	1,431.00
Lowest share price (pence)	1,302.00	953.70	831.80	1,201.00

	Class I income			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	603.08	473.64	634.32	720.13
Return before operating charges*	29.17	158.11	(135.27)	(51.33)
Operating charges	(2.64)	(4.55)	(4.86)	(5.54)
Return after operating charges*	26.53	153.56	(140.13)	(56.87)
Distributions on income shares	(11.83)	(24.12)	(20.55)	(28.94)
Closing net asset value per share	617.79	603.08	473.64	634.32
* after direct transaction costs of:	0.18	0.86	0.49	0.21

### Performance

Return after charges	4.40%	32.42%	(22.09%)	(7.90%)
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### Other information

Closing net asset value (£000s)	28,923	39,788	35,959	64,663
Closing number of shares	4,681,737	6,597,396	7,592,037	10,194,024
Operating charges (annualised)	0.85%	0.85%	0.84%	0.84%
Direct transaction costs	0.03%	0.16%	0.09%	0.03%

### Prices

Highest share price (pence)	635.20	621.00	660.80	726.60
Lowest share price (pence)	583.70	440.60	395.00	603.60

## Comparative tables (continued)

	Six months to 31/12/21 (pence per share)	Class Z accumulation		Year to 30/06/19 (pence per share)
		Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	
<b>Change in net assets per share</b>				
Opening net asset value per share	223.82	166.92	213.95	230.44
Return before operating charges*	10.94	57.03	(46.91)	(16.36)
Operating charges	(0.09)	(0.13)	(0.12)	(0.13)
Return after operating charges*	10.85	56.90	(47.03)	(16.49)
Distributions on accumulation shares	(4.44)	(8.71)	(7.07)	(9.51)
Retained distributions on accumulation shares	4.44	8.71	7.07	9.51
Closing net asset value per share	234.67	223.82	166.92	213.95
* after direct transaction costs of:	0.07	0.31	0.17	0.07

### Performance

Return after charges	4.85%	34.09%	(21.98%)	(716%)
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### Other information

Closing net asset value (£000s)	11,537	11,478	9,808	19,312
Closing number of shares	4,916,081	5,128,099	5,876,066	9,026,198
Operating charges (annualised)	0.07%	0.07%	0.06%	0.06%
Direct transaction costs	0.03%	0.16%	0.09%	0.03%

### Prices

Highest share price (pence)	236.30	227.80	228.40	232.60
Lowest share price (pence)	216.70	157.80	137.00	195.90

	Six months to 31/12/21 (pence per share)	Class Z income		Year to 30/06/19 (pence per share)
		Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	
<b>Change in net assets per share</b>				
Opening net asset value per share	192.42	149.98	199.34	224.60
Return before operating charges*	9.33	50.28	(42.72)	(16.02)
Operating charges	(0.08)	(0.12)	(0.11)	(0.12)
Return after operating charges*	9.25	50.16	(42.83)	(16.14)
Distributions on income shares	(3.81)	(7.72)	(6.53)	(9.12)
Closing net asset value per share	197.86	192.42	149.98	199.34
* after direct transaction costs of:	0.06	0.27	0.15	0.07

### Performance

Return after charges	4.81%	33.44%	(21.49%)	(719%)
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### Other information

Closing net asset value (£000s)	1,601	1,653	1,649	1,986
Closing number of shares	809,381	858,840	1,099,559	996,105
Operating charges (annualised)	0.07%	0.07%	0.06%	0.06%
Direct transaction costs	0.03%	0.16%	0.09%	0.03%

### Prices

Highest share price (pence)	202.90	198.10	208.40	226.70
Lowest share price (pence)	186.30	139.90	124.80	189.00

## Comparative tables (continued)

	Class A accumulation (EUR hedged)			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	944.57	762.73	980.17	1,075.69
Return before operating charges*	22.28	196.55	(202.34)	(78.38)
Operating charges	(8.32)	(14.71)	(15.10)	(17.14)
Return after operating charges*	13.96	181.84	(217.44)	(95.52)
Distributions on accumulation shares	(17.73)	(36.75)	(30.54)	(41.50)
Retained distributions on accumulation shares	17.73	36.75	30.54	41.50
Closing net asset value per share	958.53	944.57	762.73	980.17
* after direct transaction costs of:	0.29	1.37	0.76	0.32
<b>Performance</b>				
Return after charges (Share class base currency)	1.48%	23.84%	(22.18%)	(8.88%)
Return after charges (Share class currency hedged)	3.76%	31.14%	(23.40%)	(9.94%)
<b>Other information</b>				
Closing net asset value (£000s)	6	6	5	6
Closing number of shares	650	650	650	650
Operating charges (annualised)	1.73%	1.73%	1.70%	1.70%
Direct transaction costs	0.03%	0.16%	0.09%	0.03%
<b>Prices</b>				
Highest share price (Euro cents)	1,158.00	1,121.00	1,152.00	1,227.00
Lowest share price (Euro cents)	1,065.00	786.70	691.10	1,018.00

## Comparative tables (continued)

	Class A accumulation (USD hedged)			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	892.25	752.01	928.48	963.07
Return before operating charges*	64.42	153.97	(161.77)	(18.16)
Operating charges	(8.04)	(13.73)	(14.70)	(16.43)
Return after operating charges*	56.38	140.24	(176.47)	(34.59)
Distributions on accumulation shares	(17.72)	(35.03)	(30.44)	(34.38)
Retained distributions on accumulation shares	17.72	35.03	30.44	34.38
Closing net asset value per share	948.63	892.25	752.01	928.48
* after direct transaction costs of:	0.28	1.28	0.74	0.31
<b>Performance</b>				
Return after charges (Share class base currency)	6.32%	18.65%	(19.01%)	(3.59%)
Return after charges (Share class currency hedged)	4.24%	32.65%	(21.37%)	(7.06%)
<b>Other information</b>				
Closing net asset value (£000s)	2	2	2	2
Closing number of shares	250	250	250	250
Operating charges (annualised)	1.73%	1.73%	1.70%	1.70%
Direct transaction costs	0.03%	0.16%	0.09%	0.03%
<b>Prices</b>				
Highest share price (USD cents)	1,298.00	1,255.00	1,260.00	1,283.00
Lowest share price (USD cents)	1,193.00	875.00	761.30	1,081.00

Direct transaction costs incurred on securities transactions (including derivatives) are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period.

### Hedged share classes

Class A accumulation (EUR hedged) and Class A accumulation (USD hedged) are hedged share classes. Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes and sterling which is the base currency of the fund.

## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/21 %	30/06/21 %
<b>Class A accumulation</b>	1.73	1.73
<b>Class A income</b>	1.73	1.73
<b>Class C income</b>	1.73	1.73
<b>Class E accumulation</b>	1.23	1.23
<b>Class E income</b>	1.23	1.23
<b>Class G accumulation</b>	0.75	0.75
<b>Class I accumulation</b>	0.85	0.85
<b>Class I income</b>	0.85	0.85
<b>Class Z accumulation</b>	0.07	0.07
<b>Class Z income</b>	0.07	0.07
<b>Class A accumulation (EUR hedged)</b>	1.73	1.73
<b>Class A accumulation (USD hedged)</b>	1.73	1.73

The OCF is calculated in accordance with guidelines issued by ESMA.

## Risk and reward profile

The fund currently has 12 types of share class in issue: A accumulation, A income, C income, E accumulation, E income, G accumulation, I accumulation, I income, Z accumulation, Z income, A accumulation (EUR hedged) and A accumulation (USD hedged).

Each share class has the same risk and reward profile which is as follows:



The share classes appear at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The SRRI is calculated based on historical volatility over a rolling 5\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Charges to Capital** Some or all of the ongoing charges may be taken from capital, which may erode capital or reduce potential for capital growth.

**Counterparty Risk and Operational Risk** The fund could lose money if a counterparty with which the fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

**Concentration** This fund may have a particularly concentrated portfolio relative to its investment universe or other funds in its sector. An adverse event impacting even a small number of holdings could create significant volatility or losses for the fund.

**Country or Region** If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

**Currency Hedging** When the fund, or a hedged share class, seeks to mitigate exchange rate movements of a currency relative to the base currency, the hedging strategy itself may create a positive or negative impact to the value of the fund due to differences in short-term interest rates between the currencies.

**Derivatives** The fund may use derivatives with the aim of reducing risk or managing the portfolio more efficiently. However this introduces other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Equities** Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.

**Liquidity** Securities within the fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

**Smaller Companies** Shares of small and mid-size companies can be more volatile than shares of larger companies, and at times it may be difficult to value or to sell shares at desired times and prices, increasing the risk of losses.

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

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

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class G accumulation launched on 14 February 2019, Class E accumulation and Class E income launched on 8 July 2019. As these share classes do not have a 5 year history, a synthetic history has been created for Class G accumulation using the fund's relevant sector average and for Class E accumulation and Class E income using the A accumulation and A income share classes, respectively.

## Portfolio statement as at 31 December 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 99.78% (30/06/2021: 100.49%)</b>		
	<b>France 1.11% (30/06/2021: 1.00%)</b>		
	<b>Health Care 1.11% (30/06/2021: 1.00%)</b>		
29,500	Sanofi	2,194	1.11
	<b>Ireland 0.77% (30/06/2021: 0.00%)</b>		
	<b>Industrials 0.77% (30/06/2021: 0.00%)</b>		
400,000	Irish Continental	1,520	0.77
	<b>Italy 0.53% (30/06/2021: 0.51%)</b>		
	<b>Consumer Discretionary 0.53% (30/06/2021: 0.51%)</b>		
75,000	Stellantis	1,051	0.53
	<b>Singapore 0.05% (30/06/2021: 0.13%)</b>		
	<b>Energy 0.05% (30/06/2021: 0.13%)</b>		
5,757,349	Simec Atlantis Energy	89	0.05
	<b>South Africa 0.00% (30/06/2021: 0.02%)</b>		
	<b>Consumer Discretionary 0.00% (30/06/2021: 0.00%)</b>		
85,356,657	Fastjet <sup>1</sup>	-	-
	<b>Energy 0.00% (30/06/2021: 0.02%)</b>		
	<b>Switzerland 1.40% (30/06/2021: 1.27%)</b>		
	<b>Health Care 1.40% (30/06/2021: 1.27%)</b>		
42,500	Novartis	2,765	1.40
	<b>United Kingdom 90.23% (30/06/2021: 95.56%)</b>		
	<b>Basic Materials 5.94% (30/06/2021: 6.58%)</b>		
150,000	Anglo American	4,524	2.29
900,000	Elementis	1,184	0.60
125,000	Hill & Smith	2,238	1.13
77,500	Rio Tinto	3,791	1.92
		11,737	5.94
	<b>Consumer Discretionary 11.46% (30/06/2021: 10.03%)</b>		
45,000	Bellway	1,501	0.76
1,000,000	DFS Furniture	2,550	1.29
817,440	Halfords	2,812	1.43
630,264	Headlam	2,679	1.36
711,030	Kingfisher	2,404	1.22
800,000	Marks & Spencer	1,851	0.94
850,000	Reach	2,397	1.21
140,000	RELX	3,357	1.70
800,694	Studio Retail	1,313	0.66
1,000,000	Taylor Wimpey	1,755	0.89
		22,619	11.46

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Staples 6.17% (30/06/2021: 4.69%)</b>			
600,000	Devro	1,224	0.62
25,000	Reckitt Benckiser	1,585	0.80
1,671,052	Tesco	4,844	2.45
115,000	Unilever	4,537	2.30
		<u>12,190</u>	<u>6.17</u>
<b>Energy 6.79% (30/06/2021: 6.70%)</b>			
1,514,254	BP	5,005	2.53
265,000	Royal Dutch Shell 'A'	4,297	2.18
252,808	Royal Dutch Shell 'B'	4,101	2.08
		<u>13,403</u>	<u>6.79</u>
<b>Financials 24.33% (30/06/2021: 27.00%)</b>			
3,591,500	ACHP <sup>1</sup>	-	-
1,175,000	Aviva	4,822	2.44
1,500,000	Barclays	2,805	1.42
25,000	Brooks Macdonald	658	0.33
991,947	Chesnara	2,777	1.41
1,538,199	Direct Line Insurance	4,292	2.19
1,761,383	Hipgnosis Songs Fund	2,202	1.12
353,411	Hiscox	3,042	1.54
1,206,683	HSBC	5,413	2.74
203,500,000	Hume Capital Securities <sup>2</sup>	-	-
600,000	IP	742	0.38
675,000	Jupiter Fund Management	1,731	0.88
6,500,000	Lloyds Banking	3,107	1.57
1,311,949	M&G	2,611	1.32
1,622,260	NatWest	3,660	1.85
549,976	Numis	1,881	0.95
716,415	Phoenix	4,678	2.37
800,000	Standard Chartered	3,587	1.82
		<u>48,008</u>	<u>24.33</u>
<b>Health Care 6.53% (30/06/2021: 6.21%)</b>			
62,500	AstraZeneca	5,421	2.75
875,000	ConvaTec	1,673	0.85
360,000	GlaxoSmithKline	5,784	2.93
		<u>12,878</u>	<u>6.53</u>
<b>Industrials 16.50% (30/06/2021: 21.45%)</b>			
450,000	BAE Systems	2,474	1.25
800,000	Balfour Beatty	2,096	1.06
1,900,965	Carillion <sup>2</sup>	-	-
252,805	Castings	885	0.45
35,000	DCC	2,118	1.07
324,000	DWF	369	0.19
1,797,275	Epwin	1,860	0.94
160,000	Euromoney Institutional Investor	1,480	0.75
115,000	James Fisher & Sons	425	0.21
650,000	Ibstock	1,321	0.67
169,266	IMI	2,938	1.49



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Industrials (continued)</b>		
324,701	Interserve <sup>2</sup>	-	-
744,000	Johnson Service	1,079	0.55
125,000	Mondi	2,282	1.16
1,550,000	Morgan Advanced Materials	5,549	2.81
1,052,655	Redde Northgate	4,590	2.33
378,697	Ricardo	1,700	0.86
948,061	Senior	1,394	0.71
		<u>32,560</u>	<u>16.50</u>
	<b>Real Estate 1.38% (30/06/2021: 2.62%)</b>		
350,000	Land Securities	<u>2,715</u>	<u>1.38</u>
	<b>Technology 1.76% (30/06/2021: 2.01%)</b>		
852,609	Mirriad Advertising	230	0.12
1,270,000	TT Electronics	<u>3,239</u>	<u>1.64</u>
		<u>3,469</u>	<u>1.76</u>
	<b>Telecommunications 3.94% (30/06/2021: 3.87%)</b>		
2,000,000	BT	3,391	1.72
3,913,235	Vodafone	<u>4,390</u>	<u>2.22</u>
		<u>7,781</u>	<u>3.94</u>
	<b>Utilities 5.43% (30/06/2021: 4.40%)</b>		
4,600,000	Centrica	3,287	1.67
450,000	National Grid	4,769	2.42
90,000	Severn Trent	<u>2,652</u>	<u>1.34</u>
		<u>10,708</u>	<u>5.43</u>
	<b>United States 5.69% (30/06/2021: 2.00%)</b>		
	<b>Health Care 0.83% (30/06/2021: 0.83%)</b>		
35,500	Bristol-Myers Squibb	<u>1,634</u>	<u>0.83</u>
	<b>Industrials 4.86% (30/06/2021: 1.17%)</b>		
2,387,500	iEnergizer	7,640	3.87
366,980	Somero Enterprises	<u>1,945</u>	<u>0.99</u>
		<u>9,585</u>	<u>4.86</u>
	<b>Derivatives 0.00% (30/06/2021: 0.00%)</b>		
	<b>Forward Foreign Exchange Contracts (Hedged share classes) 0.00% (30/06/2021: 0.00%)<sup>3</sup></b>		
	Buy EUR 7,283 : Sell GBP 6,204 January 2022 <sup>4</sup>	-	-
	Buy EUR 112 : Sell GBP 95 January 2022 <sup>4</sup>	-	-
	Buy EUR 101 : Sell GBP 86 January 2022 <sup>4</sup>	-	-
	Buy EUR 1 : Sell GBP 1 January 2022 <sup>4</sup>	-	-
	Buy GBP 86 : Sell EUR 101 January 2022 <sup>4</sup>	-	-
	Buy GBP 76 : Sell EUR 89 January 2022 <sup>4</sup>	-	-
	Buy GBP 33 : Sell USD 43 January 2022 <sup>4</sup>	-	-
	Buy GBP 29 : Sell USD 39 January 2022 <sup>4</sup>	-	-
	Buy USD 3,117 : Sell GBP 2,348 January 2022 <sup>4</sup>	-	-
	Buy USD 49 : Sell GBP 36 January 2022 <sup>4</sup>	-	-

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts (Hedged share classes)</b> (continued)			
	Buy USD 44 : Sell GBP 33 January 2022 <sup>4</sup>	-	-
	Buy USD 40 : Sell GBP 29 January 2022 <sup>4</sup>	-	-
	Buy USD 38 : Sell GBP 29 January 2022 <sup>4</sup>	-	-
	Buy EUR 91 : Sell GBP 77 January 2022 <sup>4</sup>	-	-
		-	-
		-	-
	<b>Investment assets</b>	<b>196,906</b>	<b>99.78</b>
	Other net assets	425	0.22
	<b>Total net assets</b>	<b>197,331</b>	<b>100.00</b>

<sup>1</sup> Manually priced securities

<sup>2</sup> Suspended or delisted securities

<sup>3</sup> Not listed on an official stock exchange

<sup>4</sup> Due to rounding to nearest £1,000

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

The classification is based on the country of risk and a relevant industry classification standard.

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital gains		5,572		26,236
Revenue	4,082		3,781	
Expenses	<u>(1,135)</u>		<u>(980)</u>	
Net revenue before taxation	2,947		2,801	
Taxation	<u>(20)</u>		<u>(33)</u>	
Net revenue after taxation		<u>2,927</u>		<u>2,768</u>
Total return before distributions		8,499		29,004
Distributions		(3,867)		(3,583)
<b>Change in net assets attributable to shareholders from investment activities</b>		<u><b>4,632</b></u>		<u><b>25,421</b></u>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>207,744</b>		<b>176,811</b>
Amounts receivable on issue of shares	2,931		3,959	
Amounts payable on cancellation of shares	<u>(18,554)</u>		<u>(11,442)</u>	
		(15,623)		(7,483)
Dilution adjustment		23		-
Change in net assets attributable to shareholders from investment activities		4,632		25,421
Retained distributions on accumulation shares		536		529
Unclaimed distributions		19		26
<b>Closing net assets attributable to shareholders</b>		<u><b>197,331</b></u>		<u><b>195,304</b></u>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	196,906	208,756
Current assets:		
Debtors	664	766
Cash and bank balances	1,234	798
<b>Total assets</b>	<b>198,804</b>	<b>210,320</b>
<b>Liabilities:</b>		
Creditors:		
Distributions payable	1,115	2,024
Other creditors	358	552
<b>Total liabilities</b>	<b>1,473</b>	<b>2,576</b>
<b>Net assets attributable to shareholders</b>	<b>197,331</b>	<b>207,744</b>

## Distribution tables for the six months ended 31 December 2021 (in pence per share)

### Interim dividend distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 July 2021

Group 2: shares purchased on or after 1 July 2021

	Distribution per share	Equalisation	Total distribution per share 30/11/21	Total distribution per share 30/11/20
<b>Class A accumulation</b>				
Group 1	8.6662	-	8.6662	6.9527
Group 2	4.8973	3.7689	8.6662	6.9527
<b>Class A income</b>				
Group 1	6.3875	-	6.3875	5.3473
Group 2	2.2177	4.1698	6.3875	5.3473
<b>Class C income</b>				
Group 1	1.8072	-	1.8072	1.5126
Group 2	0.3124	1.4948	1.8072	1.5126
<b>Class E accumulation</b>				
Group 1	8.7571	-	8.7571	6.9898
Group 2	4.4777	4.2794	8.7571	6.9898
<b>Class E income</b>				
Group 1	1.8265	-	1.8265	1.5208
Group 2	0.3403	1.4862	1.8265	1.5208
<b>Class G accumulation</b>				
Group 1	1.3276	-	1.3276	1.0525
Group 2	1.3276	-	1.3276	1.0525
<b>Class I accumulation</b>				
Group 1	16.9544	-	16.9544	13.4595
Group 2	9.9229	7.0315	16.9544	13.4595
<b>Class I income</b>				
Group 1	7.6060	-	7.6060	6.3036
Group 2	2.9950	4.6110	7.6060	6.3036
<b>Class Z accumulation</b>				
Group 1	2.8351	-	2.8351	2.2232
Group 2	2.8351	-	2.8351	2.2232
<b>Class Z income</b>				
Group 1	2.4438	-	2.4438	2.0087
Group 2	2.4438	-	2.4438	2.0087
<b>Class A accumulation (EUR hedged)<sup>1</sup></b>				
Group 1	13.4783	-	13.4783	10.8458
Group 2	13.4783	-	13.4783	10.8458
<b>Class A accumulation (USD hedged)<sup>2</sup></b>				
Group 1	15.3819	-	15.3819	12.1936
Group 2	15.3819	-	15.3819	12.1936

<sup>1</sup> in Euro cents per share

<sup>2</sup> in USD cents per share

## Distribution tables (continued)

### Interim dividend distribution (accounting date 31 December 2021, paid on 28 February 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Equalisation	Total distribution per share 28/02/22	Total distribution per share 26/02/21
<b>Class A accumulation</b>				
Group 1	4.7622	-	4.7622	4.0199
Group 2	3.8639	0.8983	4.7622	4.0199
<b>Class A income</b>				
Group 1	3.4619	-	3.4619	3.0471
Group 2	1.2367	2.2252	3.4619	3.0471
<b>Class C income</b>				
Group 1	0.9797	-	0.9797	0.8625
Group 2	0.2907	0.6890	0.9797	0.8625
<b>Class E accumulation</b>				
Group 1	4.8173	-	4.8173	4.0477
Group 2	2.6668	2.1505	4.8173	4.0477
<b>Class E income</b>				
Group 1	0.9913	-	0.9913	0.8683
Group 2	0.3099	0.6814	0.9913	0.8683
<b>Class G accumulation</b>				
Group 1	0.7509	-	0.7509	0.6253
Group 2	0.7509	-	0.7509	0.6253
<b>Class I accumulation</b>				
Group 1	9.5383	-	9.5383	7.9547
Group 2	6.6813	2.8570	9.5383	7.9547
<b>Class I income</b>				
Group 1	4.2210	-	4.2210	3.6759
Group 2	1.1893	3.0317	4.2210	3.6759
<b>Class Z accumulation</b>				
Group 1	1.6084	-	1.6084	1.3204
Group 2	1.6084	-	1.6084	1.3204
<b>Class Z income</b>				
Group 1	1.3657	-	1.3657	1.1797
Group 2	1.3657	-	1.3657	1.1797
<b>Class A accumulation (EUR hedged)<sup>1</sup></b>				
Group 1	7.3197	-	7.3197	6.3947
Group 2	7.3197	-	7.3197	6.3947
<b>Class A accumulation (USD hedged)<sup>2</sup></b>				
Group 1	8.5493	-	8.5493	7.1355
Group 2	8.5493	-	8.5493	7.1355

<sup>1</sup> in Euro cents per share

<sup>2</sup> in USD cents per share

# Janus Henderson UK Smaller Companies Fund

## Authorised Corporate Director's report

### Investment Fund Manager

Neil Hermon

### Investment objective and policy

The fund aims to provide capital growth over the long term (5 years or more).

The fund invests at least 80% of its assets in shares (also known as equities) of smaller companies, in any industry, in the UK. Companies will be incorporated, headquartered or deriving significant revenue from, the UK.

The fund is actively managed with reference to the Numis Smaller Companies ex Investment Companies Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

### Strategy

The Investment Manager believes that investing in companies is about the future and taking a long term view. The investment process is grounded both in fundamental analysis, which aims to gain a clear understanding of individual companies and their markets, and in a strong valuation discipline. The universe of potential investments is reduced in stages using broadbased screening and ranking of companies, detailed profiling, meetings with management and the detailed analysis of financial data. The fund has a well-diversified portfolio and normally avoids very small 'micro cap' companies due to the more difficult nature of buying and selling shares in these companies.

### Performance summary

#### Cumulative performance

	Six months	One year	Three years	Five years	Since inception
	30 Jun 21 - 31 Dec 21	31 Dec 20 - 31 Dec 21	31 Dec 18 - 31 Dec 21	31 Dec 16 - 31 Dec 21	31 Jan 83 - 31 Dec 21
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	4.9	22.8	68.5	87.1	6,745.6
<b>Numis Smaller Companies ex Investment Companies Index</b>	3.8	21.9	46.1	47.8	-*
<b>IA UK Smaller Companies</b>	2.5	20.6	61.9	81.6	7,016.3

#### Discrete performance

	31 Dec 20 - 31 Dec 21	31 Dec 19 - 31 Dec 20	31 Dec 18 - 31 Dec 19	31 Dec 17 - 31 Dec 18	31 Dec 16 - 31 Dec 17
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	22.8	4.0	31.9	(13.3)	28.1
<b>Numis Smaller Companies ex Investment Companies Index</b>	21.9	(4.3)	25.2	(15.3)	19.5
<b>IA UK Smaller Companies</b>	20.6	7.0	25.4	(11.8)	27.1

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

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Benchmark values are as at close of business.

Class I accumulation is disclosed as it is the representative share class.

### Benchmark usage

Index: Numis Smaller Companies ex Investment Companies Index

Index usage: Comparator

Index description: The Numis Smaller Companies ex Investment Companies Index is a measure of the combined performance of smaller companies (the bottom 10%) listed on the London Stock Exchange excluding investment companies. It provides a useful comparison against which the fund's performance can be assessed over time.

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Peer group: IA UK Smaller Companies

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

### Significant portfolio changes for the six months ended 31 December 2021

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
SigmaRoc	2,467	Sanne	7,130
Stelrad	2,264	Watches of Switzerland	3,141
Vesuvius	2,047	Marshall Motor	2,902
RPS	1,805	Coats	2,431
Synthomer	1,743	Rotork	1,836
Bridgepoint	1,642	Go-Ahead	1,673
Wickes	1,443	Clinigen	1,564
Access Intelligence	1,376	Johnson Service	1,184
Moonpig	1,140	Ultra Electronics	998
Devolver Digital	1,097	Inspecs	958
<b>Total purchases</b>	<b>31,903</b>	<b>Total sales</b>	<b>28,855</b>



### Investment review

The fund returned 4.9% based on Class I accumulation (Net) over the period under review, compared with a return of 3.8% in the Numis Smaller Companies ex Investment Companies Index and a return of 2.5% in the IA UK Smaller Companies peer group benchmark.

UK equity markets rose during the period. In the UK, while most COVID-19 restrictions were relaxed on 'freedom day', rhetoric from the government remained cautious as the Delta variant continued to spread. Towards the end of the period, the discovery of the Omicron strain raised fears that restrictions would be re-introduced. Global bond yields oscillated during the period, which resulted in changing factor leadership in equity markets. The US Federal Reserve (Fed) stepped away from its initial view that inflation was transitory and became increasingly hawkish. In September, the Fed announced that asset-purchase 'tapering' would begin soon, and by November the market was projecting three interest rates in 2022. In the UK, the Bank of England raised rates in December.

Smaller companies underperformed larger ones during the period. This was driven principally by a rise in bond yields and a gravitation towards value over growth stocks.

In terms of activity, we initiated a position in SigmaRoc, a specialist construction material company whose strategy is built around acquiring assets, and then improving and integrating them. We took the opportunity to invest as part of a large equity raising undertaken to fund the acquisition of Nordkalk at a valuation that represented a significant discount to peers. Nordkalk is the leading limestone provider in northern Europe with a presence in 10 countries. We also initiated a position in Stelrad, a leading European provider of steel radiators. We expected it to benefit from the 'premiumisation' of its products and complementary acquisitions and felt that the shares were undervalued.

We disposed of the position in Go-Ahead, the bus and rail group, after the company was stripped of its Southeastern operation for mis-reporting the franchise's profitability to the UK government. This action is expected to result in a substantial fine for the company and raised questions about its ability to secure future rail franchises. We sold the position in Coats, a global provider of threads and zips for the clothing and footwear industry. The business's recovery from the impact of COVID-19 has been hampered by rising raw material costs and disruption in its Asian customer base.

The biggest contributors to the fund's performance included Clinigen and Impax Asset Management. Clinigen rallied following the announcement of an agreed bid for the company by Triton Funds. Impax Asset Management advanced following interim results that showed continued asset-gathering momentum and better-than-expected operating leverage.

The biggest detractors to performance included Joules and Synthomer. Joules fell after it issued a profit warning, citing increased logistics costs and a disappointing online sales performance. Synthomer suffered following a broker note that highlighted the risks of greater-than-expected supply additions in the nitrile latex industry and sharp margin compression.

The pandemic dramatically changed global economic growth expectations. The lockdown measures imposed across the globe have had a profound effect on economic activity. Government actions to protect consumers and businesses from the worst impact of the shock softened the blow but, ultimately, can only be short term in nature given the scale of the bail-out required.

The successful vaccination programme has meant life has returned to some sort of normal with a consequent rebound in economic activity. Conditions remain very fragile, though, and subsequent waves of infections and new variants of the virus serve as reminders that the crisis is not yet over.

One of the major concerns facing the equity market is the threat of higher inflation and the need for central banks to start tightening monetary policy. There is much debate about whether current indications of inflation, led by commodity, energy, and logistics costs, are temporary or are of a more permanent nature. A sustained pick-up in wage inflation will probably force monetary authorities to act more quickly. The recent increase in UK base interest rates and indications from the Fed of higher rates give a good indication of the likely direction of central bank policy in 2022.

In the corporate sector, conditions are intrinsically stronger than they were during the financial crisis of 2008-09. In particular, balance sheets are more robust. On the whole, the UK corporate sector has performed well during the crisis and most companies are beating their initial earnings and cash expectations since the start of the pandemic.

We are seeing a noticeable pick-up in corporate activity. The initial public offering market, after a quiet 2020, has exploded into life in recent months. Given the amount of companies looking to float on public markets, it is important to remain disciplined when sifting through the multitude of new investment opportunities. We have also seen a significant increase in merger and acquisition activity as private equity, in particular, looks to exploit opportunities thrown up by COVID-19. We expect this upsurge to continue in the coming months as UK equity market valuations remain markedly depressed versus other developed markets.

In terms of valuations, the equity market is now trading in line with long-term averages if we apply pre-COVID-19 earnings. Corporate earnings were sharply down in 2020 although we saw a sharp recovery in 2021, which we think is likely to continue into 2022.

## Comparative tables for the six months ended 31 December 2021

	Class A accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	1,084.04	718.75	786.86	834.01
Return before operating charges*	52.99	382.11	(54.95)	(34.01)
Operating charges	(9.77)	(16.82)	(13.16)	(13.14)
Return after operating charges*	43.22	365.29	(68.11)	(47.15)
Distributions on accumulation shares	-	(0.50)	-	(7.14)
Retained distributions on accumulation shares	-	0.50	-	7.14
Closing net asset value per share	1,127.26	1,084.04	718.75	786.86
* after direct transaction costs of:	0.26	0.31	-	0.87
<b>Performance</b>				
Return after charges	3.99%	50.82%	(8.66%)	(5.65%)
<b>Other information</b>				
Closing net asset value (£000s)	59,466	60,083	11,179	55,933
Closing number of shares	5,275,237	5,542,479	1,555,378	7,108,397
Operating charges (annualised)	1.73%	1.73%	1.70%	1.70%
Direct transaction costs	0.02%	0.03%	0.00%	0.11%
<b>Prices</b>				
Highest share price (pence)	1,194.00	1,107.00	909.30	842.20
Lowest share price (pence)	1,068.00	714.10	523.70	677.10

## Comparative tables (continued)

	Class C accumulation	
	Six months to 31/12/21 (pence per share)	18/03/21 - 30/06/21 (pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	891.44	802.05 <sup>1</sup>
Return before operating charges*	43.69	90.78
Operating charges	(2.69)	(1.39)
Return after operating charges*	41.00	89.39
Distributions on accumulation shares	-	(3.93)
Retained distributions on accumulation shares	-	3.93
Closing net asset value per share	932.44	891.44
* after direct transaction costs of:	0.22	0.28
<b>Performance</b>		
Return after charges	4.60%	11.15%
<b>Other information</b>		
Closing net asset value (£000s)	31	30
Closing number of shares	3,317	3,317
Operating charges (annualised)	0.57%	0.57%
Direct transaction costs	0.02%	0.03%
<b>Prices</b>		
Highest share price (pence)	983.80	909.70
Lowest share price (pence)	878.70	801.50

<sup>1</sup> Class C accumulation launched on 18 March 2021 and this is the first published price.

## Comparative tables (continued)

	Class E accumulation		
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	08/07/19 - 30/06/20 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,094.68	722.28	780.29 <sup>2</sup>
Return before operating charges*	53.55	384.01	(48.94)
Operating charges	(7.04)	(11.61)	(9.07)
Return after operating charges*	46.51	372.40	(58.01)
Distributions on accumulation shares	-	(2.29)	(3.56)
Retained distributions on accumulation shares	-	2.29	3.56
Closing net asset value per share	1,141.19	1,094.68	722.28
* after direct transaction costs of:	0.26	0.30	-
<b>Performance</b>			
Return after charges	4.25%	51.56%	(7.43%)
<b>Other information</b>			
Closing net asset value (£000s)	103,066	101,563	37,646
Closing number of shares	9,031,381	9,277,910	5,212,073
Operating charges (annualised)	1.23%	1.24%	1.20%
Direct transaction costs	0.02%	0.03%	0.00%
<b>Prices</b>			
Highest share price (pence)	1,207.00	1,118.00	911.80
Lowest share price (pence)	1,079.00	717.60	525.60

<sup>2</sup> Class E accumulation launched on 8 July 2019 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	1,303.62	856.89	930.05	977.37
Return before operating charges*	63.84	456.06	(65.46)	(39.69)
Operating charges	(5.82)	(9.33)	(7.70)	(7.63)
Return after operating charges*	58.02	446.73	(73.16)	(47.32)
Distributions on accumulation shares	-	(6.28)	(6.85)	(15.00)
Retained distributions on accumulation shares	-	6.28	6.85	15.00
Closing net asset value per share	1,361.64	1,303.62	856.89	930.05
* after direct transaction costs of:	0.31	0.35	-	1.02
<b>Performance</b>				
Return after charges	4.45%	52.13%	(7.87%)	(4.84%)
<b>Other information</b>				
Closing net asset value (£000s)	210,555	191,287	118,046	101,704
Closing number of shares	15,463,429	14,673,459	13,776,211	10,935,313
Operating charges (annualised)	0.85%	0.86%	0.84%	0.84%
Direct transaction costs	0.02%	0.03%	0.00%	0.11%
<b>Prices</b>				
Highest share price (pence)	1,438.00	1,331.00	1,080.00	988.30
Lowest share price (pence)	1,285.00	851.30	622.90	796.90

## Comparative tables (continued)

	Class Z accumulation			
	Six months to 31/12/21 (pence per share)	Year to 30/06/21 (pence per share)	Year to 30/06/20 (pence per share)	Year to 30/06/19 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	921.36	600.93	647.16	674.80
Return before operating charges*	45.17	320.97	(45.78)	(27.26)
Operating charges	(0.38)	(0.54)	(0.45)	(0.38)
Return after operating charges*	44.79	320.43	(46.23)	(27.64)
Distributions on accumulation shares	-	(9.90)	(6.34)	(16.10)
Retained distributions on accumulation shares	-	9.90	6.34	16.10
Closing net asset value per share	966.15	921.36	600.93	647.16
* after direct transaction costs of:	0.22	0.25	-	0.71
<b>Performance</b>				
Return after charges	4.86%	53.32%	(7.14%)	(4.10%)
<b>Other information</b>				
Closing net asset value (£000s)	76,037	76,390	40,969	26,064
Closing number of shares	7,870,145	8,291,027	6,817,598	4,027,517
Operating charges (annualised)	0.07%	0.07%	0.07%	0.06%
Direct transaction costs	0.02%	0.03%	0.00%	0.11%
<b>Prices</b>				
Highest share price (pence)	1,018.00	939.90	754.90	683.20
Lowest share price (pence)	908.50	597.00	435.90	552.30

Direct transaction costs incurred on securities transactions are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed during the period.

## Ongoing charge figure

The annualised OCF of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	31/12/21 %	30/06/21 %
<b>Class A accumulation</b>	1.73	1.73
<b>Class C accumulation<sup>1</sup></b>	0.57	0.57
<b>Class E accumulation</b>	1.23	1.24
<b>Class I accumulation</b>	0.85	0.86
<b>Class Z accumulation</b>	0.07	0.07

The OCF is calculated in accordance with guidelines issued by ESMA.

<sup>1</sup> Class C accumulation launched on 18 March 2021. An annualised OCF rate has been disclosed in the prior period comparative.

## Risk and reward profile

The fund currently has 5 types of share class in issue: A accumulation, C accumulation, E accumulation, I accumulation and Z accumulation.

Each share class has the same risk and reward profile which is as follows:



The share classes appear at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The SRRI is calculated based on historical volatility over a rolling 5\* year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Counterparty Risk and Operational Risk** The fund could lose money if a counterparty with which the fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

**Country or Region** If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

**Derivatives** The fund may use derivatives with the aim of reducing risk or managing the portfolio more efficiently. However this introduces other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Equities** Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.

**Smaller Companies** Shares of small and mid-size companies can be more volatile than shares of larger companies, and at times it may be difficult to value or to sell shares at desired times and prices, increasing the risk of losses.

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

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

The SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

\* Class E accumulation launched on 8 July 2019 and Class C accumulation launched on 18 March 2021. As these share classes do not have a 5 year history, a synthetic history has been created using the A accumulation share class and the fund's relevant sector average, respectively.



Holding	Investment	Market value £000	Percentage of total net assets %
<b>Equities 98.99% (30/06/2021: 98.62%)</b>			
<b>United Kingdom 98.68% (30/06/2021: 98.62%)</b>			
<b>Basic Materials 3.62% (30/06/2021: 3.73%)</b>			
531,278	Bodycote	4,598	1.02
1,765,812	Synthomer	7,053	1.57
189,186	Victrex	4,620	1.03
		<u>16,271</u>	<u>3.62</u>
<b>Consumer Discretionary 25.56% (30/06/2021: 26.83%)</b>			
321,460	Bellway	10,724	2.39
723,700	Countryside Properties	3,257	0.72
1,026,957	Crest Nicholson	3,820	0.85
1,118	Caplay <sup>1</sup>	-	-
1,631,091	DFS Furniture	4,159	0.93
133,725	Frontier Developments	2,375	0.53
410,949	Future	15,739	3.50
1,173,711	Gym	2,987	0.67
419,628	Headlam	1,783	0.40
1,169,315	Hollywood Bowl	2,760	0.61
247,347	Halfords	851	0.19
290,854	Howden Joinery	2,621	0.58
2,007,428	Hyve	1,851	0.41
995,188	Inspeks	3,583	0.80
1,172,200	Joules	1,688	0.38
1,269,231	Mar City <sup>1</sup>	-	-
256,595	Marshall Motor	990	0.22
2,849,832	Mitchells & Butlers	7,296	1.62
995,482	Moonpig	3,731	0.83
312,932	Next Fifteen Communications	4,162	0.93
1,274,147	Pebble	1,688	0.38
1,843,796	Restaurant	1,739	0.39
822,903	RM	1,568	0.35
3,618,260	SafeStyle UK	1,787	0.40
1,208,785	Team17	9,308	2.07
2,559,524	TI Fluid Systems	6,527	1.45
786,529	Watches of Switzerland	11,153	2.48
1,713,826	Wickes	4,062	0.90
100,556	Young & Co's Brewery 'A'	1,543	0.34
139,561	Young & Co's Brewery Non-Voting	1,077	0.24
		<u>114,829</u>	<u>25.56</u>
<b>Energy 2.51% (30/06/2021: 2.13%)</b>			
2,482,418	Cairn Energy	4,672	1.04
275,861	Harbour Energy	976	0.21
1,118,052	Hunting	1,876	0.42
1,573,299	Serica Energy	3,768	0.84
		<u>11,292</u>	<u>2.51</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Financials 14.67% (30/06/2021: 14.44%)</b>			
1,311,172	Brewin Dolphin	4,825	1.07
220,333	Burford Capital	1,698	0.38
405,003	Bridgepoint	1,972	0.44
916,440	Foresight	4,032	0.90
231,353	Gresham House	2,059	0.46
1,159,103	Impax Asset Management	17,062	3.80
1,097,577	IntegraFin	6,152	1.37
5,195,479	Just	4,323	0.96
271,399	Liontrust Asset Management	5,957	1.33
1,507,758	OSB	8,353	1.86
1,428,905	Paragon Banking	8,095	1.80
2,266,643	Sherborne Investors 'A'	1,337	0.30
		<u>65,865</u>	<u>14.67</u>
<b>Health Care 4.96% (30/06/2021: 4.47%)</b>			
528,121	Advanced Medical Solutions	1,785	0.40
2,524,066	Alliance Pharma	2,746	0.61
2,576,131	Benchmark	1,443	0.32
980,859	Clinigen	8,975	2.00
138,284	Dechra Pharmaceuticals	7,329	1.63
		<u>22,278</u>	<u>4.96</u>
<b>Industrials 29.58% (30/06/2021: 29.40%)</b>			
71,860	AB Dynamics	1,250	0.28
1,167,352	Alpha Financial Markets Consulting	5,370	1.20
227,449	Avon Protection	2,550	0.57
2,280,291	Balfour Beatty	5,974	1.33
1,378,021	Chemring	4,058	0.90
1,099,159	De La Rue	1,706	0.38
795,448	Eurocell	1,877	0.42
424,084	Euromoney Institutional Investor	3,923	0.87
362,127	Genuit	2,122	0.47
246,555	James Fisher & Sons	911	0.20
407,227	Knights	1,629	0.36
1,645,883	Luceco	5,637	1.26
687,967	Midwich	4,265	0.95
411,100	Oxford Instruments	10,812	2.41
272,659	PageGroup	1,727	0.38
912,891	Redde Northgate	3,980	0.89
122,017	Renishaw	5,832	1.30
759,766	Restore	3,647	0.81
1,468,836	RPS	1,783	0.40
1,418,326	RWS	9,219	2.05
2,790,978	Serco	3,757	0.84
1,505,172	Severfield	1,021	0.23
2,906,928	SigmaRoc	2,384	0.53
253,130	Smart Metering Systems	2,126	0.47
111,783	Spectris	4,089	0.91
1,052,917	Stelrad	2,232	0.50
560,824	SThree	2,594	0.58

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Industrials (continued)</b>		
1,878,131	Thruvision	507	0.11
1,297,900	Tyman	5,185	1.15
251,951	Ultra Electronics	8,012	1.78
1,423,001	Vesuvius	6,404	1.42
288,499	Vitec	4,097	0.91
414,726	Volet	1,425	0.32
1,117,743	Volition	6,181	1.38
90,013	XP Power	4,591	1.02
		<u>132,877</u>	<u>29.58</u>
	<b>Real Estate 3.59% (30/06/2021: 3.58%)</b>		
1,646,604	CLS	3,589	0.80
1,626,493	Empiric Student Property	1,391	0.31
478,461	Grainger	1,507	0.34
612,740	Helical	2,776	0.62
486,378	Savills	6,848	1.52
		<u>16,111</u>	<u>3.59</u>
	<b>Technology 12.64% (30/06/2021: 12.12%)</b>		
1,146,332	Access Intelligence	1,697	0.38
1,001,093	Alphawave IP	1,950	0.43
354,064	Aptitude Software	2,054	0.46
1,446,818	Ascential	5,822	1.29
261,417	Auction Technology	3,947	0.88
554,263	Blanco Technology	1,247	0.28
741,586	Bytes Technology	4,205	0.93
206,568	Computacenter	6,011	1.34
112,523	EMIS	1,530	0.34
954,844	GBG	7,042	1.57
112,380	Gooch & Housego	1,292	0.29
4,684,838	Learning Technologies	8,330	1.85
1,452,232	Moneysupermarket.com	3,137	0.70
337,944	Softcat	6,096	1.36
2,414,619	Tribal	2,403	0.54
		<u>56,763</u>	<u>12.64</u>
	<b>Telecommunications 1.55% (30/06/2021: 1.92%)</b>		
422,087	Gamma Communications	6,948	1.55
	<b>United States 0.31% (30/06/2021: 0.00%)</b>		
	<b>Consumer Discretionary 0.31% (30/06/2021: 0.00%)</b>		
698,726	Devolver Digital	1,397	0.31
	<b>Investment assets</b>	<b>444,631</b>	<b>98.99</b>
	Other net assets	4,524	1.01
	<b>Total net assets</b>	<b>449,155</b>	<b>100.00</b>

<sup>1</sup> Suspended or delisted securities

## Portfolio statement (continued)

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

The classification is based on the country of risk and a relevant industry classification standard.

## Statement of total return (unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
Income				
Net capital gains		18,137		58,921
Revenue	3,100		1,128	
Expenses	(2,091)		(906)	
Net revenue before taxation	1,009		222	
Taxation	-		-	
Net revenue after taxation		1,009		222
Total return before distributions		19,146		59,143
Distributions		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>19,146</b>		<b>59,143</b>

## Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2021

	31/12/21		31/12/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders*</b>		<b>429,353</b>		<b>207,840</b>
Amounts receivable on issue of shares	17,043		22,776	
Amounts payable on cancellation of shares	(16,387)		(22,300)	
		656		476
Dilution adjustment		-		168
Change in net assets attributable to shareholders from investment activities		19,146		59,143
<b>Closing net assets attributable to shareholders</b>		<b>449,155</b>		<b>267,627</b>

\* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

## Balance sheet (unaudited) as at 31 December 2021

	31/12/21 £000	30/06/21 £000
<b>Assets:</b>		
Investments	444,631	423,413
Current assets:		
Debtors	1,481	6,315
Cash and bank balances	3,699	1,219
<b>Total assets</b>	<b>449,811</b>	<b>430,947</b>
<b>Liabilities:</b>		
Creditors:		
Other creditors	656	1,594
<b>Total liabilities</b>	<b>656</b>	<b>1,594</b>
<b>Net assets attributable to shareholders</b>	<b>449,155</b>	<b>429,353</b>

## Appendix - additional information

### Securities financing transactions

The funds engage in securities financing transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EUR Exit) Regulations 2019, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation (EU) 2015/2365, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EU Exit) Regulations 2019, the funds' involvement in and exposures related to securities lending for the six months ended 31 December 2021 are detailed below.

### Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the funds' AUM as at 31 December 2021:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson All Stocks Credit Fund	714	0.26%	0.25%
Janus Henderson Institutional Long Dated Credit Fund	3,055	2.01%	1.96%
Janus Henderson Strategic Bond Fund	1,579	0.05%	0.05%
Janus Henderson UK Equity Income & Growth Fund	5,969	3.03%	3.02%

### Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for each fund as at 31 December 2021:

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
<b>Janus Henderson All Stocks Credit Fund</b>		<b>Janus Henderson Institutional Long Dated Credit Fund</b>	
Government of France	685	Government of France	1,999
Government of Germany	306	Government of Germany	919
Government of Austria	137	Government of Belgium	156
Kingdom of Netherlands	60	Kingdom of Netherlands	148
Government of Belgium	52	Republic of Finland	1
		Government of Austria	1
<b>Janus Henderson Strategic Bond Fund</b>		<b>Janus Henderson UK Equity Income &amp; Growth Fund</b>	
Government of France	833	Government of France	1,492
Government of Germany	391	Kingdom of Netherlands	1,290
Government of Austria	206	Government of Belgium	1,208
Government of Belgium	140	UK Treasury	1,140
Kingdom of Netherlands	93	Government of Germany	547
		BHP Group	87
		Royal Bank of Canada	87
		Constellation Software	87
		Diageo	78
		Government of Austria	72

## Appendix - additional information (continued)

### Securities financing transactions (continued)

#### Concentration data (continued)

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for each fund as at 31 December 2021:

Counterparty	Market value of securities on loan £000	Settlement basis	Counterparty	Market value of securities on loan £000	Settlement basis
<b>Janus Henderson All Stocks Credit Fund</b>			<b>Janus Henderson Institutional Long Dated Credit Fund</b>		
JPMorgan	508	Triparty	JPMorgan	3,055	Triparty
Credit Suisse	206	Triparty		<u>3,055</u>	
	<u>714</u>				
<b>Janus Henderson Strategic Bond Fund</b>			<b>Janus Henderson UK Equity Income &amp; Growth Fund</b>		
JPMorgan	1,122	Triparty	Bank of America	4,406	Triparty
Credit Suisse	241	Triparty	Bank of Nova Scotia	1,563	Triparty
Bank of America	216	Triparty		<u>5,969</u>	
	<u>1,579</u>				

All counterparties have been included.

#### Aggregate transaction data

The following tables provide an analysis of the collateral received by each fund in respect of each type of SFTs as at 31 December 2021:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
<b>Janus Henderson All Stocks Credit Fund</b>							
Credit Suisse	Switzerland	Government Bond	Investment grade	EUR	Triparty	JPMorgan	220
JPMorgan	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	1,020
							<u>1,240</u>
<b>Janus Henderson Institutional Long Dated Credit Fund</b>							
JPMorgan	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	3,224
							<u>3,224</u>
<b>Janus Henderson Strategic Bond Fund</b>							
Bank of America	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	222
Credit Suisse	Switzerland	Government Bond	Investment grade	EUR	Triparty	JPMorgan	257
JPMorgan	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	1,184
							<u>1,663</u>
<b>Janus Henderson UK Equity Income &amp; Growth Fund</b>							
Bank of America	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	4,599
Bank of America	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan	61
Bank of Nova Scotia	Canada	Government Bond	Investment grade	EUR	Triparty	JPMorgan	30
Bank of Nova Scotia	Canada	Government Bond	Investment grade	GBP	Triparty	JPMorgan	1,140
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	JPMorgan	12
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	JPMorgan	242
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	JPMorgan	51
Bank of Nova Scotia	Canada	Equity	Main market listing	CHF	Triparty	JPMorgan	11
Bank of Nova Scotia	Canada	Equity	Main market listing	CAD	Triparty	JPMorgan	174
Bank of Nova Scotia	Canada	Equity	Main market listing	DKK	Triparty	JPMorgan	14
							<u>6,334</u>

All collateral is held in segregated accounts.

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



## Appendix - additional information (continued)

### Securities financing transactions (continued)

#### Re-use of collateral

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

#### Return and cost on securities lending activities

The following table details the funds' return and costs for each type of SFTs for the six months ended 31 December 2021:

Fund	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return retained by the securities lending agent	% return retained by the fund
Janus Henderson All Stocks Credit Fund	3	1	2	8%	92%
Janus Henderson Institutional Long Dated Credit Fund	4	1	3	8%	92%
Janus Henderson Strategic Bond Fund	9	2	7	8%	92%
Janus Henderson UK Equity Income & Growth Fund	1	-	1	8%	92%

## Further information

### Shareholder enquiries

If you have any queries about your fund holding, either contact your professional adviser or telephone us on one of the numbers below:

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

The following line is also available:

Client Services: **0800 832 832**

or you can contact us via e-mail at **[support@janushenderson.com](mailto:support@janushenderson.com)**

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