

# HL INCOME FUND

**Annual Report & Financial Statements**  
For the year ended 30th September 2024

# Directory

## **Manager and AIFM:**

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

*Authorised and Regulated by the Financial Conduct Authority*

## **Directors of the Manager:**

P A Dimambro  
S E Gamble (resigned 30th November 2024)  
J Misselbrook\*  
A E Stirling (resigned 9th October 2023)  
J A Troiano\*  
T Vaughan

\*Non-Executive Directors

## **Sub-Advisers:**

Jupiter Asset Management Limited (terminated 4th October 2023)  
Zig Zag Building  
70 Victoria Street  
London SW1 6SQ

*Authorised and Regulated by the Financial Conduct Authority*

Artemis Investment Management LLP (terminated 4th October 2023)  
Cassini House  
57 St. James's Street  
London SW1A 1LD

*Authorised and Regulated by the Financial Conduct Authority*

Troy Asset Management Limited (terminated 4th October 2023)  
33 Davies Street  
London W1K 4BP

*Authorised and Regulated by the Financial Conduct Authority*

## **Trustee and Depositary:**

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

*Authorised and Regulated by the Financial Conduct Authority*

## **Dealing and Registration:**

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

## **Auditor:**

Ernst & Young LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

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# Manager's Investment Report

## For the year ended 30th September 2024

### Investment objective

The investment objective of the HL Income Fund (the "Fund") is to provide a monthly income and capital returns consistent with a specified level of risk, over rolling 5-year periods.

The level of risk ranges between 50% and 70% of the forecasted long-term volatility of global equities as represented by the MSCI All Countries World Index (GBP Total Return, Net) over rolling 5-year periods.

The Fund's volatility is assessed using forecasted volatility figures at least monthly. The Fund's volatility may not remain within the risk range and, accordingly, there may be periods, for example in extreme market conditions, when the Fund's volatility either exceeds or falls below this range.

### Investment policy

The Fund will invest in a variety of asset classes globally. At least 80% of the Fund will be invested in assets through other collective investment schemes; it may also invest in assets directly. Such asset classes are: equity securities (such as shares), fixed income securities (such as corporate bonds and government bonds), money market instruments, cash and near cash. The Fund may be exposed to both investment grade and non-investment grade fixed income securities.

Due to the risk profile, the expectation is that the Fund will typically have an exposure to shares between 45% and 65%, however this is not guaranteed. To enable the Fund to meet its investment objective, the exposure to shares may be lower or higher than the stated range in extraordinary market conditions (where there is not a steady and constant flow of investment activity and where there is high volatility and a lack of regular pricing information available).

The Fund is actively managed and uses a mixture of asset allocation techniques to blend asset classes for diversification, aiming to provide returns consistent with the Fund's "Balanced" risk profile and return aim. Due to the income objective, the expectation is that at least 80% of the Fund will be invested in assets that pay a dividend or coupon.

As part of the investment process, the Manager will use strategic asset allocation to determine the Fund's longer-term allocation to different asset classes.

The Manager will look to adjust the strategic asset allocation periodically, to take into account revised assumptions around the expected return and risk of different asset classes, as well as changing market conditions.

In seeking to improve the Fund's performance, or reduce risk, the Manager may also engage in tactical asset allocation decisions. This involves adjusting the Fund's allocations to take advantage of shorter-term market trends, market forecasts, or economic conditions.

The collective investment schemes in which the Fund invests will include those managed or operated by Hargreaves Lansdown Fund Managers Ltd., as well as those provided by third parties. The collective investment schemes will be established in Europe, UK, Jersey and Guernsey.

Subject to the requirements above, the Fund aims to meet its objective by diversifying across different asset classes, geographies, sectors and industries.

The Fund may use exchange traded derivative instruments and foreign exchange forward transactions for the purposes of efficient portfolio management, including hedging (these are methods of managing the Fund in a way that is designed to reduce risk or cost). On giving 60 days' notice to Unitholders, the Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes.

Where the Fund invests in assets through collective investment schemes, those schemes may use derivative instruments for efficient portfolio management or investment purposes.

# Manager's Investment Report (continued)

## For the year ended 30th September 2024

### Performance review

Over the twelve-month period to 30 September 2024, the price of the Fund's accumulation units increased from 174.84 pence to 199.34 pence per unit, which represents a rise of 14.01%. Over the same period the IA Mixed Investment 20-60% Shares peer group recorded an average of 12.23%.

Since close of the initial offer period (2 June 2006) to 30 September 2024, the price of the accumulation units has increased from 95 pence to 199.34 pence, a rise of 109.83%. Over the same period the IA Mixed Investment 20-60% Shares peer group recorded an average gain of 98.07%.

	30/09/19 to 30/09/20	30/09/20 to 30/09/21	30/09/21 to 30/09/22	30/09/22 to 30/09/23	30/09/23 to 30/09/24
HL Income Fund	-7.93%	16.62%	-8.26%	5.06%	14.01%
IA Mixed Investment 20-60% Shares	-1.46%	12.75%	-10.91%	4.33%	12.23%

Past performance is not a guide to future returns.

*Source: Lipper for Investment Management to 30/09/2024, Total Return Net Distribution Re-invested, NAV from 30/09/2019.*

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

Purchases	£'000	Sales	£'000
HL UK Income	46,682	JPMorgan US Equity Income	47,546
Legal & General US Index Trust	33,827	Legal & General US Index Trust	32,308
HL Global Corporate Bond	18,563	HL UK Income	24,301
iShares USD Treasury Bond 20YR		iShares Global Government Bond	
UCITS ETF	16,306	UCITS ETF	16,757
iShares Core MSCI Emerging Markets		M&G Global Macro Bond	13,745
UCITS ETF	10,613	Jupiter Asian Income	12,939
iShares Core FTSE 100 UCITS ETF	9,410	J O Hambro UK Equity Income	7,912
BlueBay Emerging Market Aggregate		Legal & General UK 100 Index Trust	6,154
Bond	5,370	HL Global Corporate Bond	5,181
PGIM Global High Yield Bond	5,178	BlackRock Continental European	
iShares Core S&P 500 UCITS ETF	4,881	Income	5,114
Polar Capital - European ex-UK Income	4,755		
Total purchases during the year were	231,224	Total sales during the year were	242,992

**Hargreaves Lansdown Fund Managers Limited**  
1st October 2024

# Portfolio Statement

## As at 30th September 2024

<i> Holding </i>	<i> Investment </i>	<i> Bid market valuation £'000 </i>	<i> Percentage of total net assets % </i>
	<b>UK Funds – 15.77% (4.94%)</b>		
27,110,799	HL UK Income~	27,002	11.54
930,551	iShares FTSE 100 UCITS ETF	7,438	3.18
25,613,408	LF Equity Income≠	200	0.08
69,805	Vanguard FTSE 250 UCITS ETF	2,262	0.97
		<b>36,902</b>	<b>15.77</b>
	<b>Fixed Interest Funds – 47.92% (44.95%)</b>		
111,683	BlueBay Emerging Market Aggregate Bond	11,902	5.09
680,681	Capital Group Emerging Markets Local Currency Debt	6,589	2.82
54,669,558	HL Global Corporate Bond~	57,928	24.76
1,120,317	iShares Global Government Bond UCITS ETF	5,276	2.25
3,992,541	iShares USD Treasury Bond 20YR UCITS ETF	13,409	5.73
162,011	PGIM Global High Yield Bond	17,017	7.27
		<b>112,121</b>	<b>47.92</b>
	<b>Europe Funds – 0.00% (3.95%)</b>		
	<b>Asia/Emerging Funds – 4.22% (6.99%)</b>		
1,950,832	iShares Core MSCI Emerging Markets UCITS ETF	7,428	3.17
2,230,298	iShares Japan Equity Index	2,446	1.05
		<b>9,874</b>	<b>4.22</b>
	<b>US Funds – 6.86% (21.91%)</b>		
17,908	Amundi S&P 500 II UCITS ETF	791	0.34
115,485	iShares Core S&P 500 UCITS ETF	4,922	2.10
163,756	iShares S&P 500 Swap UCITS ETF	790	0.34
1,107,353	Legal & General US Index Trust	9,533	4.08
		<b>16,036</b>	<b>6.86</b>
	<b>UK Equities – 1.60% (14.88%)</b>		
11,151	Admiral Group	310	0.13
8,120	AstraZeneca	941	0.40
4,657	Diageo	121	0.05
6,837	Experian	269	0.12
7,857	Fevertree Drinks	65	0.03
110,148	Greencoat UK Winds	155	0.07
203,338	Lloyds Banking Group	120	0.05
94,926	LondonMetric Property REIT	194	0.08
28,658	Phoenix Group Holdings	160	0.07
12,056	RELX	423	0.18
5,196	Rio Tinto	275	0.12
11,916	Shell	289	0.12

# Portfolio Statement (continued)

As at 30th September 2024

<i> Holding </i>	<i> Investment </i>	<i> Bid market valuation £'000 </i>	<i> Percentage of total net assets % </i>
	<b>UK Equities – 1.60% (14.88%) (continued)</b>		
13,390	SSE	252	0.11
93,009	Taylor Wimpey	153	0.07
		<b>3,727</b>	<b>1.60</b>
	<b>Australia Equities – 0.55% (0.00%)</b>		
19,040	Carsales.com	369	0.16
3,635	Macquarie	437	0.19
25,342	QBE Insurance	217	0.09
19,135	Sonic Healthcare	269	0.11
		<b>1,292</b>	<b>0.55</b>
	<b>Austria Equities – 0.05% (0.00%)</b>		
2,606	Erste Bank	<b>107</b>	<b>0.05</b>
	<b>Canada Equities – 0.07% (0.00%)</b>		
12,381	TELUS	<b>155</b>	<b>0.07</b>
	<b>Denmark Equities – 0.38% (0.00%)</b>		
1,829	Coloplast	179	0.08
8,042	Novo Nordisk	706	0.30
		<b>885</b>	<b>0.38</b>
	<b>Finland Equities – 0.05% (0.08%)</b>		
5,394	Valmet	<b>129</b>	<b>0.05</b>
	<b>France Equities – 1.83% (0.00%)</b>		
13,262	Cie Generale des Etablissements Michelin	402	0.17
5,295	Edenred	150	0.06
1,969	Eurofins Scientific	93	0.04
3,420	Legrand	294	0.13
718	L'Oreal	240	0.10
1,113	LVMH Moet Hennessy Louis Vuitton	638	0.27
2,495	Pernod Ricard	282	0.12
1,543	Safran	271	0.12
4,675	Schneider Electric	918	0.39
10,069	TotalEnergies	490	0.21
5,962	Vinci	520	0.22
		<b>4,298</b>	<b>1.83</b>

# Portfolio Statement (continued)

As at 30th September 2024

<i> Holding </i>	<i> Investment </i>	<i> Bid market valuation £'000 </i>	<i> Percentage of total net assets % </i>
	<b>Germany Equities – 0.57% (0.19%)</b>		
2,069	Allianz	508	0.22
3,416	Deutsche Boerse	599	0.26
1,273	SAP	216	0.09
		<b>1,323</b>	<b>0.57</b>
	<b>Hong Kong Equities – 0.42% (0.00%)</b>		
85,800	AIA	574	0.25
12,400	Hong Kong Exchanges & Clearing	388	0.17
		<b>962</b>	<b>0.42</b>
	<b>Ireland Equities – 0.00% (0.15%)</b>		
	<b>Italy Equities – 0.07% (0.00%)</b>		
5,077	UniCredit	<b>166</b>	<b>0.07</b>
	<b>Japan Equities – 0.89% (0.22%)</b>		
6,700	Bridgestone	192	0.08
13,600	Japan Exchange	131	0.06
16,700	Murata Manufacturing	244	0.10
19,100	Sekisui House	395	0.17
18,200	Shin-Etsu Chemical	565	0.24
5,600	Tokio Marine	152	0.06
1,800	Tokyo Electron	237	0.10
26,800	USS	189	0.08
		<b>2,105</b>	<b>0.89</b>
	<b>Mexico Equities – 0.07% (0.00%)</b>		
7,515	Wal-Mart de Mexico	<b>167</b>	<b>0.07</b>
	<b>Netherlands Equities – 0.44% (0.47%)</b>		
5,284	Heineken	350	0.15
9,938	Koninklijke Ahold Delhaize	257	0.11
45,787	Koninklijke KPN	140	0.06
2,108	Wolters Kluwer	265	0.12
		<b>1,012</b>	<b>0.44</b>
	<b>Norway Equities – 0.12% (0.00%)</b>		
18,846	DNB Bank	<b>289</b>	<b>0.12</b>



## Portfolio Statement (continued)

As at 30th September 2024

<i> Holding </i>	<i> Investment </i>	<i> Bid market valuation £'000 </i>	<i> Percentage of total net assets % </i>
	<b>Republic of South Korea Equities – 0.22% (0.00%)</b>		
581	Samsung Electronics	<b>506</b>	<b>0.22</b>
	<b>Singapore Equities – 0.65% (0.00%)</b>		
35,500	DBS	785	0.34
36,300	Singapore Exchange	241	0.10
149,500	Singapore Telecommunications	282	0.12
11,300	United Overseas Bank	211	0.09
		<b>1,519</b>	<b>0.65</b>
	<b>Spain Equities – 0.46% (0.00%)</b>		
2,625	Amadeus IT Group	142	0.06
42,815	Iberdrola	494	0.21
9,873	Industria de Diseno Textil	437	0.19
		<b>1,073</b>	<b>0.46</b>
	<b>Sweden Equities – 0.39% (0.00%)</b>		
23,894	Atlas Copco	345	0.15
12,508	Epiroc	177	0.08
18,504	Volvo	365	0.16
		<b>887</b>	<b>0.39</b>
	<b>Switzerland Equities – 1.05% (0.21%)</b>		
619	Kuehne & Nagel International	126	0.05
13,365	Nestle	1,004	0.43
433	Partners Holding	486	0.21
1,259	Roche	301	0.13
1,215	Zurich Insurance Group	547	0.23
		<b>2,464</b>	<b>1.05</b>
	<b>Taiwan Equities – 0.85% (0.00%)</b>		
15,452	Taiwan Semiconductor Manufacturing	<b>2,000</b>	<b>0.85</b>
	<b>US Equities – 14.32% (0.70%)</b>		
5,437	Abbott Laboratories	462	0.20
7,673	AbbVie	1,129	0.48
1,972	Accenture	520	0.22
1,845	Albemarle	130	0.06
3,322	Analog Devices	570	0.24
2,744	Apple	477	0.20
1,236	Arthur J Gallagher	259	0.11

# Portfolio Statement (continued)

As at 30th September 2024

<i> Holding </i>	<i> Investment </i>	<i> Bid market valuation £'000 </i>	<i> Percentage of total net assets % </i>
	<b>US Equities – 14.32% (0.70%) (continued)</b>		
1,878	Automatic Data Processing	387	0.17
7,274	Baker Hughes	196	0.08
12,163	Bank of America	360	0.15
13,449	Broadcom	1,729	0.74
2,968	Chevron	326	0.14
1,537	Cincinnati Financial	156	0.07
5,059	Cisco Systems	201	0.09
6,344	CME Group	1,043	0.44
2,334	CMS Energy	123	0.05
16,233	Coca-Cola	870	0.37
3,474	Cognex	105	0.04
6,902	Colgate-Palmolive	534	0.23
1,012	Cummins	244	0.10
1,968	Darden Restaurants	241	0.10
4,184	Dominion Energy	180	0.08
6,417	Dow	261	0.11
2,537	Eaton	627	0.27
5,453	Exxon Mobil	476	0.20
7,705	Fastenal	410	0.18
9,091	Fidelity National Information Services	568	0.24
2,097	Home Depot	633	0.27
2,002	Honeywell International	308	0.13
376	Intuit	174	0.07
6,315	Johnson & Johnson	763	0.33
3,345	JPMorgan Chase	526	0.22
2,767	Linde	983	0.42
1,837	Lowe's Companies	371	0.16
1,180	Mastercard	434	0.19
3,814	McDonald's	865	0.37
2,405	Medtronic	161	0.07
8,853	Merck & Co	749	0.32
2,288	Meta Platforms	976	0.42
5,040	Microchip Technology	302	0.13
2,544	Micron Technology	197	0.08
12,169	Microsoft	3,902	1.67
10,533	Morgan Stanley	819	0.35
2,314	NetEase	161	0.07
14,446	NextEra Energy	910	0.39
1,400	Nucor	157	0.07
7,850	Otis Worldwide	608	0.26
6,842	PepsiCo	867	0.37
3,732	Procter & Gamble	482	0.21
3,301	Prologis	311	0.13
1,744	Public Service Enterprise	116	0.05
1,141	Ross Stores	128	0.05
3,383	Seagate Technology	276	0.12

## Portfolio Statement (continued)

As at 30th September 2024

<i> Holding </i>	<i> Investment </i>	<i> Bid market valuation £'000 </i>	<i> Percentage of total net assets % </i>
	<b>US Equities – 14.32% (0.70%) (continued)</b>		
6,709	Southern	451	0.19
2,489	Starbucks	181	0.08
2,103	T Rowe Price	171	0.07
3,782	Texas Instruments	582	0.25
2,153	United Parcel Service	219	0.09
657	United Rentals	396	0.17
1,485	UnitedHealth	647	0.28
2,376	Watsco	870	0.37
4,907	Wells Fargo	207	0.09
3,418	Welltower	326	0.14
7,763	Weyerhaeuser	196	0.08
5,232	Yum! Brands	545	0.23
		<b>33,554</b>	<b>14.32</b>
	<b>Portfolio of investments – 99.82% (99.64%)</b>	<b>233,553</b>	<b>99.82</b>
	Net other assets – 0.18% (0.36%)	423	0.18
	<b>Net assets</b>	<b>233,976</b>	<b>100.00</b>

The percentages in brackets show the equivalent sector comparatives as at 30th September 2023.

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

~ Related party holding.

≠ Link Fund Solutions Limited ('LFSL') as the Authorised Corporate Director of LF Equity Income Fund (formerly the LF Woodford Equity Income Fund) entered into a Scheme of Arrangement ("the Scheme") with scheme creditors and the Scheme became fully effective on 5th March 2024. The first payment from the Scheme was paid to the fund in April 2024 and is reflected in these accounts. It is not currently known whether any further payments will be made to Scheme Creditors or when such payments may be made.

## General Information

Launch Date:	15th May 2006
Accounting Periods:	First Interim – 31st October Second Interim – 30th November Third Interim – 31st December Fourth Interim – 31st January Fifth Interim – 28th February* Sixth Interim – 31st March Seventh Interim – 30th April Eighth Interim – 31st May Ninth Interim – 30th June Tenth Interim – 31st July Eleventh Interim – 31st August Final - 30th September
Distribution Dates:	First Interim - 30th November Second Interim - 31st December Third Interim - 31st January Fourth Interim - 28th February* Fifth Interim - 31st March Sixth Interim - 30th April Seventh Interim - 31st May Eighth Interim - 30th June Ninth Interim - 31st July Tenth Interim - 31st August Eleventh Interim - 30th September Final - 31st October
Minimum Initial Investment:	£150,000**
Management Charges:	Initial – 3%** Annual – 0.55%

Fund name changed from HL MM Equity & Bond Trust to HL Income Fund on 22nd January 2024.

\* 29th February in a leap year.

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

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

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

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

## General Information (continued)

### Unit Price

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

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

The Fund is normally valued at 10:30 pm each day for the purpose of determining the unit price. With the agreement of the Trustee and Depositary, the Fund may be valued at other times.

### Dealing in Units

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

The units of the Fund are non-certificated.

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

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

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

### Cancellation Rights

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

### Taxation - Income

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

### Taxation - Capital Gains

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

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

## General Information (continued)

### Report and Scheme Particulars

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

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

### Commission

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

### Status

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

### Assessment of Value

For each of its funds, Hargreaves Lansdown Fund Managers Limited (HLFM) published an Assessment of Value covering the financial year ended 30th September 2024. These statements are available at [www.hl.co.uk/funds/hl-funds/multi-manager-funds/other-documents](http://www.hl.co.uk/funds/hl-funds/multi-manager-funds/other-documents).

### Remuneration

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

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

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

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

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

The total remuneration of those individuals considered to be key risk takers as defined by AIFMD, including those whose time is allocated between group entities, for the financial year ended 30th June 2024 is analysed below:

Fixed Remuneration	£2,452,679
Variable Remuneration	£1,808,993
Total	£4,261,672
Full Time Equivalent number of staff:	11.9

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

## General Information (continued)

### Leverage

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

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

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

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

As at year end, 30th September 2024, the maximum gross leverage observed was 106.10% and the maximum commitment leverage was 100% (30th September 2023: gross 106.10%, commitment 100.00%).

## Important Investment Notes

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

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

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

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

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

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

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

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

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

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

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



## Authorised Status

The Fund is an authorised unit trust scheme under Section 243 of the Financial Services and Markets Act 2000.

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

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

## Fund Information

The Comparative Tables on pages 16 to 19 give the performance of each active unit class in the Fund.

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

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

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

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

## Fund Information (continued)

### Comparative Tables

Class A Accumulation Units

#### Change in Net Asset Value per Unit

	<i>30/09/24</i> <i>(pence per unit)</i>	<i>30/09/23</i> <i>(pence per unit)</i>	<i>30/09/22</i> <i>(pence per unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	174.78	166.28	181.39
Return before operating charges*	25.75	10.52	(12.85)
Operating charges (calculated on average price)	(1.51)	(2.02)	(2.26)
Return after operating charges*	24.24	8.50	(15.11)
Distributions	(6.46)	(5.80)	(4.72)
Distributions on accumulation units	6.46	5.80	4.72
Closing net asset value per unit	199.02	174.78	166.28
* after direct transaction costs of**:	0.07	0.05	0.05

#### Performance

Return after charges	13.87%	5.11%	(8.33)%
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#### Other information

Closing net asset value (£'000)	151,545	119,036	119,696
Closing number of units	76,145,751	68,106,269	71,986,689
Operating charges†	0.81%	1.15%	1.26%
Direct transaction costs	0.04%	0.03%	0.03%

#### Prices

Highest mid price	200.02	183.10	185.61
Lowest mid price	170.37	163.51	166.37

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

† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. Due to a restructuring of HL UK Income, initiated just prior to the financial year end, the ongoing charges figure as of 30/09/2024 was temporarily reduced. The full year average OCF for this fund was 0.97%.

## Fund Information (continued)

### Comparative Tables (continued)

Class M Accumulation Units

#### Change in Net Asset Value per Unit

	<i>30/09/24</i> <i>(pence per</i> <i>unit)</i> <sup>^</sup>	<i>30/09/23</i> <i>(pence per</i> <i>unit)</i>	<i>30/09/22</i> <i>(pence per</i> <i>unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	174.78	166.28	181.40
Return before operating charges*	1.33	10.52	(12.86)
Operating charges (calculated on average price)	(0.02)	(2.02)	(2.26)
Return after operating charges*	1.31	8.50	(15.12)
Distributions	(0.47)	(5.80)	(4.72)
Distributions on accumulation units	0.47	5.80	4.72
Last quoted unit price	176.09	–	–
Closing net asset value per unit	–	174.78	166.28
* after direct transaction costs of**:	0.06	0.05	0.05

#### Performance

Return after charges	0.75%	5.11%	(8.34)%
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#### Other information

Closing net asset value (£'000)	–	31,934	35,558
Closing number of units	–	18,270,735	21,384,707
Operating charges†	0.11%	1.15%	1.26%
Direct transaction costs	–%	0.03%	0.03%

#### Prices

Highest mid price	176.09	183.10	185.62
Lowest mid price	170.37	163.41	166.37

<sup>^</sup> Class M units have been converted to Class A units on 21st November 2023.

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

† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Class M units, the prorated OCF for the current year is 0.11% since Class M units have been converted to Class A units on 21st November 2023.

## Fund Information (continued)

### Comparative Tables (continued)

Class A Income Units

#### Change in Net Asset Value per Unit

	<i>30/09/24</i> <i>(pence per unit)</i>	<i>30/09/23</i> <i>(pence per unit)</i>	<i>30/09/22</i> <i>(pence per unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	104.24	102.51	114.85
Return before operating charges*	15.14	6.49	(7.97)
Operating charges (calculated on average price)	(0.89)	(1.23)	(1.41)
Return after operating charges*	14.25	5.26	(9.38)
Distributions on income units	(3.80)	(3.53)	(2.96)
Closing net asset value per unit	114.69	104.24	102.51
* after direct transaction costs of**:	0.04	0.03	0.03

#### Performance

Return after charges	13.67%	5.13%	(8.17)%
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#### Other information

Closing net asset value (£'000)	82,431	31,525	33,073
Closing number of units	71,871,842	30,243,047	32,264,557
Operating charges†	0.81%	1.15%	1.26%
Direct transaction costs	0.04%	0.03%	0.03%

#### Prices

Highest mid price	115.98	111.76	116.82
Lowest mid price	101.53	100.80	103.04

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

† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. Due to a restructuring of HL UK Income, initiated just prior to the financial year end, the ongoing charges figure as of 30/09/2024 was temporarily reduced. The full year average OCF for this fund was 0.97%.

## Fund Information (continued)

### Comparative Tables (continued)

Class M Income Units

#### Change in Net Asset Value per Unit

	<i>30/09/24</i> <i>(pence per unit)<sup>^</sup></i>	<i>30/09/23</i> <i>(pence per unit)</i>	<i>30/09/22</i> <i>(pence per unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	104.25	102.51	114.86
Return before operating charges*	0.78	6.50	(7.98)
Operating charges (calculated on average price)	(0.01)	(1.23)	(1.41)
Return after operating charges*	0.77	5.27	(9.39)
Distributions on income units	(0.28)	(3.53)	(2.96)
Last quoted unit price	104.74	–	–
Closing net asset value per unit	–	104.25	102.51

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

	0.03	0.03	0.03
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#### Performance

Return after charges	0.74%	5.14%	(8.18)%
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#### Other information

Closing net asset value (£'000)	–	42,649	47,647
Closing number of units	–	40,912,285	46,479,286
Operating charges†	0.11%	1.15%	1.26%
Direct transaction costs	–%	0.03%	0.03%

#### Prices

Highest mid price	104.74	111.77	116.83
Lowest mid price	101.53	100.80	103.04

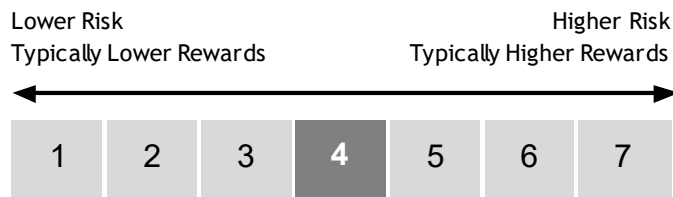
<sup>^</sup> Class M units have been converted to Class A units on 21st November 2023.

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

† Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It includes the annual management fee as well as the administrative costs incurred by the Fund. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Class M units, the prorated OCF for the current year is 0.11% since Class M units have been converted to Class A units on 21st November 2023.

## Fund Information (continued)

### Synthetic Risk and Reward Indicator ("SRRI")



The Fund is ranked at 4 because funds of this type have experienced moderate rises and falls in value in the past.

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

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

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

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

## Statement of the Manager's Responsibilities

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

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

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

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

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

**P A Dimambro**  
(Director)  
*30th January 2025*

**T Vaughan**  
(Director)



# Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the HL Income Fund (the "Fund") for the year ended 30th September 2024

The Depositary in its capacity as Trustee of HL Income Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and, from 22 July 2014 the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

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

The Depositary must ensure that:

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

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

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

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

**Northern Trust Investor Services Limited**

UK Trustee and Depositary Services

*30th January 2025*

# Independent Auditor's Report to the Unitholders of the HL Income Fund

## Opinion

We have audited the financial statements of HL Income Fund ("the Fund") for the year ended 30th September 2024, which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes, and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 30th September 2024 and of the net revenue and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

## Basis for opinion

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

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

## Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

## Other information

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

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

# Independent Auditor's Report to the Unitholders of the HL Income Fund (continued)

## **Other information** (continued)

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")**

In our opinion:

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

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

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

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

## **Responsibilities of the Manager**

As explained more fully in the Statement of Manager's Responsibilities set out on page 21, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Fund or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# Independent Auditor's Report to the Unitholders of the HL Income Fund (continued)

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrators and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk in relation to incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested the appropriateness of management's classification of material special dividends as either a capital or revenue return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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

# Independent Auditor's Report to the Unitholders of the HL Income Fund (continued)

## Use of our report

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

**Ernst & Young LLP**  
Statutory Auditor  
Edinburgh  
*30th January 2025*

## Statement of Total Return

### For the year ended 30th September 2024

	Notes	30/09/24		30/09/23	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	5		<b>22,354</b>		5,813
Revenue	7	<b>9,278</b>		8,910	
Expenses	8	<b>(1,532)</b>		(1,913)	
Interest payable and similar charges		<b>(29)</b>		(14)	
Net revenue before taxation		<b>7,717</b>		6,983	
Taxation	9	<b>(850)</b>		(596)	
Net revenue after taxation			<b>6,867</b>		6,387
<b>Total return before distributions</b>			<b>29,221</b>		12,200
Distributions	10		<b>(7,829)</b>		(7,959)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>21,392</b>		4,241

## Statement of Change in Net Assets Attributable to Unitholders

### For the year ended 30th September 2024

	30/09/24		30/09/23	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>225,144</b>		235,974
Amounts receivable on issue of units	<b>21,961</b>		12,758	
Amounts payable on cancellation of units	<b>(39,662)</b>		(33,062)	
		<b>(17,701)</b>		(20,304)
Change in net assets attributable to unitholders from investment activities		<b>21,392</b>		4,241
Retained distribution on accumulation units		<b>5,140</b>		5,232
Unclaimed distributions		<b>1</b>		1
<b>Closing net assets attributable to unitholders</b>		<b>233,976</b>		225,144

# Balance Sheet

## As at 30th September 2024

	<i>Notes</i>	<i>30/09/24</i> <i>£'000</i>	<i>30/09/23</i> <i>£'000</i>
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		<b>233,553</b>	224,341
<b>Current assets:</b>			
Debtors	11	<b>710</b>	1,269
Cash and cash equivalents	12	<b>1,602</b>	1,034
<b>Total assets</b>		<b>235,865</b>	226,644
<b>LIABILITIES</b>			
Investment liabilities		–	(3)
<b>Creditors:</b>			
Distribution payable on income units	10	<b>(508)</b>	(396)
Bank overdraft	12	<b>(379)</b>	–
Other creditors	13	<b>(1,002)</b>	(1,101)
<b>Total liabilities</b>		<b>(1,889)</b>	(1,500)
<b>Net assets attributable to unitholders</b>		<b>233,976</b>	225,144

# Notes to the Financial Statements

## For the year ended 30th September 2024

### 1 Statement of Compliance

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

There are no material events that have been identified that may cast significant doubt about the Fund's ability to continue as going concern for at least the next twelve months from the date these financial statements are authorised for issue. The financial statements have been prepared on a going concern basis.

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

### 2 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

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

#### (b) Functional and Presentation Currency

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

#### (c) Valuation of Investments

Quoted investments have been valued at 10:30 pm on the 30th September 2024, being the last business day of the accounting period. Collective investment schemes are valued at cancellation prices or quoted bid prices for dual priced funds and at quoted prices for single priced funds.

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

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

#### (d) Foreign Exchange

The values of assets and liabilities denominated in foreign currencies have been translated into GBP at the exchange rates prevailing at 10:30 pm on the balance sheet date. Foreign currency transactions are translated into GBP at the exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and those from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Total Return.



## Notes to the Financial Statements (continued)

### For the year ended 30th September 2024

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

##### (e) Revenue

Bank and other interest receivable is recognised on an accruals basis. All distributions from collective investment schemes are recognised when the investments are declared ex-dividend. Equalisation received on distributions from underlying collective investment schemes is recognised as a return of capital. The majority of the underlying collective investment schemes refund a percentage of their annual management fee to the Fund, and this is recognised on an accruals basis and included within either capital or revenue depending on the underlying collective investment schemes' distribution policy in relation to the annual management fee.

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

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

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

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

Equalisation returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

Rebates of annual management charges (AMC rebates) from underlying investments are accounted for on an accruals basis and are recognised as revenue or capital in line with the allocation of the annual management charge between capital and revenue distribution policies of the underlying investments.

##### (f) Expenses

All expenses (other than those relating to the sale and purchase of investments, which are charged to capital) are split 40% against revenue and 60% against capital. All expenses are recognised on an accruals basis.

##### (g) Taxation

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

##### (h) Deferred Taxation

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

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2024

### 3 Distribution Policies

#### (a) Basis of Distribution

Revenue produced by the Fund's investment decisions accumulates during each accounting year. If, at the end of the accounting year, revenue exceeds expenses, the net revenue of the Fund is available to be distributed to unitholders. In order to conduct a controlled dividend flow to unitholders, interim distributions may be made at the Manager's discretion, up to a maximum of the revenue available for the period. All remaining revenue is distributed in accordance with the Regulations. 60% of expenses were transferred to capital for the purpose of calculating the distribution. Distributions to accumulation unitholders are rolled up to increase the value of the accumulation units. The Manager elected to make monthly distributions from 1st October 2014. The distributions are paid as dividend distributions.

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

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

#### (c) Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

#### (d) Unclaimed Distributions

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

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

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

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

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

### 4 Risk Management Policies

In pursuing its investment objectives, the Fund holds financial instruments which comprise collective investment schemes, forward contracts and transferable securities, cash balances and debtors and creditors that arise directly from its operations. The Manager reviews (and agrees with the Trustee) policies for managing the risks associated with these instruments and they are summarised below. The risk management policies of the Manager are explained in more detail in the Prospectus for the Fund.

#### Market Price Risk

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

## Notes to the Financial Statements (continued)

### For the year ended 30th September 2024

#### 4 Risk Management Policies (continued)

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

##### **Currency Risk**

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

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

- i) Movements in exchange rates affecting the value of investments (being 1) the collective investment schemes in which the Fund invests where these are denominated in a currency other than GBP, 2) the underlying investments of those collective investment schemes where denominated in a currency other than GBP or 3) transferable securities held directly by the Fund where denominated in a currency other than GBP);
- ii) Short-term timing differences such as exposure to exchange rate movement during the period between when a purchase or sale is entered into and the date when settlement of the investment occurs; and
- iii) Movements in exchange rates affecting revenue received in foreign currency and converted into GBP on the day of receipt.

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

All cash holdings are held in GBP. Currency risk comes from exposure to underlying Collective Investment Schemes and transferable securities not denominated in GBP. The currency risk is not actively managed by the Manager but where it is indirectly exposed the currency risk is managed by the underlying Collective Investment Scheme managers. Where there is exposure to Collective Investment Schemes or transferable securities held directly by the Fund not denominated in GBP the exposure to these funds is measured and monitored daily.

##### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

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

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2024

### 4 Risk Management Policies (continued)

#### Liquidity Risk

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

The main obligation of the Fund is the redemption of any units that investors wish to sell. The Fund's assets comprise readily realisable positions in collective investment schemes and direct holdings in transferable securities, the majority of which can be readily sold.

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

Liquidity of the Fund is monitored and tested on a daily basis by assessing the liquidity of underlying fund holdings (using data provided monthly by the external managers of these funds) and directly held assets. This includes the estimated liquidity of Fund assets over various time periods (based on recent market volumes) and the time required to fully liquidate all Fund assets. Investor redemption activity is also monitored daily and analysed over various intervals of up to two years. Stress testing is undertaken periodically to identify where significant liquidity risks may exist and how changes in investor redemption behaviour and prevailing market conditions may affect the ability to readily realise the sale of Fund assets.

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

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

#### Counterparty Risk

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

#### Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Fund.

The Fund's maximum exposure to credit risk, in the event that the counterparties fail to perform their obligations as of 30th September 2024, in relation to each class of recognised financial assets is the carrying amount of those assets in the balance sheet. This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

## Notes to the Financial Statements (continued)

### For the year ended 30th September 2024

#### 5 Net Capital Gains

	30/09/24 £'000	30/09/23 £'000
The net capital gains during the year comprise:		
Non-derivative securities	22,054	4,834
Currency gains/(losses)	17	(9)
Forward currency contracts	(8)	135
Transaction charges	(4)	(9)
Equalisation received on distributions from underlying funds	192	597
Annual management charge rebates	103	265
<b>Total Net Capital Gains</b>	<b>22,354</b>	<b>5,813</b>

The net capital gains figure above includes movement of unrealised losses and realised gains of £(72,254) and £21,983,718 respectively. (30th September 2023: £3,946,630 and £887,821 respectively).

#### 6 Purchases, Sales and Transaction Costs

The following table shows portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 15.

##### Analysis of direct transaction costs for the year ended 30th September 2024:

	Principal 2024 £'000	Commissions 2024 £'000	Taxes 2024 £'000	Total Cost 2024 £'000	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Collective Investment Schemes	122,123	–	–	122,123	–	–
Equities	109,033	13	55	109,101	0.01	0.05
Transaction cost % of purchases		0.01	0.02			
<b>Sales</b>						
Collective Investment Schemes	176,202	–	–	176,202	–	–
Equities	66,804	–	14	66,790	–	0.02
Transaction cost % of sales		–	0.01			
Total cost of the Fund's average NAV (%)		0.01	0.03			

## Notes to the Financial Statements (continued)

### For the year ended 30th September 2024

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

Analysis of direct transaction costs for the year ended 30th September 2023:

	Principal	Commissions	Taxes	Total Cost	Commissions	Taxes
	2023	2023	2023	2023	% of	% of
	£'000	£'000	£'000	£'000	principal	principal
<b>Purchases</b>						
Collective Investment						
Schemes	197,724	–	–	197,724	–	–
Equities	45,468	1	49	45,518	–	0.11
Transaction cost % of purchases		–	0.02			
<b>Sales</b>						
Collective Investment						
Schemes	209,795	–	–	209,795	–	–
Equities	48,736	(1)	(14)	48,721	–	0.03
Transaction cost % of sales		–	0.01			
Total cost of the Fund's average NAV (%)		–	0.02			

#### Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.03% (30th September 2023: 0.03%). This spread represents the difference between the values determined by reference to the bid and offer prices of investments at 10:30 pm on the last business day of the accounting period, expressed as a percentage of the value determined by reference to the offer price. Please note that in practice where the Fund owns dual-priced investments, it deals at cancellation and creation prices rather than bid and offer prices, and so the figure above is not fully representative of the Fund's actual dealing spread.

## Notes to the Financial Statements (continued)

### For the year ended 30th September 2024

#### 7 Revenue

	<i>30/09/24</i>	<i>30/09/23</i>
	<i>£'000</i>	<i>£'000</i>
Annual management charge rebates*	<b>4</b>	81
Bank interest	<b>11</b>	35
Distributions from underlying funds	<b>5,681</b>	5,641
Franked PID revenue	–	6
Franked UK dividends	<b>4</b>	1,342
Offshore dividend CIS revenue	<b>645</b>	152
Offshore interest CIS revenue	<b>2,867</b>	1,322
Overseas dividends	<b>63</b>	262
Unfranked PID revenue	<b>3</b>	69
<b>Total Revenue</b>	<b>9,278</b>	8,910

\*Prior year amount includes annual fees paid/payable and receivable under agreements with applicable underlying investments.

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2024

### 8 Expenses

	30/09/24 £'000	30/09/23 £'000
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Manager's periodic charge	<u>1,338</u>	<u>1,656</u>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee and Depositary's fee	24	28
Safe custody fee	<u>2</u>	<u>4</u>
	<b>26</b>	32
<b>Other expenses:</b>		
Audit fee	13	8
VAT on audit fee	2	1
Accounting and administration fee	25	25
Automated transaction provider fee	10	12
Management fee to underlying fund	82	–
Monthly distribution fee	29	30
Publication costs	2	5
Registrar fees	6	(74)
Sub-adviser fee	<u>(1)</u>	<u>218</u>
	<b>168</b>	225
<b>Total Expenses</b>	<u><b>1,532</b></u>	<u>1,913</u>



## Notes to the Financial Statements (continued)

### For the year ended 30th September 2024

#### 9 Taxation

	30/09/24 £'000	30/09/23 £'000
<b>(a) Analysis of charge for the year</b>		
Corporation tax	843	579
Overseas withholding tax	7	17
Total current tax charge (note 9b)	<u>850</u>	<u>596</u>
Deferred tax (note 9c)	–	–
<b>Total Taxation</b>	<u>850</u>	<u>596</u>

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised fund (20%) (2023: 20%). The differences are explained below:

	30/09/24 £'000	30/09/23 £'000
Net revenue before taxation	<u>7,717</u>	<u>6,983</u>
Corporation Tax at 20%	<b>1,543</b>	1,397
Effects of:		
Non-taxable dividends	<b>(711)</b>	(819)
Non-taxable overseas dividends	<b>(12)</b>	(52)
Overseas withholding tax	7	17
Tax effect on capital management charge rebates	<b>21</b>	53
Tax payable in different periods	<b>2</b>	–
<b>Total tax charge for the year (note 9a)</b>	<u>850</u>	<u>596</u>

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

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

At the year end, the Fund has no potential deferred tax asset as there were no carried forward surplus management expenses (30th September 2023: £Nil).

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2024

### 10 Distributions

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

	<i>30/09/24</i>	<i>30/09/23</i>
	<i>£'000</i>	<i>£'000</i>
Interim accumulations	<b>4,219</b>	4,439
Interim distributions	<b>2,119</b>	2,240
Final accumulation	<b>921</b>	793
Final distribution	<b>508</b>	396
	<b>7,767</b>	7,868
Add: Revenue deducted on cancellation of units	<b>171</b>	138
Deduct: Revenue received on issue of units	<b>(109)</b>	(47)
Net distribution for the year	<b>7,829</b>	7,959

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

Net revenue after taxation	<b>6,867</b>	6,387
Equalisation received on distributions from underlying funds	<b>192</b>	597
Expenses offset against capital	<b>937</b>	1,152
Tax effect on expenses offset against capital	<b>(167)</b>	(177)
	<b>7,829</b>	7,959

Details of the distribution per unit are set out in the distribution tables on pages 46 to 51.

### 11 Debtors

	<i>30/09/24</i>	<i>30/09/23</i>
	<i>£'000</i>	<i>£'000</i>
Amounts receivable for issue of units	<b>215</b>	9
Annual management charge rebates*	–	196
Bank interest receivable	–	7
Distributions from underlying funds	<b>429</b>	704
Franked UK dividends receivable	<b>2</b>	111
Income tax recoverable	–	4
Overseas dividends receivable	<b>40</b>	17
Overseas tax recoverable	<b>24</b>	24
Sales awaiting settlement	–	184
Unfranked PID recoverable	–	13
<b>Total Debtors</b>	<b>710</b>	1,269

\*Includes annual fees paid/payable and rebates received/receivable under agreements with applicable underlying investments.

## Notes to the Financial Statements (continued)

### For the year ended 30th September 2024

#### 12 Cash and Cash Equivalents

	30/09/24	30/09/23
	£'000	£'000
Bank balances	1,580	956
Overseas balances	22	68
Cash equivalents	–	10
<b>Total bank balances</b>	<b>1,602</b>	<b>1,034</b>
Bank overdrafts	(379)	–
<b>Total bank overdrafts</b>	<b>(379)</b>	<b>–</b>

#### 13 Other Creditors

	30/09/24	30/09/23
	£'000	£'000
Accrued expenses	164	592
Amounts payable for cancellation of units	397	312
Corporation tax payable	405	195
Currency deals awaiting settlement	–	2
Management fee rebates payable*	36	–
<b>Total Other Creditors</b>	<b>1,002</b>	<b>1,101</b>

\*Includes annual fees paid/payable and rebates received/receivable under agreements with applicable underlying investments.

#### 14 Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30th September 2023: £Nil).

#### 15 Related Parties

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

Management fees paid during the year or due to the Manager are shown in note 8 and note 13. Management fee rebates received during the year or due from the Manager are shown in note 5, note 7 and note 11. Details of the units issued and cancelled by the Manager are shown in the Statement of Change in Net Asset Attributable to Unitholders and amounts due to or from the Manager in respect to unit transactions as at the balance sheet date are disclosed under note 11 and note 13. The balance due to the Manager at the year end in respect of management fees was £105,187 (30th September 2023: £554,764).

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2024

### 15 Related Parties (continued)

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

	<i>30/09/24</i>	<i>30/09/23</i>
Class A Accumulation units	<b>98.96 %</b>	98.78%
Class M Accumulation units	–	100.00%
Class A Income units	<b>99.24 %</b>	98.17%
Class M Income units	–	99.97%

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

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

At the year end, the HL Income Fund held shares in other fund or collective investment scheme managed by the associated companies of the Manager. The value of the holdings as at the balance sheet date was £84,930,219 (30th September 2023: £40,712,377).

### 16 Unit Classes

The Fund currently has one class of units: Class A. The distribution per unit is given in the distribution tables on pages 46 to 51. All units have the same rights on winding up.

The Manager's service charge is calculated using the single rate of 0.55%.

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

<i>Class</i>	<i>Opening Units</i>	<i>Units Created</i>	<i>Units Liquidated</i>	<i>Units Converted</i>	<i>Closing Units</i>
Class A Accumulation	68,106,269	3,277,674	(12,547,737)	17,309,545	76,145,751
Class M Accumulation*	18,270,735	14,399	(950,460)	(17,334,674)	–
Class A Income	30,243,047	14,175,302	(11,616,897)	39,070,390	71,871,842
Class M Income*	40,912,285	62,104	(1,950,635)	(39,023,754)	–

\*Class M units have been converted to Class A units on 21st November 2023.

### 17 Risk Disclosures

#### Market Price Risk

Market price risk - risk management policies surrounding this risk are discussed in note 4 on pages 31 and 33.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £11,677,640 (30th September 2023: £11,216,887). A 5% decrease would have an equal and opposite effect.

#### Currency Risk

Currency risk - risk management policies surrounding this risk are discussed in note 4 on pages 31 to 33.

## Notes to the Financial Statements (continued)

### For the year ended 30th September 2024

#### 17 Risk Disclosures (continued)

Currency exposure as at 30th September 2024

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Australian Dollar	2	1,291	1,293
Danish Kroner	–	885	885
Euro	21	8,107	8,128
Hong Kong Dollar	1	962	963
Japanese Yen	14	2,105	2,119
Norwegian Krone	–	289	289
Singapore Dollar	–	1,519	1,519
Sterling	337	178,661	178,998
Swedish Krona	–	887	887
Swiss Franc	11	2,464	2,475
US dollar	37	36,383	36,420
	<b>423</b>	<b>233,553</b>	<b>233,976</b>

Currency exposure as at 30th September 2023

	<i>Monetary Exposure £'000</i>	<i>Non- Monetary Exposure £'000</i>	<i>Total £'000</i>
Euro	31	2,019	2,050
Japanese Yen	5	501	506
Sterling	706	219,772	220,478
Swiss Franc	12	468	480
US dollar	49	1,581	1,630
	<b>803</b>	<b>224,341</b>	<b>225,144</b>

A 5% increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets by £2,748,904 (30th September 2023: £233,263). A 5% decrease would have an equal and opposite effect.

#### Interest Rate Risk

Interest rate risk - risk management policies surrounding this risk are discussed in note 4 on pages 31 to 33.

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

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2024

### 17 Risk Disclosures (continued)

#### Liquidity Risk

Liquidity risk - risk management policies surrounding this risk are discussed in note 4 on pages 31 to 33.

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

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

As discussed in Note 4, the Manager assesses how much of the investments can be realised in one day, under normal and stressed market conditions based on average daily volume for the previous 30 days for each investment. Normal conditions assume the ability to participate on 20% of daily volume for each investment whilst stressed conditions assume the ability to participate on only 10% of daily volume.

#### Counterparty Risk

Counterparty risk - risk management policies surrounding this risk are discussed in note 4 on pages 31 to 33.

Counterparty Name	30/09/2024 £'000	30/09/2023 £'000
<b>Forward Currency Contracts</b>		
Lloyds Bank	-	(3)
<b>Total</b>	<u>-</u>	<u>(3)</u>

The Fund does not have any significant counterparty risk exposures.

#### Credit Risk

Credit risk - risk management policies surrounding this risk are discussed in note 4 on pages 31 to 33..

The Fund's maximum exposure to credit in the event that the counterparties fail to perform their obligations as at 30th September 2024 in relation to each class of recognised financial assets including derivatives, is the carrying amount of those assets in the Balance Sheet.

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

The Fund only transact with counterparties that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies. The long term credit rating of the parent company of the Trustee and Depository, Northern Trust Corporation, as at 30th September 2024 was AA- (30th September 2023: AA-) (Standard & Poor's rating).

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2024

### 17 Risk Disclosures (continued)

#### Fair Value

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

#### Valuation technique as at 30th September 2024

	<i>Level 1</i> <i>£'000</i>	<i>Level 2</i> <i>£'000</i>	<i>Level 3</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>
<b>Assets</b>				
Collective Investment Schemes	<b>39,263</b>	<b>135,470</b>	<b>200</b>	<b>174,933</b>
Equities	<b>58,620</b>	–	–	<b>58,620</b>
Total	<b>97,883</b>	<b>135,470</b>	<b>200</b>	<b>233,553</b>

#### Valuation technique as at 30th September 2023

	<i>Level 1</i> <i>£'000</i>	<i>Level 2</i> <i>£'000</i>	<i>Level 3</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>
<b>Assets</b>				
Collective Investment Schemes	17,971	168,120	197	186,288
Equities	38,053	–	–	38,053
Forward Currency Contracts	–	–	–	–
Total	56,024	168,120	197	224,341
<b>Liabilities</b>				
Forward Currency Contracts	–	(3)	–	(3)
Total	–	(3)	–	(3)

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

The Fund invested in a collective investment scheme, LF Equity Income Fund (formerly LF Woodford Equity Income Fund), which has been suspended during the year and is categorised within Level 3 of the fair value hierarchy. The Fund's valuation is based on the NAV per unit/share published by the Authorised Corporate Director of the collective investment scheme available at the 10:30 pm valuation point on 30th September 2024 which has been adjusted to reflect the relevant developments since the suspension of the collective investment scheme and other factors pertinent to the valuation.

#### Level 1

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

#### Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly.

#### Level 3

Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

# Notes to the Financial Statements (continued)

## For the year ended 30th September 2024

### 18 Post Balance Sheet Events

#### *Market Price Movement*

The impact of latest published NAV per unit classes as at the close of business on 20th January 2025 compared to the published NAV per unit classes as at year-end is shown below.

<i>Unit Class</i>	<i>Unit Price</i> <i>30th September 2024</i>	<i>Unit Price</i> <i>20th January 2025</i>	<i>Movement</i> <i>%</i>
Class A Accumulation	199.34	203.15	1.91
Class A Income	115.59	116.21	0.54



## Distribution Tables

### For the year ended 30th September 2024

In pence per unit

#### First interim distribution for the period ended 31st October 2023

	<i>Net</i>		<i>Paid</i>	
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2023</i>	<i>30th Nov 2022</i>
Group 1	0.4695	–	0.4695	0.4298
Group 2	0.0015	0.4680	0.4695	0.4298

	<i>Net</i>		<i>Paid</i>	
<i>Class M Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2023</i>	<i>30th Nov 2022</i>
Group 1	0.4695	–	0.4695	0.4298
Group 2	0.0487	0.4208	0.4695	0.4298

	<i>Net</i>		<i>Paid</i>	
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2023</i>	<i>30th Nov 2022</i>
Group 1	0.2800	–	0.2800	0.2650
Group 2	0.0015	0.2785	0.2800	0.2650

	<i>Net</i>		<i>Paid</i>	
<i>Class M Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2023</i>	<i>30th Nov 2022</i>
Group 1	0.2800	–	0.2800	0.2650
Group 2	0.0053	0.2747	0.2800	0.2650

Group 1 - Units created prior to 1st October 2023

Group 2 - Units created on or after 1st October 2023

#### Second interim distribution for the period ended 30th November 2023

	<i>Net</i>		<i>Paid</i>	
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Dec 2023</i>	<i>30th Dec 2022</i>
Group 1	0.4708	–	0.4708	0.4310
Group 2	0.0601	0.4107	0.4708	0.4310

	<i>Net</i>		<i>Paid</i>	
<i>Class M Accumulation Units*</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Dec 2023</i>	<i>30th Dec 2022</i>
Group 1	–	–	–	0.4310
Group 2	–	–	–	0.4310

	<i>Net</i>		<i>Paid</i>	
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Dec 2023</i>	<i>30th Dec 2022</i>
Group 1	0.2800	–	0.2800	0.2650
Group 2	–	0.2800	0.2800	0.2650

	<i>Net</i>		<i>Paid</i>	
<i>Class M Income Units*</i>	<i>Income</i>	<i>Equalisation</i>	<i>30th Dec 2023</i>	<i>30th Dec 2022</i>
Group 1	–	–	–	0.2650
Group 2	–	–	–	0.2650

Group 1 - Units created prior to 1st November 2023

Group 2 - Units created on or after 1st November 2023

## Distribution Tables (continued)

In pence per unit

### Third interim distribution for the period ended 31st December 2023

	<i>Net</i>		<i>Paid</i>	
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jan 2024</i>	<i>31st Jan 2023</i>
Group 1	0.4720	–	0.4720	0.4320
Group 2	–	0.4720	0.4720	0.4320

	<i>Net</i>		<i>Paid</i>	
<i>Class M Accumulation Units*</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jan 2024</i>	<i>31st Jan 2023</i>
Group 1	–	–	–	0.4320
Group 2	–	–	–	0.4320

	<i>Net</i>		<i>Paid</i>	
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jan 2024</i>	<i>31st Jan 2023</i>
Group 1	0.2800	–	0.2800	0.2650
Group 2	–	0.2800	0.2800	0.2650

	<i>Net</i>		<i>Paid</i>	
<i>Class M Income Units*</i>	<i>Income</i>	<i>Equalisation</i>	<i>31st Jan 2024</i>	<i>31st Jan 2023</i>
Group 1	–	–	–	0.2650
Group 2	–	–	–	0.2650

Group 1 - Units created prior to 1st December 2023

Group 2 - Units created on or after 1st December 2023

### Fourth interim distribution for the period ended 31st January 2024

	<i>Net</i>		<i>Paid</i>	
<i>Class A Accumulation Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>29th Feb 2024</i>	<i>28th Feb 2023</i>
Group 1	0.4732	–	0.4732	0.4331
Group 2	0.0063	0.4669	0.4732	0.4331

	<i>Net</i>		<i>Paid</i>	
<i>Class M Accumulation Units*</i>	<i>Income</i>	<i>Equalisation</i>	<i>29th Feb 2024</i>	<i>28th Feb 2023</i>
Group 1	–	–	–	0.4331
Group 2	–	–	–	0.4331

	<i>Net</i>		<i>Paid</i>	
<i>Class A Income Units</i>	<i>Income</i>	<i>Equalisation</i>	<i>29th Feb 2024</i>	<i>28th Feb 2023</i>
Group 1	0.2800	–	0.2800	0.2650
Group 2	0.0035	0.2765	0.2800	0.2650

	<i>Net</i>		<i>Paid</i>	
<i>Class M Income Units*</i>	<i>Income</i>	<i>Equalisation</i>	<i>29th Feb 2024</i>	<i>28th Feb 2023</i>
Group 1	–	–	–	0.2650
Group 2	–	–	–	0.2650

Group 1 - Units created prior to 1st January 2024

Group 2 - Units created on or after 1st January 2024

## Distribution Tables (continued)

In pence per unit

### Fifth interim distribution for the period ended 29th February 2024

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>28th Mar 2024</i>	<i>31st Mar 2023</i>
Group 1	0.4745	–	0.4745	0.4342
Group 2	0.0075	0.4670	0.4745	0.4342

<i>Class M Accumulation Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>28th Mar 2024</i>	<i>31st Mar 2023</i>
Group 1	–	–	–	0.4342
Group 2	–	–	–	0.4342

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>28th Mar 2024</i>	<i>31st Mar 2023</i>
Group 1	0.2800	–	0.2800	0.2650
Group 2	0.0056	0.2744	0.2800	0.2650

<i>Class M Income Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>28th Mar 2024</i>	<i>31st Mar 2023</i>
Group 1	–	–	–	0.2650
Group 2	–	–	–	0.2650

Group 1 - Units created prior to 1st February 2024

Group 2 - Units created on or after 1st February 2024

### Sixth interim distribution for the period ended 31st March 2024

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>28th Apr 2024</i>	<i>28th Apr 2023</i>
Group 1	0.4757	–	0.4757	0.4352
Group 2	0.1156	0.3601	0.4757	0.4352

<i>Class M Accumulation Units*</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>28th Apr 2024</i>	<i>28th Apr 2023</i>
Group 1	–	–	–	0.4352
Group 2	–	–	–	0.4352

<i>Class A Income Units</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>28th Apr 2024</i>	<i>28th Apr 2023</i>
Group 1	0.2800	–	0.2800	0.2650
Group 2	0.0659	0.2141	0.2800	0.2650

<i>Class M Income Units*</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>28th Apr 2024</i>	<i>28th Apr 2023</i>
Group 1	–	–	–	0.2650
Group 2	–	–	–	0.2650

Group 1 - Units created prior to 1st March 2024

Group 2 - Units created on or after 1st March 2024

## Distribution Tables (continued)

In pence per unit

### Seventh interim distribution for the period ended 30th April 2024

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2024</i>	<i>31st May 2023</i>
Group 1	0.4769	–	0.4769	0.4363
Group 2	0.0087	0.4682	0.4769	0.4363

<i>Class M Accumulation Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2024</i>	<i>31st May 2023</i>
Group 1	–	–	–	0.4363
Group 2	–	–	–	0.4363

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2024</i>	<i>31st May 2023</i>
Group 1	0.2800	–	0.2800	0.2650
Group 2	0.0046	0.2754	0.2800	0.2650

<i>Class M Income Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2024</i>	<i>31st May 2023</i>
Group 1	–	–	–	0.2650
Group 2	–	–	–	0.2650

Group 1 - Units created prior to 1st April 2024

Group 2 - Units created on or after 1st April 2024

### Eighth interim distribution for the period ended 31st May 2024

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Jun 2024</i>	<i>30th Jun 2023</i>
Group 1	0.4781	–	0.4781	0.4539
Group 2	0.0134	0.4647	0.4781	0.4539

<i>Class M Accumulation Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Jun 2024</i>	<i>30th Jun 2023</i>
Group 1	–	–	–	0.4539
Group 2	–	–	–	0.4539

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Jun 2024</i>	<i>30th Jun 2023</i>
Group 1	0.2800	–	0.2800	0.2750
Group 2	0.0072	0.2728	0.2800	0.2750

<i>Class M Income Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Jun 2024</i>	<i>30th Jun 2023</i>
Group 1	–	–	–	0.2750
Group 2	–	–	–	0.2750

Group 1 - Units created prior to 1st May 2024

Group 2 - Units created on or after 1st May 2024

## Distribution Tables (continued)

In pence per unit

### Ninth interim distribution for the period ended 30th June 2024

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Jul 2024</i>	<i>31st Jul 2023</i>
Group 1	0.4793	–	0.4793	0.4633
Group 2	0.0639	0.4154	0.4793	0.4633

<i>Class M Accumulation Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Jul 2024</i>	<i>31st Jul 2023</i>
Group 1	–	–	–	0.4633
Group 2	–	–	–	0.4633

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Jul 2024</i>	<i>31st Jul 2023</i>
Group 1	0.2800	–	0.2800	0.2800
Group 2	0.0309	0.2491	0.2800	0.2800

<i>Class M Income Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Jul 2024</i>	<i>31st Jul 2023</i>
Group 1	–	–	–	0.2800
Group 2	–	–	–	0.2800

Group 1 - Units created prior to 1st June 2024

Group 2 - Units created on or after 1st June 2024

### Tenth interim distribution for the period ended 31st July 2024

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Aug 2024</i>	<i>31st Aug 2023</i>
Group 1	0.4805	–	0.4805	0.4646
Group 2	0.0200	0.4605	0.4805	0.4646

<i>Class M Accumulation Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Aug 2024</i>	<i>31st Aug 2023</i>
Group 1	–	–	–	0.4646
Group 2	–	–	–	0.4646

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Aug 2024</i>	<i>31st Aug 2023</i>
Group 1	0.2800	–	0.2800	0.2800
Group 2	0.0080	0.2720	0.2800	0.2800

<i>Class M Income Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Aug 2024</i>	<i>31st Aug 2023</i>
Group 1	–	–	–	0.2800
Group 2	–	–	–	0.2800

Group 1 - Units created prior to 1st July 2024

Group 2 - Units created on or after 1st July 2024

## Distribution Tables (continued)

In pence per unit

### Eleventh interim distribution for the period ended 31st August 2024

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Sep 2024</i>	<i>29th Sep 2023</i>
Group 1	0.4988	–	0.4988	0.4658
Group 2	0.0053	0.4935	0.4988	0.4658

<i>Class M Accumulation Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Sep 2024</i>	<i>29th Sep 2023</i>
Group 1	–	–	–	0.4658
Group 2	–	–	–	0.4658

<i>Class A Income Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Sep 2024</i>	<i>29th Sep 2023</i>
Group 1	0.2900	–	0.2900	0.2800
Group 2	0.0026	0.2874	0.2900	0.2800

<i>Class M Income Units*</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Sep 2024</i>	<i>29th Sep 2023</i>
Group 1	–	–	–	0.2800
Group 2	–	–	–	0.2800

Group 1 - Units created prior to 1st August 2024

Group 2 - Units created on or after 1st August 2024

### Final distribution for the year ended 30th September 2024

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Oct 2024</i>	<i>31st Oct 2023</i>
Group 1	1.2095	–	1.2095	0.9178
Group 2	0.0667	1.1428	1.2095	0.9178

<i>Class M Accumulation Units*</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Oct 2024</i>	<i>31st Oct 2023</i>
Group 1	–	–	–	0.9179
Group 2	–	–	–	0.9179

<i>Class A Income Units</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Oct 2024</i>	<i>31st Oct 2023</i>
Group 1	0.7074	–	0.7074	0.5561
Group 2	0.0657	0.6417	0.7074	0.5561

<i>Class M Income Units*</i>	<i>Net</i>		<i>Payable</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st Oct 2024</i>	<i>31st Oct 2023</i>
Group 1	–	–	–	0.5564
Group 2	–	–	–	0.5564

Group 1 - Units created prior to 1st September 2024

Group 2 - Units created on or after 1st September 2024

\*Class M units have been converted to Class A units on 21st November 2023.



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