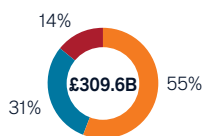


ANNUAL REPORT & ACCOUNTS

For the year ended 31 May 2021

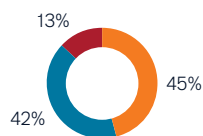
Who are Janus Henderson Investors?

Global Strength



Assets under management

North America EMEA & LatAm Asia Pacific



Investment professionals



More than 2,000 employees



25 Offices worldwide



Over 4,300 companies met by investment teams in 2020

Source: Janus Henderson Investors, Staff and assets under management (AUM) data as at 30 June 2021. AUM data excludes Exchange-Traded Note (ETN) assets.

Who we are

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

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

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

Why Janus Henderson Investors

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

Active because active matters

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

Global strength to deliver local solutions

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

Empowering clients through Knowledge Shared

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

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Authorised Corporate Director's (ACD) report for the year ended 31 May 2021

We are pleased to present the Annual Report and Accounts for Janus Henderson Investment Funds Series I (the 'Company') for the year ended 31 May 2021.

Authorised status

The Company is an open-ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC000181 and authorised by the Financial Conduct Authority (FCA) with effect from 11 June 2002. It is a United Kingdom Undertakings for Collective Investment in Transferable Securities (UK UCITS) scheme structured as an umbrella company, comprising of eight sub-funds ('funds'), complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the Company is governed by the OEIC Regulations, COLL, its Instrument of Incorporation and Prospectus.

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

Segregation of assets

Each fund is treated as a separate entity and is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against that fund.

Other information

The benchmark changed on the Janus Henderson China Opportunities Fund on 1 July 2020 to the MSCI Zhong Hua 10/40 Index from the MSCI Zhong Hua Index.

Janus Henderson UK & Irish Smaller Companies Fund merged into the Janus Henderson UK Smaller Companies Fund, a sub fund of the Janus Henderson UK & Europe Funds, on 18 March 2021. The fund holds illiquid stocks on the Portfolio which has prevented the fund from terminating. It is the ACD's intention to terminate the fund once the stocks have been removed from the Portfolio and as such the financial statements of the fund have been prepared on a basis other than going concern.

The Janus Henderson UK Absolute Return Fund changed its name to Janus Henderson Absolute Return Fund on 6 April 2021.

JPMorgan Chase Bank, National Association (London Branch) was appointed as the Securities Lending Agent of the Company with effect from 10 March 2021, in replacement of BNP Paribas Securities Services, London Branch.

Brexit update

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

Value assessment

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

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

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

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

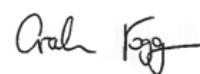
COVID-19

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

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

Director's statement

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



G Foggin
(Director)

25 August 2021

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

Service providers

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

Global equity markets rose very strongly during the year to 31 May 2021 (MSCI World Index +22.9% in sterling and +41.3% in US dollar terms), as investors drew encouragement from the development of COVID-19 vaccines and their roll-out across the world, the massive fiscal and monetary stimulus measures unleashed to mitigate the effects of the pandemic, and signs of economic recovery. However, shares came under pressure in 2021 as markets grew increasingly concerned about rising inflation.

In the UK, the FTSE All-Share Index was up by 23.1% in sterling terms, having come under pressure in the autumn months as the government announced England's second national lockdown, before the positive vaccine news triggered a rally towards the end of 2020. The rebound was supported by the announcement that the UK and the European Union (EU) had agreed a trade deal. Shares came under pressure again, early in 2021, as a third national lockdown was imposed in England, although they recovered as infections and deaths declined and as the government eased some restrictions. Growing concerns about rising inflation exerted some downward pressure in the final months of the reporting year – the annual inflation rate rose to 1.5% in April 2021 from just 0.5% in May 2020. The UK economy contracted by a record 9.8% in 2020 as a result of the pandemic and shrank by 1.5% over the first quarter of 2021.

European stocks moved higher (FTSE World Europe ex UK Index +26.6% in sterling and +32.9% in euro terms), having been relatively rangebound before the announcement of the COVID-19 vaccines in November 2020 spurred sharp moves upwards. The rally was supported by news of the UK/EU trade agreement and an expansion of the European Central Bank's asset-purchasing programme. The slow pace of vaccinations in the EU unnerved investors in early 2021, as did a tightening of COVID-19 restrictions in March – notably in Germany and France – as the region endured a third wave of infections. A rise in global bond yields – because of concerns about growing inflation – caused further unease, although investors ultimately looked past these worries as curbs were loosened and they focused on the recovery. Eurozone GDP contracted by 6.6% in 2020, as lockdowns damaged the region's economies, and shrank by 0.6% over the first quarter. The annual inflation rate hit a more than two-year high of 2.0% in May, compared with just 0.3% in June 2020.

US equities, as measured by the S&P 500 Index, increased by 22.0% in sterling and 40.3% in US dollar terms, after making gains in most months of the reporting year. Supportive monetary and fiscal policy fuelled increases in equities early on, although surging new COVID-19 cases in the US and elsewhere, and uncertainty about the outcome of the US presidential vote, pulled stocks down in September and October. The vaccine breakthroughs and confirmation of Joe Biden's win in November's election helped stocks recover, as did two more stimulus packages totalling US\$2.8trn. An upgrade to the US Federal Reserve's US GDP growth forecast for 2021, and its insistence that interest rates would remain low for as long as needed – despite concerns about rising inflation, which surged to 4.2% year on year in April 2021 – supported further gains in equities. US GDP contracted by 3.5% in 2020, while the economy grew by an annualised 6.4% in the first quarter of 2021.

In Japan, the TOPIX rose by 7.6% in sterling and 25.6% in yen terms, as shares participated in the global rally from November, which was supported in December by the government's third economic stimulus package of 2020. Optimism about an economic rebound – as COVID-19 curbs were loosened in some areas at the end of February and the economic outlook, particularly in the US, continued to improve – helped the TOPIX hit 30-year highs in March. However, stocks retreated in April as increases in COVID-19 infections prompted the government to reintroduce – and, subsequently, expand and extend – restrictions in the country's biggest cities. The economy finished 2020 strongly, growing by an annualised 11.6% in the fourth quarter, following record expansion of 22.9% in the third quarter, although it contracted by 5.1% in the first quarter of 2021.

In Asia, the MSCI AC Asia Pacific ex Japan Index advanced by 31.8% in sterling and 51.6% in US dollar terms, largely because of the vaccine-led global rally and on continued signs of economic improvement. China's market was strong, although it lagged the regional index, as economic growth accelerated – GDP expanded by a record 18.3% year on year in the first quarter of 2021. However, the turmoil on global bond markets, worries about policy tightening by Beijing and its impact on valuations, and tensions with Western countries pressured shares towards the end of the reporting year. South Korean and Taiwanese equities surged as they benefited from strength in technology stocks. Australian stocks also made big gains, as the economy rebounded in the second half of 2020 from its first recession in 28 years and continued to grow in the first quarter of 2021.

The MSCI Emerging Markets Index gained 31.8% in sterling and 51.5% in US dollar terms, with optimism about a global economic recovery underpinning large increases in equities. India's market was sharply higher, as the economy continued to recover from the pandemic-induced slump. Stimulus measures, at home and elsewhere, and the positive vaccine news boosted equities, although shares came under pressure in April as COVID-19 infections and deaths hit record levels in India. The Brazilian market made strong gains, overall, although shares sold off in early 2021 as COVID-19 infections surged to record levels. Returns on Turkey's market were negative in sterling and US dollar terms, with equities slumping towards the end of March after President Recep Tayyip Erdogan dismissed the central bank governor, following a new interest rate rise. South African stocks advanced very strongly, on vaccine-led recovery hopes and as the economy rebounded from a prolonged slump.

Market review (continued)

Within fixed income, the JPM Global Government Bond Index dropped by 11.9% in sterling but rose 1.3% in US dollar terms, with the difference reflecting foreign exchange fluctuations. Yields on core government bond markets – the US, UK, Germany and Japan – moved higher, spiking in February and March as investors grew increasingly concerned about rising inflation and the possibility of monetary policy tightening. The US benchmark 10-year Treasury yield ended the period up by more than 150% at about 1.6%, although this was down from a peak of more than 1.7% in March. There were also strong upward moves in UK benchmark 10-year gilt and German benchmark 10-year bund yields, although the latter remained in negative territory. In the corporate debt market, global bond issuance of more than US\$5.3trn in 2020 was US\$1trn higher than the previous record, in 2019. In the US, high yield issuers raised more than US\$140bn – an all-time high – in the first quarter of 2021.

In commodity markets, oil prices were up sharply, as producers cut output and as the vaccine breakthroughs spurred hopes of a revival in demand. US benchmark West Texas Intermediate finished the reporting year up by almost 90% at about US\$67 per barrel. Gold prices advanced – spot prices ended the year up by about 10% – having surged to a record high in August 2020 before vaccine-led optimism about a global economic recovery dragged them lower. However, prices rebounded towards the end of the period, helped by the precious metal's appeal as an inflation hedge and as the US dollar weakened. Copper prices rallied to record highs – futures prices were higher by about 85% over the period – on strong demand, particularly from China.

Statement of Authorised Corporate Director's (ACD) responsibilities

for the year ended 31 May 2021

The FCA's COLL requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view, in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014, United Kingdom Generally Accepted Accounting Practice (UK GAAP) (United Kingdom Accounting Standards, comprising the Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland), of the financial affairs of the Company and each of the sub-funds, and their revenue/expenditure for the year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the SORP for Authorised Funds issued by the IMA in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared by HIFL, comply with the above requirements;
- make best judgements and estimates that are reasonable; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, Prospectus and the Regulations. The ACD is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Depositary's responsibilities and report of the Depositary to the shareholders of Janus Henderson Investment Funds Series I (the 'Company')

for the year ended 31 May 2021

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended (together 'the Regulations'), the Company's Instrument of Incorporation 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 Company and its investors.

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
London
25 August 2021

Independent Auditors' report to the shareholders of Janus Henderson Investment Funds Series I

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Janus Henderson Investment Funds Series I (the 'Company'):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 May 2021 and of the net revenue/expenses and the net capital gains on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson Investment Funds Series I is an Open Ended Investment Company ('OEIC') with eight sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the balance sheets as at 31 May 2021; the statements of total return, and the statements of changes in net assets attributable to shareholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1(a) to the financial statements which describes the directors' reasons why the financial statements for the Janus Henderson UK & Irish Smaller Companies Fund have been prepared on a basis other than going concern.

The financial statements for all other sub-funds included within the Annual Report have been prepared on a going concern basis.

Conclusions relating to going concern

With the exception of circumstances described in the Emphasis of Matter – financial statements prepared on a basis other than going concern paragraph above regarding the Janus Henderson UK & Irish Smaller Companies Fund, 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 Company's or any sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or any sub-funds' ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent Auditors' report to the shareholders of Janus Henderson Investment Funds Series I (continued)

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine 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 Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically manual journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' report to the shareholders of Janus Henderson Investment Funds Series I (continued)

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
25 August 2021

1 Accounting policies

(a) Basis of preparation

The financial statements of Janus Henderson Investment Funds Series I (the 'Company') comprise the financial statements of each of the funds. They have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the SORP for UK Authorised Funds issued by the IMA in May 2014, FRS 102, FCA's COLL, the Company's Instrument of Incorporation and the Prospectus.

The financial statements for all funds except Janus Henderson UK & Irish Smaller Companies Fund have been prepared on a going concern basis.

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

(b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last working day of the accounting year (28 May 2021) in accordance with the provisions of the scheme particulars.

The ACD reviews and approves fair value pricing decisions on a regular basis with the support of the Janus Henderson UK & EMEA Fair Value Pricing Committee (FVPC). The Committee reports to the Board of Directors on suspended, defaulted, delisted, unquoted or manually priced securities, taking into consideration where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Investments in collective investment schemes (CIS) have been valued at bid prices. For those CIS funds that are not dual priced, single prices are used.

Derivative assets and liabilities are valued at the fair value price to close out the contract at the Balance sheet date, using available market prices or an assessment of fair value based on counterparty valuations and appropriate pricing models.

Certificates of deposit are valued using a yield curve approach. The yield curve provides a graphical illustration of the relationship between redemption yields and instrument's maturity dates, and from this an appropriate market yield can be derived for the instrument which can in turn be used to calculate its fair value.

(c) Revenue recognition

Distributions from CIS and dividends receivable from quoted equity and non equity shares are credited to revenue, when the security is quoted ex-dividend. Dividends on unquoted stocks are credited to revenue when the dividend is announced.

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment. The effective yield is a calculation that amortises any discount or premium on the purchase of an investment over its remaining life based on estimated cash flows.

Overseas dividends and overseas REIT revenue are disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the tax note.

Bank interest, deposit interest and interest from certificates of deposit are recognised on an accruals basis.

Dividends received from US REITs are allocated between revenue and capital for distribution purposes. The split is based on the year end tax reporting data issued by the US REIT with the revenue element being subject to UK corporation tax. Where the split of revenue and capital has not been announced at the accounting date then the income is treated as an ordinary dividend until such time as this is known.

Accumulation of revenue relating to accumulation units or shares held in underlying funds is recognised as revenue and included in the amount available for distribution. Equalisation received and accrued from distributions or accumulations on units or shares in underlying investments is treated as capital and deducted from the cost of the investment.

Income distributions from UK Real Estate Investment Trusts (UK REIT) is split into two parts, a Property Income Distribution (PID) made up of rental revenue and a non-PID element, consisting of non-rental revenue. The PID element is subject to corporation tax as schedule A revenue, while the non-PID element is treated as franked revenue.

Revenue earned on derivatives and interest on margin are accounted for on an accruals basis.

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(c) Revenue recognition (continued)

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the fund is required to take up all or some of the shares underwritten in which case an appropriate proportion of the commission received is deducted from the cost of the relevant shares.

Any annual management charge rebates from underlying funds, including offshore, are recognised on an accruals basis when the entitlement arises in accordance with the treatment of the annual management charge on the underlying CIS.

Stock lending revenue is accounted for on an accruals basis, net of bank and agent fees.

Revenue derived from the gains/losses on hedged class forward currency contracts is allocated to both the capital and revenue of the share class based upon the prior day capital/revenue split.

Special dividends are recognised as either revenue or capital depending on the nature and circumstances of the dividends receivable.

Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue.

If any revenue receivable at the Balance sheet date is not considered recoverable, a provision is made for the relevant amount.

(d) Treatment of expenses (including ACD expenses)

All expenses (other than those detailed below and those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

Annual Management Charge

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the Company's property, calculated as a percentage of the relevant value of the property of each class of each fund. The Annual Management Charge (AMC) is accrued on a daily basis by reference to the net asset value of each share class on that dealing day and the amount due for each month is payable on the last working day of the month.

The investment objective of Class I income of Janus Henderson Emerging Markets Opportunities Fund concentrates on the generation of income as a higher priority than capital growth. The ACD and Depositary have agreed that 100% of the AMC for the share class is to be taken to capital for the purpose of calculating the distribution, as permitted by the OEIC regulations and in accordance with the Prospectus. The distribution currently payable reflects this treatment together with any associated tax effect.

General Administration Charge

All fees with the exception of the AMC, Depositary, legal fees, professional fees, dividend collection charges and safe custody fees have been replaced by a single ad valorem charge, the General Administration Charge (GAC). The ACD believes that this creates more efficiency around the charging process than more traditional methods. The GAC is calculated as a percentage of the scheme property and the amount each share class in each fund will pay will depend on the costs attributable to each share class based on whether the class is a 'Retail' class or an 'Institutional' class. The GAC accrues on a daily basis and is payable to the ACD by each share class monthly.

Performance Fee on Janus Henderson Absolute Return Fund and Janus Henderson European Absolute Return Fund

Janus Henderson Absolute Return Fund and Janus Henderson European Absolute Return Fund may pay a performance related fee. Each fund's performance fee will be 20% of the outperformance of the current day NAV relative to the hurdle, subject to the high watermark. If the funds underperform in relation to either the hurdle or the high water mark, no performance fee is paid.

The current day NAV is the published NAV less the performance fee accrual. The high watermark is the NAV at the end of the previous performance period if a performance fee was payable. The hurdle is the rate of return which the fund has to exceed before a performance fee can be accrued. The hurdle is reset at midnight on the last business day of the month and the rate of return is based on the last published Bank of England Base Rate which is applied to the high water mark in order to calculate the hurdle level. Hedged currency share classes will use an appropriate currency equivalent cash benchmark (the Euro Base Rate (Euro Main Refinancing Rate) or the USD Base Rate (US Federal Funds Rate)).

In accordance with the Prospectus, performance fees are taken to capital for the purpose of calculating the distribution. Details of amounts payable for the year can be seen in Note 4 of the financial statements for each fund.

Allocation of revenue and expenses to multiple share classes

With the exception of the AMC, the GAC and revenue derived from the gains/losses on hedged class forward currency contracts, which are directly attributable to individual share classes, all revenue and expenses are allocated to share classes pro rata to the value of the net assets of the relevant share class on the day that the revenue or expense is incurred.

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(e) Exchange rates

Foreign currency transactions are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies at the end of the accounting year are translated into sterling at the exchange rates prevailing at close of business on the last valuation day of the accounting year.

(f) Taxation

Provision is made for tax at the current rates on the excess of taxable revenue over allowable expenses, with relief for overseas taxation taken where appropriate.

Corporation tax is charged at 20% of the revenue liable to corporation tax less expenses.

Deferred tax is provided on all timing differences that have originated but not reversed at the Balance sheet date other than those recorded as permanent differences. Deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent it is regarded as more likely than not that there will be taxable profits against which the future reversal of underlying timing differences can be offset.

Capital gains tax on disposal of shares in Indian securities is charged on short-term and long-term capital gains. A provision based on the short-term and long-term capital gains and associated tax rates at the balance sheet date calculated in accordance with the Indian tax authorities required methodology has been included in the financial statements.

(g) Cash flow statement

The funds are not required to produce a cash flow statement as they meet the exemption criteria set out in FRS 102 7.1A as the funds' investments are highly liquid, are carried at market value and a Statement of change in net assets attributable to shareholders is provided for each fund.

(h) Cash equivalents

Cash equivalents are highly liquid investments held in the base currency of the fund, which are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond.

(i) Hedged share classes

The following hedged share classes are available within the funds:

- Class I Euro Hedged accumulation and Class I USD Hedged accumulation on Janus Henderson European Absolute Return Fund

Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes and sterling which is the base currency of the fund.

Any benefits or losses of the hedging transactions accrue to shareholders in that hedged share class only. The ACD will review the relevant hedging positions on a regular basis and, if considered appropriate, make adjustments to correct the allocations across share classes. However, the hedge may not always be 100% effective.

The currency transactions will not cause the Euro and US Dollar Hedged share classes to be leveraged. The value of the share class to be hedged will be made up of both capital and income elements and the ACD intends to hedge between 95-105% of the value of each hedged share class. Adjustments to any hedge to keep within this target range will only be made when the required adjustment is material. As such the Euro and US Dollar Hedged share classes will not be completely protected from all currency fluctuations.

(j) Treatment of derivatives

Derivative transactions are accounted for on a trade date basis. Where such transactions are used to protect or enhance revenue and the circumstances support it, the revenue and expenses derived there from are included in Revenue in the Statement of total return on an accruals basis. Where such transactions are used to protect or enhance capital and the circumstances support it, the gains and losses derived there from are included in Net capital gains/(losses) in the Statement of total return.

Forward foreign currency contracts

Open forward currency contracts are shown in the Portfolio statement at fair value and the net gains/(losses) are reflected in Forward currency contracts in Net capital gains/(losses) on investments.

1 Accounting policies (continued)

(j) Treatment of derivatives (continued)

Forward foreign currency contracts on hedged share classes

Open forward currency contracts on hedged share classes are shown in the Portfolio statement at fair value. The net gains/(losses) on forward currency contracts on hedged share classes are apportioned between hedged income on forward currency contracts in the Revenue account and Forward currency contracts on hedged share classes in Net capital gains/(losses) on investments, reflecting the income and capital elements of the hedged share classes.

Equity and Index future contracts

The unrealised gain/(loss) on open future contracts is disclosed in the Portfolio statement. The margins paid on these contracts are included in amounts held at derivative clearing houses and brokers. The net gains/(losses) are apportioned between the revenue account and derivative securities in net capital gains/(losses) on investments, reflecting the nature of the return. The basis of the apportionment is typically made by reference to the yield on the underlying security or index or other appropriate source.

Options contracts

Options contracts are shown in the Portfolio statement at fair value and the net gains/(losses) are reflected within Derivative securities in Net capital gains/(losses) on investments. Premiums receivable or payable on options are included within Derivative contracts in Net capital gains/(losses) on investments.

Contracts for difference

Contracts for difference (CFD) are shown in the Portfolio statement at fair value and the net gains/(losses) are reflected within Derivative securities in Net capital gains/(losses) on investments. The margins paid on these contracts are included in the Amounts held at derivative clearing houses and brokers. Dividends receivable and payable on CFDs are recognised as either revenue or capital depending on the nature and circumstances of the dividends receivable. Dividends receivable or payable that are recognised as capital are included in Derivative securities in Net capital gains/(losses) on investments on an accruals basis. Dividends receivable that are recognised as revenue are included in the Revenue account on an accruals basis. Dividends payable on CFDs that are recognised as revenue are included in Interest payable and similar charges on an accruals basis.

(k) Dilution adjustment

The funds are priced on a single swinging price basis. The ACD has the discretion to charge a dilution adjustment when there is a large volume of deals and, in accordance with the FCA regulations, to pay this amount into the fund. In particular the ACD reserves the right to make such an adjustment in the following circumstances:

- On a fund experiencing large levels of net purchases (i.e. purchases less redemptions), relative to its size;
- On a fund experiencing large levels of net redemptions (i.e. redemptions less purchases), relative to its size;
- In any other case where the ACD is of the opinion that the interests of existing or continuing shareholders and potential investors require the imposition of a dilution adjustment.

2 Distribution policy

The distribution policy of the funds is to distribute/accumulate all available revenue, after the deduction of expenses properly chargeable against revenue, subject to any expense which may currently be transferred to capital. The fund pays dividend distributions.

Revenue attributed to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.

Marginal tax relief has not been taken into account when determining the amount available for distribution on Janus Henderson Emerging Markets Opportunities Fund.

Stock dividends are taken to capital and are therefore not taken into account when determining the amount available for distribution.

Gains and losses on investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

When the revenue from investments exceeds the expenses, a distribution will be made. Should expenses exceed revenue there will be no distribution and the shortfall will be transferred from capital at the year end.

All funds will make biannual distributions (31 January and 31 July) to shareholders:

In the event that the income yielded is low (generally less than 1% p.a.) the ACD has the discretion not to make an income allocation in respect of a particular interim income allocation date and instead to hold over that payment until the final income allocation date.

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the funds.

Equalisation

Income equalisation applies to all the funds.

Equalisation applies only to shares purchased during the distributions period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

3 Risk

In pursuing their investment objectives the funds hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors arising from the funds' operations. The funds may also enter into derivatives and forward transactions for the purpose of hedging and efficient portfolio management.

Janus Henderson Absolute Return Fund and Janus Henderson European Absolute Return Fund may also use derivatives for investment purposes.

The risk management policy and process for the funds is designed to satisfy the regulatory requirements for a UK UCITS; associated regulatory technical standards and guidelines; and local regulations. The framework for risk controls and limits for the funds are documented within the ACD's Risk Management Policy and Process document, which outlines for each main risk category the controls and risk measures in place, including stress tests for assessing sensitivity to the most relevant risks. This risk framework includes setting of limits and monitoring against those limits.

In the normal course of business, the funds' activities expose them to various types of risk which are associated with the financial instruments and markets in which they invest. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the funds, reference should be made to the Prospectus; investors and prospective investors are recommended to discuss all potential risks with their own legal, tax and financial advisors.

The risk management systems to which the Janus Henderson Risk, Compliance and Operations teams have access for independent monitoring and risk measurement purposes include:

- Charles River system's Compliance module for investment restrictions monitoring;
- Nasdaq BWISE operational risk database;
- RiskMetrics, UBS Delta, Style Research, Cognity and Barra for market risk measurement; and
- Bloomberg for market data and price checking.

These are supplemented by an in-house developed system, the Janus Henderson Derivatives Risk and Compliance database.

(a) Market risk

Market risk is the risk of loss resulting from fluctuations in the market value of positions in the funds attributable to changes in market variables such as interest rates, foreign exchange rates or an issuer's creditworthiness.

The investments of the funds are subject to normal market fluctuations and other risks inherent in investing in securities in pursuance of the investment objectives and policies.

There can be no assurance that any appreciation in the value of investments will occur. There is no certainty that the investment objective of the funds will actually be achieved and no warranty or representation is given to this effect.

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. Some of the more common risks associated with emerging markets investments include: fraudulent securities; lack of liquidity; currency fluctuations; settlement and custody risks; investment and remittance restrictions; and accounting, auditing and financial reporting requirements.

Where a fund invests in a specific country or geographical region, changes to local political and economic conditions may have a greater impact on the fund's value.

Funds investing in technology related industries may be susceptible to greater risks and market fluctuations than investment in a broader range of investments covering different economic sectors.

Smaller company shares held by a fund can be riskier as they may be more difficult to buy and sell and their share price may fluctuate more than that of larger companies.

Funds may hold a limited number of investments. If one of these investments declines in value, this can reduce the fund's value more than if it held a larger number of investments.

Funds may hold a private placement which is a private alternative to issuing a publicly offered security as a means for raising capital. In a private placement the sale of securities is made directly by the issuer to a select number of investors without public offering through an investment bank. Due to the nature of private placements, the free negotiability of these assets is restricted.

3 Risk (continued)

(a) Market risk (continued)

The funds may use derivatives for the purposes of efficient portfolio management. Janus Henderson Absolute Return Fund and Janus Henderson European Absolute Return Fund may also use derivatives for investment purposes. Derivatives are linked in value to an underlying asset and any fall in the value of that asset may result in a loss greater than the original amount invested in the derivative itself. It is not intended that using derivatives for efficient portfolio management will increase the volatility of the funds. In adverse situations, however, a fund's use of derivatives may become ineffective in hedging or efficient portfolio management and a fund may suffer significant loss as a result.

The global exposure of the funds is calculated by using either the commitment approach or Value-at-Risk (VaR) approach by reference to their risk profile.

The global exposure of the funds (excluding Janus Henderson Absolute Return Fund and Janus Henderson European Absolute Return Fund) is calculated using the commitment approach; the commitment approach means that financial derivative instruments are converted into the market value of the equivalent position in the underlying assets(s). These funds may use derivatives for the purposes of hedging and efficient portfolio management, it is not expected that the use of derivatives for these purposes will alter the risk profile of the funds. Such funds do not employ significant leverage.

The global exposure of Janus Henderson Absolute Return Fund and Janus Henderson European Absolute Return Fund and the sensitivity analysis of funds using the commitment approach is calculated using the VaR approach. VaR is a mathematical-statistical concept and is commonly used as a standard measure of risk in the financial sector. For each fund the maximum potential loss that it could suffer in normal market conditions within a given time horizon and a certain degree of confidence is estimated. In these calculations all positions in the relevant investment portfolio are taken into consideration including those undertaken for efficient portfolio management purposes. VaR is calculated using a Monte Carlo simulation approach; as a control mechanism, Monte Carlo results are compared to the parametric model for validation purposes within the daily monitoring process.

The following parameters are applied as a minimum: a one-tailed 99% confidence interval, a holding period equivalent to one month (20 business days), effective observation period (history) of risk factors of at least 1 year (250 business days), quarterly data set updates and daily calculation.

Absolute VaR is calculated on all the positions in a fund's investment portfolio. For those funds using the VaR approach to calculate global exposure for which it is not appropriate to determine a reference portfolio absolute monthly VaR is not to exceed a regulatory maximum limit of 20%.

Please refer to the individual funds' financial statements for details of global exposure, leverage and sensitivity analysis, where relevant.

Currency risk

Currency risk is the risk that the value of the funds' investments will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the funds' assets and income may be denominated in currencies other than sterling (the funds' functional currency and the one in which financial statements are reported). As a result, movements in exchange rates may affect the sterling value of those items so the funds' total return and balance sheet can be significantly affected by currency fluctuations.

The Investment Manager may seek to manage exposure to currency movements by using hedging transactions in line with each fund's investment objective, powers and limits, though this will not eliminate the fund's currency risk.

Please refer to the individual funds' financial statements for details of currency exposure.

Hedged share classes

Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in such classes and sterling which is the base currency of the funds.

Any benefits or losses of the hedging transactions accrue to shareholders in that hedged share class only. The ACD will review the relevant hedging positions on a regular basis and, if considered appropriate, make adjustments to correct the allocations across share classes.

The currency transactions will not cause the hedged share classes to be leveraged. The value of the share class to be hedged will be made up of both capital and income elements and the ACD intends to hedge between 95-105% of the value of each hedged share class. Adjustments to any hedge to keep within this target range will only be made when the required adjustment is material. As such the hedged share classes will not be completely protected from all currency fluctuations.

Where such hedging is undertaken it may substantially protect investors in the relevant class against a decrease in the value of sterling relative to the US dollar or euro but it may also preclude investors from benefiting from an increase in the value of sterling.

3 Risk (continued)

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. Some securities such as bonds are directly impacted by interest rate movements but others are indirectly affected.

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of the capital may fall, and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issue. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit rating (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds and may have an increased risk of default on repayment.

Please refer to the individual funds' financial statements for details of interest rate risk exposure.

Other market price risk

Other market price risk is the risk that the value of the funds' investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. The risk arises mainly from uncertainty about future prices of financial instruments the funds might hold. It represents the potential loss the funds might suffer through holding market positions in the face of price movements.

The funds' investment portfolios are exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objectives and policies.

An outbreak of an infectious respiratory illness known as COVID-19 was first detected in China in December 2019 and has now been declared a pandemic by the World Health Organization. Due to this outbreak, market volatility in all major asset classes increased substantially in the early part of 2020, which has led to an increase in volatility of fund valuations. There can be an increase in a wide range of impacts on the fund from COVID-19, as with all stressed market events, which might include: a reduction in revenues, a reduction in net asset value due to market fluctuations, and financial and non-financial covenant defaults.

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

(b) Credit and counterparty risk

Credit and counterparty risk is the risk of loss resulting from the possibility that the counterparty to a transaction may default on its obligations prior to the settlement of the transaction's cash flow.

In order to manage credit risk the funds are subject to investment limits for issuers of securities as outlined in the Prospectus. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the funds may only buy and sell investments through brokers which have been approved by the ACD as acceptable counterparties and limits are set and monitored to cover the exposure to any individual broker. Changes in brokers financial ratings are periodically reviewed by the Janus Henderson Counterparty Risk Committee along with set limits and new counterparty approval.

The funds' assets that are held with the banks could be exposed to credit and counterparty risk. The banks used by the funds and ACD are subject to regular reviews. Only counterparties that have been approved by Janus Henderson's Counterparty Risk Committee are used for derivative transactions. The continuing creditworthiness of counterparties is monitored on a daily basis.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the FCA's COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

Whilst COVID-19 has affected counterparties used by Janus Henderson, the risk controls and procedures in place help to mitigate the risk caused by the pandemic. There have been additional controls put in place to protect against the risk of not receiving income that has been accrued, to make appropriate provisions in calculating the amount available for distribution, and also to consider the risk of pricing errors. The risk framework is regularly monitored and reviewed to ensure the controls and procedures are adequate to protect against credit and counterparty risk.

Please refer to the individual funds' financial statements for details of credit and counterparty risk exposure.

3 Risk (continued)

(c) Operational risk

Failure of Janus Henderson systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. Janus Henderson have a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption or major disaster.

COVID-19 has the potential to affect the daily operations of the Manager and other service providers, Supply chain risk is now considered to be one of the highest risks facing asset management firms. Janus Henderson's current service providers have demonstrated that they have robust business continuity plans in place which have not adversely affected their service, which is further supported by regular updates on business process controls from both internal and external suppliers.

(d) Liquidity risk

Liquidity risk is the risk that a position in the funds' portfolios cannot be sold, liquidated or closed out at limited cost in an adequately short timeframe and that the ability of the funds to meet their settlement obligations is hereby compromised.

The funds are generally able to realise cash quickly to meet their liabilities. The main liquidity requirements of the funds include the redemption of any shares that a shareholder wishes to sell. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of shares.

The ACD manages the funds' cash positions to ensure they can meet their liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the funds' portfolios in order to meet redemption requests. In addition the ACD monitors the market liquidity of all securities, seeking to ensure the funds maintain sufficient liquidity to meet known and potential redemption activity. The funds' cash balances are monitored daily by the ACD and administrator. Where a fund has exposure to less liquid assets, such as private placement notes, the ACD assess the degree of illiquidity for each instrument to assess the overall liquidity risk of each fund as, by their nature, these type of assets are more difficult to dispose, especially in times of stress, as they typically require a longer time to sell, liquidate, or close out. Where investments cannot be realised in time to meet any potential liability, the funds may borrow up to 10% of their property value to ensure settlement.

Market volatility in all major asset classes increased substantially in 2020 which has led to an increase in fund volatilities and reduced liquidity. Even though market liquidity was more challenging during this stressed period in certain markets, we did not have any issues meeting redemptions for the funds and believe that the funds will be able to handle typical redemption patterns going forward.

A maturity analysis of each funds' financial liabilities is disclosed in the notes in each funds' accounts.

(e) Brexit risk

The United Kingdom (UK) left the European Union (EU) on 31 January 2020, a transition period was in place until 31 December 2020, during which all EU rules and laws continued to apply to the UK. On 24 December 2020 the EU and the UK reached an agreement on a new partnership, this was approved by the EU member states on 29 December 2020, and the UK parliament's approval followed on 31 December 2020. On 1 January 2021 this agreement took effect and the new rules entered into force.

The new agreement between the EU and the UK does not cover the financial services industry. The EU have agreed to establish a structured regulatory co-operation on financial services, with the aim of establishing a durable and stable relationship between autonomous jurisdictions. As at April 2021, both parties have agreed a Memorandum of Understanding establishing the framework for the cooperation.

Currency volatility resulting from this uncertainty may mean that the returns of the fund and its investments are adversely affected by market movements, potential decline in the value of the British pound and/or euro, and any downgrading of United Kingdom sovereign credit rating. This may also make it more difficult, or more expensive, for the fund to execute prudent currency hedging policies. This uncertainty may have an adverse effect on the economy generally and on the ability of relevant funds and their investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to the relevant funds.

4 Cross holdings

As at 31 May 2021 there were no sub-fund cross holdings within Janus Henderson Investment Funds Series I (2020: none).

Janus Henderson China Opportunities Fund

Authorised Corporate Director's report

Investment Fund Managers

May Ling Wee and Lin Shi

Please note with effect from 7 December 2020, Lin Shi also manages this fund.

Investment objective and policy

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

Performance target: To outperform the MSCI Zhong Hua 10/40 Index by 2.5% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in a concentrated portfolio of shares (also known as equities) of companies, of any size, in any industry, in China or Hong Kong. Companies will have their registered office in or do most of their business (directly or through subsidiaries) in this region. The fund may invest up to 50% of its assets in China A Shares.

The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings.

The fund is actively managed with reference to the MSCI Zhong Hua 10/40 Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Performance summary

Cumulative performance	One year	Three years	Five years	Since inception
	31 May 20 - 31 May 21 %	31 May 18 - 31 May 21 %	31 May 16 - 31 May 21 %	31 Mar 83 - 31 May 21 %
Class I accumulation (Net)	23.9	18.7	124.0	10,911.6
MSCI Zhong Hua 10/40 Index	24.3*	20.8*	116.2*	-**
IA China/Greater China Sector	31.5	32.8	139.7	8,460.1
Class I accumulation (Gross)	25.0	21.7	133.8	15,142.2
MSCI Zhong Hua 10/40 Index + 2.5%	27.4*	30.1*	144.6*	-**

Performance/performance target related data will display only when relevant to the fund/share class inception date and the annualised target time period.

Discrete performance	31 May 20 - 31 May 21 %	31 May 19 - 31 May 20 %	31 May 18 - 31 May 19 %	31 May 17 - 31 May 18 %	31 May 16 - 31 May 17 %
	Class I accumulation (Net)	23.9	9.7	(12.7)	26.5
MSCI Zhong Hua 10/40 Index	24.3*	7.5*	(9.6)*	23.1*	45.4*
IA China/Greater China Sector	31.5	14.5	(11.8)	24.7	44.7
Class I accumulation (Gross)	25.0	10.6	(11.9)	27.6	50.5
MSCI Zhong Hua 10/40 Index + 2.5%	27.4*	10.2*	(7.3)*	26.2*	49.0*

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

* From 1 July 2020, the share class benchmark changed. Past Performance before 1 July 2020 is shown for the previous share class benchmark.

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Source: Morningstar

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

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

Benchmark values are as at close of business.

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

Benchmark usage:

Index: MSCI Zhong Hua 10/40 Index

Index usage: Target

Index description: The MSCI Zhong Hua 10/40 Index is a measure of the combined performance of large and medium sized companies listed on Hong Kong and Chinese stock markets re-weighted from the parent index by the benchmark provider to align with the UCITS fund investment restrictions. It forms the basis for the fund's performance target.

Peer group: IA China/Greater China Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 May 2021

Largest purchases	£000	Largest sales	£000
Alibaba ADR	23,122	Alibaba ADR	46,309
JD.com ADS	20,984	Tencent	43,861
Beijing Oriental Yuhong Waterproof Technology	18,023	LONGi Green Energy Technology	30,578
China Merchants Bank	17,416	China Resources Land	26,255
Shenzhen International	15,198	Geely Automobile	23,360
Ping An Insurance	13,460	Hong Kong Exchanges & Clearing	22,478
Zijin Mining 'H'	13,179	Zhengzhou Yutong Bus	21,785
Luxshare Precision Industry	13,148	Midea	21,547
Minth	13,086	Sany Heavy Industry	19,965
Zhejiang Supor Cookware	11,743	Weichai Power	19,046
Total purchases	314,219	Total sales	616,916

Investment review

The fund returned 23.9% (Net), 25.0% (Gross) based on Class I accumulation over the year under review, compared with a return of 24.3% in the MSCI Zhong Hua 10/40 Index, a return of 27.4% in the Target Index + 2.5% and a return of 31.5% in the IA China/Greater China Sector peer group benchmark.

Chinese equities performed strongly during the past year as the economy returned to growth fairly rapidly from its COVID-19-induced lows. By July, industrial profits were showing a stronger recovery after a small improvement in the second quarter of 2020. The recovery was uneven at first, with exports, real estate and industrial activity leading the rebound. However, by year end, consumption, services and manufacturing investment also showed improvement. The year was not without disruptions, with the much-anticipated initial public offering of Ant abruptly cancelled in early November, which was a reminder of the influence of the Chinese state and Communist Party on the private sector. The internet giants had grown so large, and their dominance and impact on many facets of the economy was so stark, that they only seemed to invite greater scrutiny.

Uncertainty about regulatory interference continued during the year, with the State Administration for Market Regulation levying a sizeable fine on Alibaba and instructing the company and another 34 technology businesses to correct what was deemed to be their monopolistic behaviour. The increased scrutiny also impacted the education sector, with the government expressing its desire for the industry to be better regulated and for children to limit the time spent in after-school tuition to help ensure their healthy development. The first quarter of 2021 saw distinct market movements before and after the spring festival. Both onshore and offshore Chinese equities performed strongly in the first half of the quarter, driven by fund flows and optimism about the economy and corporate earnings growth. This optimism dissipated as investors returned after the festival, with concerns growing about higher domestic interbank rates, increased global bond yields, the potential of fund redemptions after sustained, strong inflows, regulatory tightening, and tensions between China and the US.

At the sector level, the consumer discretionary, healthcare and consumer staples sectors detracted from performance, while selection in financials and information technology was positive.

At the stock level, the top contributors were A shares, including LONGi Green Energy Technology, China Tourism Duty Free and Sany Heavy Industry. LONGi Green Energy Technology performed solidly due to strong orders and profits in its solar products business, while the announcement of China's goal to reach net zero carbon emissions by 2060 also supported the shares. In the consumer sector, China Tourism Duty Free performed strongly as the resumption of domestic travel allowed its Hainan duty free shop to do well, given that there were no outlets for overseas spending because borders were shut. In the machinery sector, Sany Heavy Industry gained on strong domestic orders for its construction machinery and continued market share gains.

The largest detractors from performance during the year were Anhui Conch Cement, Hengan International and not owning Nio, an electric vehicle producer. Anhui Conch Cement performed poorly as infrastructure investment levels disappointed and the recovery in the economy meant that large increases in infrastructure spending were unlikely in 2021. Hengan International disappointed as it failed to deliver on expectations for better margins.

The Chinese economy has had a strong recovery from its COVID-19 lows, with the export, real estate and manufacturing sectors taking the early lead. From here, we expect consumption and services to pick up as savings rates have built up in China over the past year. Credit growth has slowed since the fourth quarter of 2020, which is a precursor of economic growth. The government has turned its attention to containing financial risks and property and commodity price increases, and regulating businesses that it regards as anti-competitive or are deemed to have a negative impact on society. Regulatory risks still exist for China's private sector, but it is likely that we are past the worst, with growth expectations and valuations reset for some companies.

China/US relations remain one of competitive rivalry in technology, economic power and geopolitical influence. US President Trump's executive order against Chinese companies deemed to have ties with the Chinese military has been widened by the new administration of Joe Biden. The current state of international relations will only make China more determined to double down on its 'dual circulation' strategy, which aims to develop supply chain self-sufficiency, upgrade its technology, and ensure strong domestic consumption, while participating in global trade and investment where it can.

Chinese equities have performed well over the past year as China was the first large economy to contain and recover from COVID-19. With a global recovery, we believe it will be a good year for China's corporate earnings overall. While some sectors have had a significant re-rating during the past year, we will focus on quality franchises that provide growth at a reasonable price and that have the pricing power to manage higher costs. We believe there are stock-specific opportunities where companies have de-rated as a result of either regulatory headwinds or shorter-term downward earnings adjustments but have management teams that are able to navigate these challenges.

Comparative tables for the year ended 31 May 2021

	Class A accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,460.98	1,330.89	1,545.70
Return before operating charges*	362.97	154.71	(191.44)
Operating charges	(31.32)	(24.62)	(23.37)
Return after operating charges*	331.65	130.09	(214.81)
Distributions on accumulation shares	(2.04)	(3.50)	(5.90)
Retained distributions on accumulation shares	2.04	3.50	5.90
Closing net asset value per share	1,792.63	1,460.98	1,330.89
* after direct transaction costs of:	1.40	2.35	3.85
Performance			
Return after charges	22.70%	9.77%	(13.90%)
Other information			
Closing net asset value (£000s)	112,533	100,783	135,733
Closing number of shares	6,277,504	6,898,289	10,198,584
Operating charges	1.75%	1.71%	1.71%
Direct transaction costs	0.08%	0.16%	0.28%
Prices			
Highest share price (pence)	2,145.00	1,590.00	1,585.31
Lowest share price (pence)	1,483.00	1,297.00	1,181.00

	Class E accumulation	
	2021 (pence per share)	24/06/19 - 31/05/20 (pence per share)
Change in net assets per share		
Opening net asset value per share	1,467.85	1,422.82 ¹
Return before operating charges*	364.83	61.41
Operating charges	(22.58)	(16.38)
Return after operating charges*	342.25	45.03
Distributions on accumulation shares	(6.37)	(10.39)
Retained distributions on accumulation shares	6.37	10.39
Closing net asset value per share	1,810.10	1,467.85
* after direct transaction costs of:	1.41	2.36
Performance		
Return after charges	23.32%	3.16%
Other information		
Closing net asset value (£000s)	34,116	26,654
Closing number of shares	1,884,780	1,815,869
Operating charges	1.25%	1.21%
Direct transaction costs	0.08%	0.16%
Prices		
Highest share price (pence)	2,163.00	1,594.00
Lowest share price (pence)	1,490.00	1,302.00

¹ Class E accumulation launched on 24 June 2019 and this is the first published price.

Comparative tables (continued)

	Class I accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	213.23	192.58	221.75
Return before operating charges*	52.99	22.43	(27.50)
Operating charges	(2.28)	(1.78)	(1.67)
Return after operating charges*	50.71	20.65	(29.17)
Distributions on accumulation shares	(1.75)	(2.32)	(2.38)
Retained distributions on accumulation shares	1.75	2.32	2.38
Closing net asset value per share	263.94	213.23	192.58
* after direct transaction costs of:	0.20	0.34	0.55
Performance			
Return after charges	23.78%	10.72%	(13.15%)
Other information			
Closing net asset value (£000s)	352,360	325,847	359,910
Closing number of shares	133,499,105	152,816,188	186,884,572
Operating charges	0.87%	0.85%	0.85%
Direct transaction costs	0.08%	0.16%	0.28%
Prices			
Highest share price (pence)	315.00	231.20	227.47
Lowest share price (pence)	216.40	189.00	170.10
	Class I USD accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,588.67	1,438.01	1,659.49
Return before operating charges*	394.50	167.35	(205.74)
Operating charges	(21.07)	(16.69)	(15.74)
Return after operating charges*	373.43	150.66	(221.48)
Distributions on accumulation shares	(8.33)	(13.79)	(14.56)
Retained distributions on accumulation shares	8.33	13.79	14.56
Closing net asset value per share	1,962.10	1,588.67	1,438.01
* after direct transaction costs of:	1.51	2.54	4.15
Performance			
Return after charges	23.51%	10.48%	(13.35%)
Other information			
Closing net asset value (£000s)	237,288	404,691	703,853
Closing number of shares	12,093,566	25,473,522	48,946,347
Operating charges	1.09%	1.07%	1.07%
Direct transaction costs	0.08%	0.16%	0.28%
Prices			
Highest share price (USD cents)	3,248.00	2,247.00	2,286.34
Lowest share price (USD cents)	2,012.00	1,626.00	1,615.00

Comparative tables (continued)

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2021	2020
	%	%
Class A accumulation	1.75	1.71 ¹
Class E accumulation²	1.25	1.21 ¹
Class I accumulation	0.87	0.85 ¹
Class I USD accumulation	1.09	1.07 ¹

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

¹ The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

² Class E accumulation launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

Risk and reward profile

The fund currently has 4 types of share class in issue: A accumulation, E accumulation, I accumulation and I USD accumulation.

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



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

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

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

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E accumulation was launched on 24 June 2019 and as it does not have a 5 year history, a synthetic history has been created using the A accumulation share class.

Portfolio statement as at 31 May 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.90% (2020: 99.40%)		
	Belgium 1.18% (2020: 1.60%)		
	Consumer Staples 1.18% (2020: 1.60%)		
	Beverages 1.18% (2020: 1.60%)		
3,633,800	Budweiser Brewing	8,679	1.18
	China 77.10% (2020: 78.92%)		
	Basic Materials 1.64% (2020: 0.58%)		
	Industrial Metals and Mining 0.00% (2020: 0.58%)		
	Precious Metals and Mining 1.64% (2020: 0.00%)		
10,938,000	Zijin Mining 'H'	12,075	1.64
	Consumer Discretionary 31.28% (2020: 30.40%)		
	Automobiles and Parts 1.99% (2020: 3.50%)		
1,670,732	Geely Automobile	2,989	0.41
3,894,000	Mint	11,665	1.58
		14,654	1.99
	Consumer Services 1.52% (2020: 2.75%)		
1,552,034	New Oriental Education & Technology ADR	11,169	1.52
	Household Goods and Home Construction 3.11% (2020: 4.59%)		
1,070,971	Haier Smart Home	3,567	0.48
2,161,732	Midea	19,327	2.63
		22,894	3.11
	Leisure Goods 4.51% (2020: 3.90%)		
399,980	NetEase ADR	33,183	4.51
	Retailers 15.03% (2020: 13.84%)		
427,478	Alibaba ADR	64,340	8.73
565,440	JD.com 'A'	14,924	2.03
12,318,000	Topsports International	13,175	1.79
3,028,500	Zhongsheng	18,296	2.48
		110,735	15.03
	Travel and Leisure 5.12% (2020: 1.82%)		
256,402	China Tourism Duty Free	9,459	1.28
363,811	Trip.com	10,707	1.45
368,644	Yum China	17,542	2.39
		37,708	5.12
	Consumer Staples 3.26% (2020: 3.74%)		
	Beverages 1.54% (2020: 1.03%)		
46,180	Kweichow Moutai	11,307	1.54
	Food Producers 1.72% (2020: 0.87%)		
702,953	Angel Yeast	4,980	0.68
1,815,000	China Mengniu Dairy	7,732	1.04
		12,712	1.72

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Personal Care, Drug and Grocery Stores 0.00% (2020: 1.84%)		
	Energy 0.72% (2020: 2.77%)		
	Oil, Gas and Coal 0.72% (2020: 2.77%)		
6,939,000	CNOOC	5,302	0.72
	Financials 6.87% (2020: 3.37%)		
	Banks 3.01% (2020: 0.00%)		
3,410,500	China Merchants Bank	22,164	3.01
	Life Insurance 3.86% (2020: 3.37%)		
3,715,000	Ping An Insurance	28,420	3.86
	Health Care 2.65% (2020: 4.07%)		
	Medical Equipment and Services 0.00% (2020: 1.29%)		
	Pharmaceuticals and Biotechnology 2.65% (2020: 2.78%)		
1,229,463	Jiangsu Hengrui Medicine	11,713	1.59
560,663	Yunnan Baiyao	7,773	1.06
		19,486	2.65
	Industrials 6.29% (2020: 9.84%)		
	Construction and Materials 3.16% (2020: 2.70%)		
3,369,020	Beijing Oriental Yuhong Waterproof Technology	23,301	3.16
	Industrial Engineering 1.89% (2020: 4.26%)		
4,152,449	Sany Heavy Industry	13,880	1.89
	Industrial Transportation 1.24% (2020: 2.88%)		
3,625,000	SITC International	9,101	1.24
	Real Estate 2.94% (2020: 6.42%)		
	Real Estate Investment and Services 2.94% (2020: 6.42%)		
106,215	China Resources Mixc Lifestyle Services	449	0.06
5,148,000	Longfor	21,184	2.88
		21,633	2.94
	Technology 20.09% (2020: 16.52%)		
	Software and Computer Services 14.62% (2020: 11.98%)		
892,300	Meituan 'B'	23,762	3.23
1,288,000	Tencent	72,206	9.81
2,455,519	Venustech	8,625	1.17
867,130	Venustech P-Note	3,052	0.41
		107,645	14.62
	Technology Hardware and Equipment 5.47% (2020: 4.54%)		
1,996,829	LONGi Green Energy Technology	22,506	3.06
992,500	Sunny Optical Technology	17,758	2.41
		40,264	5.47

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Telecommunications 1.36% (2020: 1.21%)		
	Telecommunications Equipment 1.36% (2020: 0.00%)		
2,329,918	Luxshare Precision Industry	10,028	1.36
	Telecommunications Service Providers 0.00% (2020: 1.21%)		
	Hong Kong 20.62% (2020: 18.88%)		
	Consumer Discretionary 5.91% (2020: 5.27%)		
	Personal Goods 2.32% (2020: 0.00%)		
941,200	Shenzhou International	17,079	2.32
	Travel and Leisure 3.59% (2020: 5.27%)		
3,978,000	Galaxy Entertainment	22,680	3.08
1,192,800	Sands China	3,730	0.51
		26,410	3.59
	Financials 12.82% (2020: 10.64%)		
	Banks 1.10% (2020: 0.00%)		
3,174,000	BOC Hong Kong	8,070	1.10
	Investment Banking and Brokerage Services 4.11% (2020: 4.31%)		
687,300	Hong Kong Exchanges & Clearing	30,251	4.11
	Life Insurance 7.61% (2020: 6.33%)		
6,238,000	AIA	56,089	7.61
	Industrials 0.47% (2020: 0.00%)		
	General Industrials 0.47% (2020: 0.00%)		
657,500	Swire Pacific	3,471	0.47
	Technology 1.42% (2020: 0.71%)		
	Technology Hardware and Equipment 1.42% (2020: 0.71%)		
1,127,000	ASM Pacific Technology	10,491	1.42
	Telecommunications 0.00% (2020: 2.26%)		
	Telecommunications Service Providers 0.00% (2020: 2.26%)		
	Derivatives 0.00% (2020: (0.03%))		
	Forward Foreign Exchange Contracts 0.00% (2020: (0.03%))¹		
	Buy GBP 104,587 : Sell USD 148,078 June 2021 ²	-	-
	Buy USD 160,830 : Sell GBP 113,740 June 2021	(1)	-
	Buy USD 481,778 : Sell GBP 339,734 June 2021	(1)	-
	Buy USD 507,092 : Sell GBP 358,480 June 2021	(1)	-
		(3)	-
	Investment assets including investment liabilities	728,198	98.90
	Other net assets	8,099	1.10
	Total net assets	736,297	100.00

¹ Not listed on an official stock exchange

² Due to rounding to nearest £1,000

Portfolio statement (continued)

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

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

Statement of total return for the year ended 31 May 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains	2		177,855		106,641
Revenue	3	13,442		23,872	
Expenses	4	(9,070)		(12,456)	
Interest payable and similar charges	5	(2)		-	
Net revenue before taxation		4,370		11,416	
Taxation	6	117		(910)	
Net revenue after taxation			<u>4,487</u>		<u>10,506</u>
Total return before distributions			182,342		117,147
Distributions	7		(4,892)		(10,509)
Change in net assets attributable to shareholders from investment activities			<u>177,450</u>		<u>106,638</u>

Statement of change in net assets attributable to shareholders for the year ended 31 May 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		857,975		1,199,496
Amounts receivable on issue of shares	150,437		237,686	
Amounts payable on cancellation of shares	<u>(454,078)</u>		<u>(696,063)</u>	
		(303,641)		(458,377)
Dilution adjustment		674		881
Change in net assets attributable to shareholders from investment activities		177,450		106,638
Retained distributions on accumulation shares		3,837		9,337
Unclaimed distributions		2		-
Closing net assets attributable to shareholders		<u>736,297</u>		<u>857,975</u>

Balance sheet as at 31 May 2021

	Note	2021 £000	2020 £000
Assets:			
Investments		728,201	852,855
Current assets:			
Debtors	8	1,342	27,907
Cash and bank balances	9	9,414	62,864
Total assets		738,957	943,626
Liabilities:			
Investment liabilities		3	295
Creditors:			
Bank overdrafts		-	614
Other creditors	10	2,657	84,742
Total liabilities		2,660	85,651
Net assets attributable to shareholders		736,297	857,975

Notes to the financial statements for the year ended 31 May 2021

1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the funds' aggregated notes to the financial statements.

2 Net capital gains

Net capital gains on investments during the year comprise:

	2021	2020
	£000	£000
Forward currency contracts	(1,416)	(677)
Non-derivative securities	178,007	106,525
Other currency gains	1,273	811
Transaction costs	(9)	(18)
Net capital gains	177,855	106,641

3 Revenue

	2021	2020
	£000	£000
Bank interest	-	186
Overseas dividends	13,437	23,362
Stock lending revenue	5	324
Total revenue	13,442	23,872

4 Expenses

	2021	2020
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	7,997	11,334
GAC*	852	835
	<u>8,849</u>	<u>12,169</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	50	56
Safe custody fees	161	223
	<u>211</u>	<u>279</u>
Other expenses:		
Dividend collection charges	2	8
Professional fees	8	-
	<u>10</u>	<u>8</u>
Total expenses	9,070	12,456

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £8,861 (2020: £7,912).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2021 £000	2020 £000
Interest payable	2	-
Total interest payable and similar charges	2	-

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2021 £000	2020 £000
Current tax		
Adjustment in respect of corporation tax ¹	(730)	-
Overseas withholding tax	613	910
Total tax (note 6b)	(117)	910

¹ The adjustment in respect of corporation tax relates to the fund's successful claim with HM Revenue & Customs ('HMRC') (on the basis of the principles set out in the Franked Investment Income Group Litigation Order (FII GLO)) for corporation tax unduly paid in respect of periods prior to 1 July 2009.

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICS of 20% (2020: 20%). The differences are explained below:

	2021 £000	2020 £000
Net revenue before taxation	4,370	11,416
Corporation tax at 20% (2020: 20%)	874	2,283
Effects of:		
Adjustment in respect of corporation tax ¹	(730)	-
Overseas withholding tax	613	910
Overseas dividends	(2,621)	(4,283)
Unused management expenses	1,747	2,000
Tax charge for the year (note 6a)	(117)	910

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

¹ The adjustment in respect of corporation tax relates to the fund's successful claim with HM Revenue & Customs ('HMRC') (on the basis of the principles set out in FII GLO) for corporation tax unduly paid in respect of periods prior to 1 July 2009.

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2020: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £20,798,417 (2020: £19,051,189) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

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

	2021	2020
	£000	£000
Interim accumulation	3,367	6,367
Final accumulation	470	2,970
	<u>3,837</u>	<u>9,337</u>
Amounts deducted on cancellation of shares	1,464	1,703
Amounts received on issue of shares	(409)	(531)
Total distributions	<u>4,892</u>	<u>10,509</u>
Net revenue after taxation	4,487	10,506
Equalisation on conversions	3	3
Revenue shortfall	402	-
Total distributions	<u>4,892</u>	<u>10,509</u>

Details of the distribution per share are set out in the Distribution tables on page 41.

8 Debtors

	2021	2020
	£000	£000
Accrued revenue	1,197	1,772
Amounts receivable for issue of shares	140	221
Currency transactions awaiting settlement	-	11,195
Overseas withholding tax reclaimable	5	-
Sales awaiting settlement	-	14,719
Total debtors	<u>1,342</u>	<u>27,907</u>

9 Cash and bank balances

	2021	2020
	£000	£000
Cash and bank balances	9,414	62,864
Total cash and bank balances	<u>9,414</u>	<u>62,864</u>

10 Other creditors

	2021	2020
	£000	£000
Accrued annual management charge	1,212	783
Accrued Depositary's fee	9	5
Accrued other expenses	163	111
Amounts payable for cancellation of shares	1,273	72,649
Currency transactions awaiting settlement	-	11,194
Total other creditors	<u>2,657</u>	<u>84,742</u>

Notes to the financial statements (continued)

11 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the current or prior year end.

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 31 and 32 and notes 4, 7, 8 and 10 on pages 33 to 35 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2020: nil).

13 Shareholders' funds

The fund currently has 4 share classes available: Class A (Retail), Class E (Retail), Class I (Institutional) and Class I USD (Institutional). The annual management charge on each share class is as follows:

	2021	2020
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class I	0.75	0.75
Class I USD	1.00	1.00

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 22 to 24. The distribution per share class is given in the Distribution tables on page 41. All share classes have the same rights on winding up.

Shares reconciliation as at 31 May 2021

	Class A accumulation	Class E accumulation	Class I accumulation	Class I USD accumulation
Opening number of shares	6,898,289	1,815,869	152,816,188	25,473,522
Issues during the year	372,799	42,724	4,838,894	6,785,485
Cancellations during the year	(822,913)	(105,826)	(24,414,311)	(20,165,441)
Shares converted during the year	(170,671)	132,013	258,334	-
Closing shares in issue	6,277,504	1,884,780	133,499,105	12,093,566

14 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

Eligible collateral types are approved by the Investment Manager and are agreed with the relevant counterparty.

There was no collateral pledged or collateral held in respect of forward foreign exchange contracts as at 31 May 2021 (2020: nil). The fund had cash assets of nil (2020: nil) and cash liabilities of nil (2020: nil) held in margin accounts at derivative clearing houses and brokers at 31 May 2021.

2021

The fund had no exposure to derivatives as at 31 May 2021 with a positive marked-to-market fair value.

2020

The fund had no exposure to derivatives as at 31 May 2020 with a positive marked-to-market fair value.

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2021

At 31 May 2021 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	913
	913

2020

At 31 May 2020 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	50,831
	50,831

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

Stock lending revenue is disclosed under 'Revenue' in the Statement of total return.

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.

2021

The fund had no stock on loan as at 31 May 2021.

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas ¹	Stock lending agent	6	1	5

¹ Until 9 March 2021 BNP Paribas was the securities lending agent.

2020

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Citigroup	144	161	Equity
JPMorgan	1,063	1,181	Equity
	1,207	1,342	

Notes to the financial statements (continued)

15 Stock lending (continued)

2020 (continued)

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	381	57	324

16 Risk

Currency risk

The exposure to currency risk is considered significant. The following table details the net exposure of the principal foreign currencies the fund is exposed to including any instruments used to hedge foreign currencies:

2021	Investment assets including (investment liabilities) £000	Other net assets/(liabilities) £000	Total net assets/(liabilities) £000
Currency			
Chinese yuan	146,467	188	146,655
Hong Kong dollar	441,742	1,288	443,030
UK sterling	(707)	7,296	6,589
US dollar	140,696	(673)	140,023
Total	728,198	8,099	736,297

2020	Investment assets including (investment liabilities) £000	Other net assets/(liabilities) £000	Total net assets/(liabilities) £000
Currency			
Chinese yuan	158,968	135	159,103
Hong Kong dollar	522,092	2,763	524,855
UK sterling	(51,127)	69,545	18,418
US dollar	222,627	(67,028)	155,599
Total	852,560	5,415	857,975

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £729,707,666 (2020: £839,577,050). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 May 2021 and the net assets as at 31 May 2021 by £72,970,767 (2020: £83,955,705).

Interest rate risk

The fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Other market price risk

An increase or decrease in market values will have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

Leverage

The fund has not employed significant leverage in the current or prior year.

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities showing the remaining contractual maturities on an undiscounted basis:

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2021				
Derivative financial liabilities	-	3	-	-
Other creditors	-	2,657	-	-
Total	-	2,660	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Bank overdrafts	614	-	-	-
Derivative financial liabilities	-	295	-	-
Other creditors	-	84,742	-	-
Total	614	85,037	-	-

17 Fair value disclosure

Fair value measurement

The intention of a fair value measurement is to estimate the price at which an asset or a liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS 102 the fund classifies fair value measurement under the following levels:

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 either 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.

Fair value hierarchy

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	728,201	-	852,855	-
Level 2	-	3	-	295
Level 3	-	-	-	-
	728,201	3	852,855	295

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2021 £000	2020 £000	2021 £000	2020 £000
Trades in the year				
Equities	313,820	781,247	617,842	1,223,640
Trades in the year before transaction costs	313,820	781,247	617,842	1,223,640
Transaction costs				
Commissions				
Equities	221	531	341	685
Total commissions	221	531	341	685
Taxes				
Equities	154	458	512	933
Total taxes	154	458	512	933
Other expenses				
Equities	24	75	73	114
Total other expenses	24	75	73	114
Total transaction costs	399	1,064	926	1,732
Total net trades in the year after transaction costs	314,219	782,311	616,916	1,221,908

	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.07	0.07	0.06	0.06
Taxes				
Equities	0.05	0.06	0.08	0.08
Other expenses				
Equities	0.01	0.01	0.01	0.01
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.07	0.10		
Taxes	0.08	0.12		
Other expenses	0.01	0.02		
Total costs	0.16	0.24		

There were no in specie transfers during the year (2020: nil). There were no corporate actions during the year (2020: nil).

There were no direct transaction costs associated with derivatives in the year (2020: nil).

Direct transaction costs are fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the fund. These exclude any differences between quoted bid and offer prices or internal administrative or holding costs.

The portfolio dealing spread as at 28 May 2021 was 0.15% (2020: 0.15%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

As at 23 August 2021, the Net Asset Value of the fund is £594,966,060 which is a drop of 19.2% from the balance sheet date. The fall in NAV is due to the fall in value of the underlying investments and net outflows from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 31 May 2021 (in pence per share)

Interim dividend distribution (accounting date 30 November 2020, paid on 29 January 2021)

Group 1: shares purchased prior to 1 June 2020

Group 2: shares purchased on or after 1 June 2020

	Distribution per share	Equalisation	Total distribution per share 29/01/21	Total distribution per share 31/01/20
Class A accumulation				
Group 1	2.0388	-	2.0388	3.1835
Group 2	-	2.0388	2.0388	3.1835
Class E accumulation				
Group 1	6.3746	-	6.3746	6.3113
Group 2	-	6.3746	6.3746	6.3113
Class I accumulation				
Group 1	1.4003	-	1.4003	1.3452
Group 2	-	1.4003	1.4003	1.3452
Class I USD accumulation¹				
Group 1	11.1210	-	11.1210	10.7856
Group 2	-	11.1210	11.1210	10.7856

¹ in USD cents per share

Final dividend distribution (accounting date 31 May 2021, paid on 30 July 2021)

Group 1: shares purchased prior to 1 December 2020

Group 2: shares purchased on or after 1 December 2020

	Distribution per share	Equalisation	Total distribution per share 30/07/21	Total distribution per share 31/07/20
Class A accumulation				
Group 1	-	-	-	0.3156
Group 2	-	-	-	0.3156
Class E accumulation				
Group 1	-	-	-	4.0751
Group 2	-	-	-	4.0751
Class I accumulation				
Group 1	0.3521	-	0.3521	0.9716
Group 2	0.2668	0.0853	0.3521	0.9716
Class I USD accumulation¹				
Group 1	-	-	-	6.7451
Group 2	-	-	-	6.7451

¹ in USD cents per share

Janus Henderson Emerging Markets Opportunities Fund

Authorised Corporate Director's report

Investment Fund Manager

Daniel J. Graña

Investment objective and policy

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

Performance target: To outperform the MSCI Emerging Markets Index by 2% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in a concentrated portfolio of shares (also known as equities) of companies, of any size, in any industry, in emerging markets. Companies will have their registered office in or do most of their business (directly or through subsidiaries) in emerging markets. 'Emerging markets' are countries in the MSCI Emerging Markets Index, those included in the World Bank definition of developing (low and lower middle income) economies, or which are, in the Investment Manager's opinion, developing.

The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings.

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

Performance summary

Cumulative performance	One year	Three years	Five years	Since inception
	31 May 20 - 31 May 21 %	31 May 18 - 31 May 21 %	31 May 16 - 31 May 21 %	27 Feb 87 - 31 May 21 %
Class I accumulation (Net)	36.7	22.5	69.7	1,011.4
MSCI Emerging Markets Index	31.8	24.8	99.7	-*
IA Global Emerging Markets Sector	34.1	23.3	88.3	-*
Class I accumulation (Gross)	38.0	25.9	77.6	1,412.8
MSCI Emerging Markets Index + 2%	34.4	32.4	120.5	-*

Performance/performance target related data will display only when relevant to the fund/share class inception date and the annualised target time period.

Discrete performance	31 May 20 -	31 May 19 -	31 May 18 -	31 May 17 -	31 May 16 -
	31 May 21 %	31 May 20 %	31 May 19 %	31 May 18 %	31 May 17 %
Class I accumulation (Net)	36.7	(9.0)	(1.5)	1.5	36.6
MSCI Emerging Markets Index	31.8	(2.2)	(3.2)	11.0	44.2
IA Global Emerging Markets Sector	34.1	(5.4)	(2.8)	7.5	42.1
Class I accumulation (Gross)	38.0	(8.2)	(0.6)	2.4	37.8
MSCI Emerging Markets Index + 2%	34.4	(0.2)	(1.3)	13.2	47.1

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

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

Source: Morningstar

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

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark values are as at close of business.

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

Benchmark usage:

Index: MSCI Emerging Markets Index

Index usage: Target

Index description: The MSCI Emerging Markets Index is a measure of the combined performance of large and medium sized companies from emerging stock markets. It forms the basis of the fund's performance target.

Peer group: IA Global Emerging Markets Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 May 2021

Largest purchases	£000	Largest sales	£000
Meituan 'B'	3,669	Alibaba	6,551
Li Auto	2,752	Ping An Insurance	5,477
Itau Unibanco	2,653	Tencent	4,052
Alibaba	2,155	Chailease	3,940
Yum China (Hong Kong Listing)	2,132	China Longyuan Power	3,508
Taiwan Semiconductor Manufacturing	2,123	SK Hynix	3,487
Wingtech Technology	2,080	Hong Kong Exchanges & Clearing	3,227
B2W Cia Digital	2,040	Kingdee International Software	2,968
Yum China (US Listing)	1,960	Voltronic Power Technology	2,841
Naspers 'N'	1,959	HDFC Bank	2,455
Total purchases	102,448	Total sales	106,074

Investment review

The fund returned 36.7% (Net), 38.0% (Gross) based on Class I accumulation over the year under review, compared with a return of 31.8% in the MSCI Emerging Markets Index, a return of 34.4% in the Target Index + 2% and a return of 34.1% in the IA Global Emerging Markets Sector peer group benchmark.

Emerging market equities delivered solid returns over the reporting year – despite uncertainty about COVID-19 – and outpaced broader global stocks. Emerging Asia generally led emerging markets, as these countries appeared to be further along in addressing the pandemic. Markets in Latin America lagged, as policy uncertainty and virus concerns weighed on performance. On a sector basis, the benchmark was driven higher by information technology companies, as many of these were perceived as pivotal to helping businesses and households navigate the COVID-19 landscape. Real estate stocks lagged, due in part to the weak performance of the Chinese property sector.

Stock selection fuelled relative performance, aided by an investment process that views emerging market equities through multiple lenses. We remain committed to identifying well-managed, innovative companies with strong corporate governance that operate in countries with favourable macro and policy environments. We continue to follow several powerful themes we believe will provide growth opportunities over the next 5-10 years. These included China's shift towards decarbonisation. Chinese President Xi Jinping has set a target of peak emissions in 2030 and carbon neutrality by 2060. Meeting these ambitious goals will require aggressive investment in renewable energy and electric vehicles, and expectations around this migration have benefited a range of companies that operate in this ecosystem. We positioned the fund for this shift with investments in China Longyuan Power, the leading wind farm operator in China, and Ivanhoe Mines, a major global producer of the copper needed for electric vehicles and solar power arrays. Both stocks were notable contributors to relative performance. Following a period of strong stock performance, we exited the position in China Longyuan Power. We remained invested in Ivanhoe Mines, which has been ramping up production just in time to capitalise on a cyclical resurgence in the global economy. Supply constraints also led to a positive pricing environment for copper.

We continue to closely monitor other policy trends in China, including the government's increased regulation of large technology companies and a shift to a less accommodative approach towards the property sector. In recent years, as trade pressures and the pandemic depressed global trade, Chinese authorities leaned heavily on real estate and infrastructure as important levers of power. This led to accommodative monetary policy and incentives for the property sector through most of 2020. As the global export market started to improve in late 2020, authorities signalled that they might ease up on these levers, raising the likelihood of incrementally tighter monetary policy in 2021. These signals led to a decline in stocks with ties to China's property market, including real estate developer Shimao Property, which was a prominent detractor over the year.

Ping An Insurance was another detractor. While the company's life insurance business was heavily impacted by COVID-19, a worrisome development on the corporate governance front also weighed on the stock. Ping An Insurance has historically maintained a reputation for one of the strongest corporate governance structures in the Chinese financial market. In early 2021, however, the company announced the acquisition of a troubled asset. This move, apparently at the behest of the Chinese government, raised our concerns about the company's independence and governance. As a result, the company fell out of the intersection of strong company, strong governance and strong macro backdrop that we seek with the fund's investments, and we liquidated the position.

We continue to view our investments through multiple lenses that include the macro and policy landscape as well as company fundamentals. On the macro side, we see reasons for optimism with the availability of COVID-19 vaccines and other therapeutics that may help address the pandemic and lead to a broadening of emerging market opportunities. At the same time, we continue to see divergence in how individual countries are dealing with the virus. Countries that succeed in combating the pandemic may return more quickly to normal levels of economic activity, while those that are slow to roll out vaccines or contain outbreaks may face longer-term health, economic and fiscal repercussions. This could create significant challenges for countries such as Brazil and India, which were already on fragile economic trajectories. We also have been concerned by some warning signs that Brazil and other Latin American countries may be moving away from a commitment to pro-market reforms and fiscal discipline, and we will continue to closely monitor policy developments there.

Given our concerns about the macro outlook, we continue to look to countries in North Asia, particularly China, Taiwan and South Korea, which have made more progress in addressing the pandemic. At the same time, we remain focused on investing in companies in those markets that combine strong market positioning, disciplined corporate governance and experienced management teams. Above all, we remain committed to seeking a combination of good companies, good governance and good countries – a strategy we believe should lead to favourable investment outcomes over the longer term.

Comparative tables for the year ended 31 May 2021

	Class A accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	179.57	199.78	202.50
Return before operating charges*	70.29	(16.77)	0.70
Operating charges	(4.07)	(3.44)	(3.42)
Return after operating charges*	66.22	(20.21)	(2.72)
Distributions on accumulation shares	(0.06)	(0.55)	(1.48)
Retained distributions on accumulation shares	0.06	0.55	1.48
Closing net asset value per share	245.79	179.57	199.78
* after direct transaction costs of:	0.54	0.20	-
Performance			
Return after charges	36.88%	(10.12%)	(1.34%)
Other information			
Closing net asset value (£000s)	42,457	35,851	62,541
Closing number of shares	17,273,835	19,965,358	31,304,317
Operating charges	1.79%	1.77%	1.75%
Direct transaction costs	0.24%	0.10%	0.00%
Prices			
Highest share price (pence)	268.20	213.50	209.10
Lowest share price (pence)	182.60	156.60	180.80
	Class C accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	571.10	627.78	629.12
Return before operating charges*	224.04	(52.70)	2.02
Operating charges	(4.60)	(3.98)	(3.36)
Return after operating charges*	219.44	(56.68)	(1.34)
Distributions on accumulation shares	(5.42)	-	(11.56)
Retained distributions on accumulation shares	5.42	-	11.56
Closing net asset value per share	790.54	571.10	627.78
* after direct transaction costs of:	1.74	0.66	-
Performance			
Return after charges	38.42%	(9.03%)	(0.21%)
Other information			
Closing net asset value (£000s)	4	3	23,701
Closing number of shares	547	547	3,775,408
Operating charges	0.63%	0.61%	0.62%
Direct transaction costs	0.24%	0.10%	0.00%
Prices			
Highest share price (pence)	859.80	671.80	651.10
Lowest share price (pence)	580.70	496.80	564.00

Comparative tables (continued)

	Class E accumulation	
	2021	24/06/19 - 31/05/20
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	180.41	206.39 ¹
Return before operating charges*	70.75	(23.65)
Operating charges	(2.97)	(2.33)
Return after operating charges*	67.78	(25.98)
Distributions on accumulation shares	(0.59)	(1.29)
Retained distributions on accumulation shares	0.59	1.29
Closing net asset value per share	248.19	180.41
* after direct transaction costs of:	0.55	0.20

Performance

Return after charges	37.57%	(12.59%)
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Other information

Closing net asset value (£000s)	10,975	7,271
Closing number of shares	4,422,156	4,030,127
Operating charges	1.29%	1.28%
Direct transaction costs	0.24%	0.10%

Prices

Highest share price (pence)	270.40	213.50
Lowest share price (pence)	183.40	157.20

¹ Class E accumulation launched on 24 June 2019 and this is the first published price.

	Class I accumulation		
	2021	2020	2019
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	136.25	150.28	151.01
Return before operating charges*	53.46	(12.66)	0.59
Operating charges	(1.57)	(1.37)	(1.32)
Return after operating charges*	51.89	(14.03)	(0.73)
Distributions on accumulation shares	(0.84)	(1.55)	(2.35)
Retained distributions on accumulation shares	0.84	1.55	2.35
Closing net asset value per share	188.14	136.25	150.28
* after direct transaction costs of:	0.41	0.15	-
Performance			
Return after charges	38.08%	(9.34%)	(0.48%)
Other information			
Closing net asset value (£000s)	41,895	37,098	154,204
Closing number of shares	22,267,756	27,228,590	102,612,003
Operating charges	0.91%	0.92%	0.90%
Direct transaction costs	0.24%	0.10%	0.00%
Prices			
Highest share price (pence)	204.70	160.80	156.20
Lowest share price (pence)	138.50	118.60	135.20

Comparative tables (continued)

	Class I income		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	97.74	109.87	113.03
Return before operating charges*	38.23	(9.18)	0.40
Operating charges	(1.09)	(1.03)	(0.98)
Return after operating charges*	37.14	(10.21)	(0.58)
Distributions on income shares	(1.54)	(1.92)	(2.58)
Closing net asset value per share	133.34	97.74	109.87
* after direct transaction costs of:	0.28	0.11	-
Performance			
Return after charges	38.00%	(9.29%)	(0.51%)
Other information			
Closing net asset value (£000s)	454	1,388	68,266
Closing number of shares	340,494	1,419,756	62,133,253
Operating charges	0.91%	0.92%	0.90%
Direct transaction costs	0.24%	0.10%	0.00%
Prices			
Highest share price (pence)	145.70	117.50	116.90
Lowest share price (pence)	99.41	85.73	101.20
	Class Z accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	346.94	379.63	378.45
Return before operating charges*	136.51	(32.28)	1.51
Operating charges	(0.45)	(0.41)	(0.33)
Return after operating charges*	136.06	(32.69)	1.18
Distributions on accumulation shares	(5.78)	(6.91)	(8.91)
Retained distributions on accumulation shares	5.78	6.91	8.91
Closing net asset value per share	483.00	346.94	379.63
* after direct transaction costs of:	1.07	0.38	-
Performance			
Return after charges	39.22%	(8.61%)	0.31%
Other information			
Closing net asset value (£000s)	41,972	17,905	31,813
Closing number of shares	8,689,779	5,160,928	8,379,942
Operating charges	0.10%	0.11%	0.09%
Direct transaction costs	0.24%	0.10%	0.00%
Prices			
Highest share price (pence)	524.40	407.40	392.10
Lowest share price (pence)	352.80	301.60	339.90

Comparative tables (continued)

	Class I USD accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	86.14	94.87	95.35
Return before operating charges*	34.15	(7.86)	0.35
Operating charges	(1.00)	(0.87)	(0.83)
Return after operating charges*	33.15	(8.73)	(0.48)
Distributions on accumulation shares	(0.79)	(2.91)	(1.49)
Retained distributions on accumulation shares	0.79	2.91	1.49
Closing net asset value per share	119.29	86.14	94.87
* after direct transaction costs of:	0.26	0.10	-
Performance			
Return after charges	38.48%	(9.20%)	(0.50%)
Other information			
Closing net asset value (£000s)	1	1	52
Closing number of shares	1,000	1,000	54,925
Operating charges	0.91%	0.92%	0.90%
Direct transaction costs	0.24%	0.10%	0.00%
Prices			
Highest share price (USD cents)	179.80	131.80	128.90
Lowest share price (USD cents)	109.20	86.47	111.60

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2021 %	2020 %
Class A accumulation	1.79	1.77 ¹
Class C accumulation	0.63	0.61 ¹
Class E accumulation²	1.29	1.28 ¹
Class I accumulation	0.91	0.92 ¹
Class I income	0.91	0.92 ¹
Class Z accumulation	0.10	0.11 ¹
Class I USD accumulation	0.91	0.92 ¹

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

¹ The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

² Class E accumulation launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

Risk and reward profile

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

The risk and reward profile for Class A accumulation, Class C accumulation, Class E accumulation, Class I accumulation, Class I income and Class Z accumulation is as follows:



The risk and reward profile for Class I USD accumulation is as follows:



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

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

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

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

All other share classes remain at a 5 rating.

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

* Class I income launched on 11 July 2016 and Class E accumulation launched on 24 June 2019. As these share classes do not have a 5 year history, a sythetic history has been created using the funds' relevant sector average and A accumulation share class, respectively.

Portfolio statement as at 31 May 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 96.29% (2020: 98.08%)		
	Argentina 1.44% (2020: 1.45%)		
	Consumer Discretionary 1.44% (2020: 1.45%)		
2,070	MercadoLibre	1,978	1.44
	Brazil 3.50% (2020: 2.89%)		
	Consumer Discretionary 2.30% (2020: 1.50%)		
109,345	Afya 'A'	1,801	1.31
170,753	B2W Cia Digital	1,367	0.99
		3,168	2.30
	Financials 1.20% (2020: 0.00%)		
413,080	Itau Unibanco	1,653	1.20
	Utilities 0.00% (2020: 1.39%)		
	British Virgin Islands 0.63% (2020: 1.18%)		
	Industrials 0.63% (2020: 1.18%)		
467,000	China Lesso	866	0.63
	Canada 2.40% (2020: 1.81%)		
	Materials 2.40% (2020: 1.81%)		
638,065	Ivanhoe Mines	3,303	2.40
	Cayman Islands 0.50% (2020: 0.00%)		
	Health Care 0.50% (2020: 0.00%)		
65,866	CANbridge Pharmaceuticals ¹	684	0.50
	China 33.23% (2020: 36.41%)		
	Communication Services 8.34% (2020: 10.88%)		
106,150	NetEase	1,807	1.31
172,700	Tencent	9,682	7.03
		11,489	8.34
	Consumer Discretionary 10.90% (2020: 9.33%)		
220,408	Alibaba	4,212	3.06
2,299,000	Fu Shou Yuan International	1,725	1.25
129,666	Li Auto	2,124	1.54
120,400	Meituan 'B'	3,206	2.33
48,199	Yum China	2,256	1.64
1,281,659	Zhejiang Yinlun Machinery	1,486	1.08
		15,009	10.90
	Consumer Staples 0.00% (2020: 1.55%)		
	Energy 0.00% (2020: 0.62%)		
	Financials 0.00% (2020: 3.79%)		

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Health Care 2.91% (2020: 1.23%)		
281,000	Everest Medicines	1,909	1.39
300,000	New Horizon Health	2,102	1.52
		<u>4,011</u>	<u>2.91</u>
	Industrials 2.41% (2020: 3.82%)		
377,500	A-Living Smart City Services	1,280	0.92
340,707	Sany Heavy Industry	1,139	0.83
252,490	Shenzhen Megmeet Electrical	908	0.66
		<u>3,327</u>	<u>2.41</u>
	Information Technology 5.93% (2020: 2.24%)		
486,000	Flat Glass	1,048	0.76
1,072,171	Linklogis	1,847	1.34
130,707	LONGi Green Energy Technology	1,473	1.07
32,165	Tuya	540	0.39
186,748	Wingtech Technology	1,805	1.31
93,137	21Vianet ADR	1,462	1.06
		<u>8,175</u>	<u>5.93</u>
	Materials 1.55% (2020: 0.00%)		
108,683	Yunnan Energy New Material	2,131	1.55
	Real Estate 1.19% (2020: 2.95%)		
1,455,000	Logan	1,646	1.19
	Colombia 0.00% (2020: 0.88%)		
	Energy 0.00% (2020: 0.88%)		
	Egypt 0.00% (2020: 0.96%)		
	Financials 0.00% (2020: 0.96%)		
	Hong Kong 4.92% (2020: 4.10%)		
	Financials 3.23% (2020: 4.10%)		
146,800	AIA	1,320	0.96
223,703	HH&L Acquisition	1,574	1.14
221,340	Provident Acquisition	1,556	1.13
		<u>4,450</u>	<u>3.23</u>
	Health Care 0.76% (2020: 0.00%)		
875,500	Zhaoke Ophthalmology	1,052	0.76
	Industrials 0.93% (2020: 0.00%)		
456,000	Xinyi Glass	1,277	0.93
	India 6.41% (2020: 5.08%)		
	Consumer Discretionary 0.87% (2020: 0.00%)		
46,639	Eicher Motors	1,205	0.87

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Consumer Staples 1.75% (2020: 0.00%)		
246,637	Varun Beverages	2,414	1.75
	Financials 3.11% (2020: 4.20%)		
173,100	Housing Development Finance	4,276	3.11
	Health Care 0.68% (2020: 0.00%)		
165,709	Syngene International	935	0.68
	Industrials 0.00% (2020: 0.88%)		
	Indonesia 0.71% (2020: 0.95%)		
	Financials 0.71% (2020: 0.00%)		
6,837,100	Bank BTPN Syariah	977	0.71
	Industrials 0.00% (2020: 0.95%)		
	Kenya 0.00% (2020: 0.99%)		
	Communication Services 0.00% (2020: 0.99%)		
	Mexico 0.92% (2020: 0.00%)		
	Consumer Staples 0.92% (2020: 0.00%)		
712,846	Becle	1,265	0.92
	Philippines 0.85% (2020: 1.04%)		
	Consumer Discretionary 0.85% (2020: 1.04%)		
4,360,600	Wilcon Depot	1,168	0.85
	Poland 0.91% (2020: 0.00%)		
	Consumer Staples 0.91% (2020: 0.00%)		
22,919	Dino Polska	1,251	0.91
	Russian Federation 3.88% (2020: 4.37%)		
	Communication Services 1.08% (2020: 1.71%)		
31,364	Yandex	1,490	1.08
	Consumer Discretionary 1.21% (2020: 0.00%)		
44,531	Ozon	1,663	1.21
	Consumer Staples 0.00% (2020: 0.75%)		
	Energy 1.59% (2020: 1.91%)		
38,148	Lukoil ADR	2,185	1.59
	Saudi Arabia 0.00% (2020: 1.86%)		
	Consumer Discretionary 0.00% (2020: 0.91%)		
	Industrials 0.00% (2020: 0.95%)		

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Singapore 0.95% (2020: 0.00%)		
	Communication Services 0.95% (2020: 0.00%)		
7,346	SEA	1,308	0.95
	South Africa 3.64% (2020: 2.99%)		
	Consumer Discretionary 3.64% (2020: 2.99%)		
32,090	Naspers 'N'	5,018	3.64
	South Korea 13.00% (2020: 13.79%)		
	Communication Services 3.56% (2020: 3.08%)		
32,424	AfreecaTV	2,018	1.46
12,575	Naver	2,883	2.10
		4,901	3.56
	Industrials 0.00% (2020: 1.79%)		
	Information Technology 6.88% (2020: 7.86%)		
12,269	LEENO Industrial	1,269	0.92
161,485	Samsung Electronics	8,222	5.96
		9,491	6.88
	Materials 2.56% (2020: 1.06%)		
9,683	Hansol Chemical	1,527	1.11
3,864	LG Chem	2,003	1.45
		3,530	2.56
	Taiwan 12.45% (2020: 13.23%)		
	Financials 0.00% (2020: 2.08%)		
	Industrials 0.00% (2020: 1.87%)		
	Information Technology 12.45% (2020: 9.28%)		
288,000	Accton Technology	2,253	1.63
81,000	MediaTek	2,052	1.49
217,000	Sinbon Electronics	1,468	1.07
750,000	Taiwan Semiconductor Manufacturing	11,391	8.26
		17,164	12.45
	United Arab Emirates 1.27% (2020: 1.56%)		
	Information Technology 1.27% (2020: 1.56%)		
438,059	Network International	1,747	1.27
	United Kingdom 1.36% (2020: 0.00%)		
	Materials 1.36% (2020: 0.00%)		
59,682	Anglo American	1,871	1.36
	United States 0.48% (2020: 1.24%)		
	Health Care 0.48% (2020: 1.24%)		
56,033	Notre Dame Intermedica Participacoes	663	0.48

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Vietnam 2.84% (2020: 1.30%)		
	Financials 1.54% (2020: 0.00%)		
1,294,730	Vietnam Technological and Commercial Joint Stock Bank	2,118	1.54
	Real Estate 1.30% (2020: 1.30%)		
572,780	Vinhomes	1,794	1.30
	Investment assets	132,653	96.29
	Other net assets	5,105	3.71
	Total net assets	137,758	100.00

¹ Manually priced security

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

The classification is based on the country of risk and a relevant industry classification standard.

Statement of total return for the year ended 31 May 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		38,375		(11,824)
Revenue	3	1,890		3,742	
Expenses	4	(1,284)		(1,622)	
Interest payable and similar charges	5	-		(4)	
Net revenue before taxation		606		2,116	
Taxation	6	(388)		1,697	
Net revenue after taxation			218		3,813
Total return before distributions			38,593		(8,011)
Distributions	7		(682)		(2,102)
Change in net assets attributable to shareholders from investment activities			37,911		(10,113)

Statement of change in net assets attributable to shareholders for the year ended 31 May 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		99,517		340,577
Amounts receivable on issue of shares	23,700		1,627	
Amounts payable on cancellation of shares	(24,176)		(234,481)	
		(476)		(232,854)
Dilution adjustment		47		807
Change in net assets attributable to shareholders from investment activities		37,911		(10,113)
Retained distributions on accumulation shares		758		1,100
Unclaimed distributions		1		-
Closing net assets attributable to shareholders		137,758		99,517

Balance sheet as at 31 May 2021

	Note	2021 £000	2020 £000
Assets:			
Investments		132,653	97,603
Current assets:			
Debtors	8	1,435	1,067
Cash and bank balances	9	5,271	1,865
Total assets		139,359	100,535
Liabilities:			
Provisions for liabilities	10	265	-
Creditors:			
Bank overdrafts		-	63
Distributions payable		2	10
Other creditors	11	1,334	945
Total liabilities		1,601	1,018
Net assets attributable to shareholders		137,758	99,517

1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the funds' aggregated notes to the financial statements.

2 Net capital gains/(losses)

Net capital gains/(losses) on investments during the year comprise:

	2021	2020
	£000	£000
Forward currency contracts	(4)	85
Non-derivative securities	38,640	(11,177)
Other currency losses	(247)	(661)
Transaction costs	(14)	(71)
Net capital gains/(losses)	38,375	(11,824)

3 Revenue

	2021	2020
	£000	£000
Bank interest	-	30
Interest on debt securities	18	-
Overseas dividends*	1,836	3,600
Stock dividends	8	-
Stock lending revenue	8	11
UK dividends	20	101
Total revenue	1,890	3,742

* includes distributions from overseas funds

4 Expenses

	2021	2020
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,045	1,377
GAC*	160	163
	<u>1,205</u>	<u>1,540</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	11	4
Safe custody fees	55	70
	<u>66</u>	<u>74</u>
Other expenses:		
Dividend collection charges	4	1
Professional fees	9	7
	<u>13</u>	<u>8</u>
Total expenses	1,284	1,622

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £11,556 (2020: £10,317).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2021 £000	2020 £000
Interest payable	-	4
Total interest payable and similar charges	-	4

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2021 £000	2020 £000
Current tax		
Capital gains tax	280	(1,886)
Overseas withholding tax	108	189
Total tax (note 6b)	388	(1,697)

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICS of 20% (2020: 20%). The differences are explained below:

	2021 £000	2020 £000
Net revenue before taxation	606	2,116
Corporation tax at 20% (2020: 20%)	121	424
Effects of:		
Capital gains tax*	280	(1,886)
Double tax relief	(7)	(7)
Overseas withholding tax	108	189
Overseas dividends	(335)	(666)
UK dividends**	(4)	(20)
Unused management expenses	225	269
Tax charge for the year (note 6a)	388	(1,697)

* Non-resident investors will pay capital gains tax on capital gains on Indian securities. At 31 May 2021 the fund has increased its capital gains tax accrual by £280,567 (2020: decrease of £1,886,064) for potential Indian capital gains tax exposure.

** As an OEIC this item is not subject to corporation tax.

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2020: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £6,250,366 (2020: £6,025,307) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

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

	2021	2020
	£000	£000
Interim income	6	46
Interim accumulation	546	815
Final income	2	10
Final accumulation	212	285
	<u>766</u>	<u>1,156</u>
Amounts deducted on cancellation of shares	55	954
Amounts received on issue of shares	(139)	(8)
Total distributions	<u>682</u>	<u>2,102</u>
Net revenue after taxation	218	3,813
Annual management charge borne by the capital account	7	138
Capital gains tax	280	(1,886)
Equalisation on conversions	1	-
Revenue shortfall	184	37
Stock dividends	(8)	-
Total distributions	<u>682</u>	<u>2,102</u>

Details of the distribution per share are set out in the Distribution tables on pages 68 to 69.

8 Debtors

	2021	2020
	£000	£000
Accrued revenue	115	197
Amounts receivable for issue of shares	26	27
Capital gains tax reclaimable	177	193
Currency transactions awaiting settlement	419	247
Merger debtor	-	5
Overseas withholding tax reclaimable	18	178
Sales awaiting settlement	680	220
Total debtors	<u>1,435</u>	<u>1,067</u>

9 Cash and bank balances

	2021	2020
	£000	£000
Cash and bank balances	5,271	1,865
Total cash and bank balances	<u>5,271</u>	<u>1,865</u>

Notes to the financial statements (continued)

10 Provisions for liabilities

	2021	2020
	£000	£000
Capital gains tax	265	-
Total provisions for liabilities	265	-

11 Other creditors

	2021	2020
	£000	£000
Accrued annual management charge	179	76
Accrued Depositary's fee	2	1
Accrued other expenses	44	25
Amounts payable for cancellation of shares	202	442
Currency transactions awaiting settlement	417	247
Purchases awaiting settlement	490	154
Total other creditors	1,334	945

12 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments, including outstanding commitments in relation to private placement investments at the current or prior year end.

13 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 56 and 57 and notes 4, 7, 8 and 11 on pages 58 to 61 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2020: nil).

14 Shareholders' funds

The fund currently has 6 share classes available: Class A (Retail), Class C (Retail), Class E (Retail), Class I (Institutional), Class Z (Institutional), Class I USD (Institutional). The annual management charge on each share class is as follows:

	2021	2020
	%	%
Class A	1.50	1.50
Class C	0.50	0.50
Class E	1.00	1.00
Class I	0.75	0.75
Class Z ¹	0.00	0.00
Class I USD	0.75	0.75

¹ Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 45 to 48. The distribution per share class is given in the Distribution tables on pages 68 to 69. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

14 Shareholders' funds (continued)

Shares reconciliation as at 31 May 2021

	Class A accumulation	Class C accumulation	Class E accumulation	Class I accumulation
Opening number of shares	19,965,358	547	4,030,127	27,228,590
Issues during the year	1,093,276	-	141,591	370,325
Cancellations during the year	(3,237,258)	-	(264,367)	(5,370,198)
Shares converted during the year	(547,541)	-	514,805	39,039
Closing shares in issue	17,273,835	547	4,422,156	22,267,756

	Class I income	Class Z accumulation	Class I USD accumulation
Opening number of shares	1,419,756	5,160,928	1,000
Issues during the year	19,855	4,869,386	-
Cancellations during the year	(1,099,117)	(1,340,535)	-
Shares converted during the year	-	-	-
Closing shares in issue	340,494	8,689,779	1,000

15 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

Eligible collateral types are approved by the Investment Manager and are agreed with the relevant counterparty.

The counterparty exposure has been calculated using the positive marked-to-market value of the derivative contract with that counterparty.

There was no collateral pledged or collateral held in respect of derivatives as at 31 May 2021 (2020: nil).

2021

The fund had no exposure to derivatives as at 31 May 2021 with a positive market value.

2020

The fund had no exposure to derivatives as at 31 May 2020 with a positive market value.

16 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

Stock lending revenue is disclosed under 'Revenue' in the Statement of total return.

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.

Notes to the financial statements (continued)

16 Stock lending (continued)

2021 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of America	502	527	Government Bond
UBS	1,731	1,877	Government Bond
	2,233	2,404	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas ¹	Stock lending agent	9	1	8

¹ Until 9 March 2021 BNP Paribas was the securities lending agent.

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Citigroup	277	308	Equity
JPMorgan	181	202	Equity
	458	510	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	13	2	11

Notes to the financial statements (continued)

17 Risk

Currency risk

The exposure to currency risk is considered significant. The following table details the net exposure of the principal foreign currencies the fund is exposed to including any instruments used to hedge foreign currencies:

	Investment assets £000	Other net assets/(liabilities) £000	Total net assets £000
2021			
Currency			
Brazilian real	2,030	2	2,032
Canadian dollar	3,303	-	3,303
Chinese yuan	8,942	-	8,942
Euro	-	18	18
Hong Kong dollar	37,235	65	37,300
Indian rupee	8,830	(49)	8,781
Indonesian rupiah	977	-	977
Korean won	17,921	-	17,921
Mexican nuevo peso	1,265	-	1,265
Philippine peso	1,168	-	1,168
Polish zloty	1,251	-	1,251
South african rand	5,018	-	5,018
Taiwan dollar	17,164	-	17,164
UK sterling	3,618	5,059	8,677
US dollar	20,019	8	20,027
Vietnamese dong	3,912	2	3,914
Total	132,653	5,105	137,758
2020			
Currency			
Brazilian real	2,615	39	2,654
Canadian dollar	1,799	(93)	1,706
Chinese yuan	4,072	-	4,072
Czech koruna	-	102	102
Euro	-	18	18
Hong Kong dollar	26,956	155	27,111
Indian rupee	5,060	193	5,253
Indonesian rupiah	943	-	943
Kenyan shilling	990	-	990
Korean won	13,723	-	13,723
Philippine peso	1,034	-	1,034
Polish zloty	-	23	23
Saudi riyal	1,852	-	1,852
South african rand	2,971	-	2,971
Taiwan dollar	13,163	78	13,241
UK sterling	1,552	1,078	2,630
US dollar	19,578	62	19,640
Vietnamese dong	1,295	259	1,554
Total	97,603	1,914	99,517

Notes to the financial statements (continued)

17 Risk (continued)

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £129,081,100 (2020: £96,887,171). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 May 2021 and the net assets as at 31 May 2021 by £12,908,110 (2020: £9,688,717).

Interest rate risk

The fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Other market price risk

An increase or decrease in market values will have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities showing the remaining contractual maturities on an undiscounted basis:

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2021				
Distribution payable	-	2	-	-
Other creditors	-	1,334	-	-
Provisions for liabilities	-	265	-	-
Total	-	1,601	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Bank overdrafts	63	-	-	-
Distribution payable	-	10	-	-
Other creditors	-	945	-	-
Total	63	955	-	-

18 Fair value disclosure

Fair value measurement

The intention of a fair value measurement is to estimate the price at which an asset or a liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS 102 the fund classifies fair value measurement under the following levels:

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 either 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)

18 Fair value disclosure (continued)

Fair value hierarchy

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	131,969	-	97,603	-
Level 2	-	-	-	-
Level 3	684	-	-	-
	<u>132,653</u>	<u>-</u>	<u>97,603</u>	<u>-</u>

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit some other method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. The FVPC of the Investment Manager is responsible for determining or approving unquoted prices. Where deemed necessary, the FVPC will seek ratification of decisions from the Janus Henderson Investment Performance and Risk Committee. The FVPC meets on a monthly basis and consists of representatives from various parts of the Investment Manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The asset included within level 3 is the CANbridge Pharmaceuticals holding which was purchased via private placement. Investment in CANbridge Pharmaceuticals KYD includes private placement of equity securities and Management determine the fair value based on the price of recent transactions, which is the initial investment made on 27 April 2021. This valuation was reviewed as of the Balance sheet date by the fund's valuation committee who report to the Board of Directors. The committee considers that there have been no events since the initial purchase on 27 April that have had a material effect on the fair value of the asset. Therefore the initial investment transaction remains the best estimate of its fair value as of the Balance sheet date.

19 Direct transaction costs

	Purchases		Sales	
	2021 £000	2020 £000	2021 £000	2020 £000
Trades in the year				
Equities	102,298	172,832	106,279	391,435
Trades in the year before transaction costs	<u>102,298</u>	<u>172,832</u>	<u>106,279</u>	<u>391,435</u>
Transaction costs				
Commissions				
Equities	91	126	74	309
Total commissions	<u>91</u>	<u>126</u>	<u>74</u>	<u>309</u>
Taxes				
Equities	53	68	111	293
Total taxes	<u>53</u>	<u>68</u>	<u>111</u>	<u>293</u>
Other expenses				
Equities	6	17	20	156
Total other expenses	<u>6</u>	<u>17</u>	<u>20</u>	<u>156</u>
Total transaction costs	<u>150</u>	<u>211</u>	<u>205</u>	<u>758</u>
Total net trades in the year after transaction costs	<u>102,448</u>	<u>173,043</u>	<u>106,074</u>	<u>390,677</u>

	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.09	0.07	0.07	0.08
Taxes				
Equities	0.05	0.04	0.10	0.07
Other expenses				
Equities	0.01	0.01	0.02	0.04

Notes to the financial statements (continued)

19 Direct transaction costs (continued)

	2021	2020
	%	%
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.13	0.27
Taxes	0.13	0.22
Other expenses	0.02	0.11
Total costs	0.28	0.60

There were no in specie transfers during the year (2020: nil). There were corporate actions during the year of £22,076 (2020: £144,690).

There were no direct transaction costs associated with derivatives in the year of (2020: nil).

Direct transaction costs are fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the fund. These exclude any differences between quoted bid and offer prices or internal administrative or holding costs.

The portfolio dealing spread as at 28 May 2021 was 0.19% (2020: 0.31%). The portfolio dealing spread is calculated at a 12 noon valuation point.

20 Events after the Balance sheet date

There were no material post Balance sheet events which require disclosure within these financial statements.

Distribution tables for the year ended 31 May 2021 (in pence per share)

Interim dividend distribution (accounting date 30 November 2020, paid on 29 January 2021)

Group 1: shares purchased prior to 1 June 2020

Group 2: shares purchased on or after 1 June 2020

	Distribution per share	Equalisation	Total distribution per share 29/01/21	Total distribution per share 31/01/20
Class A accumulation				
Group 1	0.0603	-	0.0603	0.5477
Group 2	-	0.0603	0.0603	0.5477
Class C accumulation				
Group 1	3.9779	-	3.9779	-
Group 2	3.9779	-	3.9779	-
Class E accumulation				
Group 1	0.5941	-	0.5941	0.9834
Group 2	-	0.5941	0.5941	0.9834
Class I accumulation				
Group 1	0.7501	-	0.7501	1.0612
Group 2	0.1959	0.5542	0.7501	1.0612
Class I income				
Group 1	0.9687	-	0.9687	1.1863
Group 2	0.3125	0.6562	0.9687	1.1863
Class Z accumulation				
Group 1	3.5800	-	3.5800	4.2149
Group 2	0.7722	2.8078	3.5800	4.2149
Class I USD accumulation¹				
Group 1	0.7769	-	0.7769	0.8657
Group 2	0.7769	-	0.7769	0.8657

¹ in USD cents per share.

Distribution tables (continued)

Final dividend distribution (accounting date 31 May 2021, paid on 30 July 2021)

Group 1: shares purchased prior to 1 December 2020

Group 2: shares purchased on or after 1 December 2020

	Distribution per share	Equalisation	Total distribution per share 30/07/21	Total distribution per share 31/07/20
Class A accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class C accumulation				
Group 1	1.4375	-	1.4375	-
Group 2	1.4375	-	1.4375	-
Class E accumulation				
Group 1	-	-	-	0.3097
Group 2	-	-	-	0.3097
Class I accumulation				
Group 1	0.0940	-	0.0940	0.4873
Group 2	0.0238	0.0702	0.0940	0.4873
Class I income				
Group 1	0.5678	-	0.5678	0.7382
Group 2	0.2918	0.2760	0.5678	0.7382
Class Z accumulation				
Group 1	2.2034	-	2.2034	2.6994
Group 2	2.1971	0.0063	2.2034	2.6994
Class I USD accumulation¹				
Group 1	0.2970	-	0.2970	2.7662
Group 2	0.2970	-	0.2970	2.7662

¹ in USD cents per share.

Janus Henderson European Focus Fund

Authorised Corporate Director's report

Investment Fund Managers

John Bennett and Tom O'Hara

Investment objective and policy

The fund aims to provide a return, from a combination of capital growth and income over the long term (5 years or more).

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

The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings.

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

Performance summary

Cumulative performance	One year	Three years	Five years	Since inception
	31 May 20 - 31 May 21	31 May 18 - 31 May 21	31 May 16 - 31 May 21	31 Jan 01 - 31 May 21
	%	%	%	%
Class I accumulation (Net)	29.0	36.5	83.8	318.5
FTSE World Europe (Ex UK) Index	26.6	31.3	79.9	236.2
IA Europe (Ex UK) Sector	27.7	27.1	73.6	226.6

Discrete performance	31 May 20 -	31 May 19 -	31 May 18 -	31 May 17 -	31 May 16 -
	31 May 21	31 May 20	31 May 19	31 May 18	31 May 17
	%	%	%	%	%
Class I accumulation (Net)	29.0	7.2	(1.3)	0.1	34.6
FTSE World Europe (Ex UK) Index	26.6	1.9	1.8	0.9	35.7
IA Europe (Ex UK) Sector	27.7	2.9	(3.3)	2.6	33.1

Source: Morningstar

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

Benchmark values are as at close of business.

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

Benchmark usage:

Index: FTSE World Europe (Ex UK) Index

Index usage: Comparator

Index description: The FTSE World Europe (Ex UK) Index is a measure of the combined performance of large and medium sized companies from developed and advanced emerging European stock markets excluding the UK. It provides a useful comparison against which the fund's performance can be assessed over time.

Peer group: IA Europe (Ex UK) Sector

Peer group usage: Comparator

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

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

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 31 May 2021

Largest purchases	£000	Largest sales	£000
BNP Paribas	10,936	Novartis	13,035
Banco Santander	10,530	Holcim	9,807
Nordea Bank	10,016	Infineon Technologies	8,861
KBC	9,513	Volvo 'B'	8,096
Novartis	7,523	KION	7,531
Lundin Energy	7,323	Sandvik	7,066
Compagnie de St Gobain	7,198	Bayer	7,037
TotalEnergies	6,706	SAP	6,980
UPM-Kymmene	6,696	TotalEnergies	6,871
Adidas	6,566	Banco Santander	6,363
Total purchases	254,945	Total sales	288,030

Investment review

The fund returned 29.0% based on Class I accumulation (Net) over the year under review, compared with a 26.6% return in the FTSE World Europe (Ex UK) Index and a 27.7% return in the IA Europe (Ex UK) Sector peer group benchmark.

Shortly after COVID-19 came to Europe's shores in 2020, we identified the ingredients that would lead to a V-shaped recovery in the industrial world. In a nutshell, these ingredients included naturally occurring lows in the corporate inventory and capital expenditure cycles. The pandemic aggravated these lows, driving them yet deeper. Then came the quite extraordinary monetary stimulus from central banks worldwide, followed, to varying degrees, by fiscal expansion. The resultant recovery in demand for industrial goods, as factories and construction sites quickly reopened, has benefited the fund's strategy.

As the calendar year 2020 drew to a close and Europe was suffering from a second wave of COVID-19 infections, we drew succour from the unequivocally excellent vaccine data. This encouraged us to strengthen our view that a second V-shape was likely: this time in the consumer sphere. This saw us shift the portfolio towards the consumer discretionary sector. Notwithstanding, at times, hysterical media and political rhetoric, concerning vaccine roll-outs, efficacy and even nationalism, we have resolutely trusted the data. Thus, we have not been swayed in building the portfolio's positions in stocks we considered strong reopening beneficiaries. Prime examples included Airbus (aerospace), Daimler (automotive), EssilorLuxottica (eyewear), Inditex (apparel), Pandora (jewellery), Ryanair (airline) and Stellantis (automotive). The fund's positioning, then, sought to benefit from an army of immunised consumers meeting exceptionally high savings ratios. After a year or more of being unnaturally confined, the consumer is a coiled spring, ready to live life again. If we are right, not even a bungling European Union (EU) can prevent this and we can look forward to its powerful effects on the portfolio's companies.

This evolving outlook goes a long way to explaining the fund's returns. The biggest contributor at the sector level was an overweight exposure to the consumer discretionary and industrial sectors as well as underweight positions in the more defensive areas of communication services and consumer staples. The underweight position in the financials sector was the biggest drag on performance. While an improving inflation outlook caused us to narrow this position versus benchmark, the lack of a broader fundamental driver for the banking sector has limited the amount of client capital we are willing to deploy.

At the stock level, we had good returns from Daimler, as the wider European automotive sector performed strongly on the positive COVID-19 vaccine news. In addition, the new management has been leading the biggest cost-cutting and refocusing project in the company's modern history. Kion, a German producer of industrial forklift trucks and warehouse equipment, also added to returns. Much has been written about COVID-19's effect of accelerating a number of market and economic phenomena. One of these is, unsurprisingly, home shopping. We identified KION, a key supplier to warehouses, as a beneficiary of such trends. That said, we reduced the holding on valuation grounds. Truck manufacturer Volvo announced a gradual recovery in end-market demand and we expected it to be a leader in the shift towards large vehicle electrification. Another contributor was Signify, a carbon neutral company with leading positions in the lighting solutions industry that announced good new growth and margin targets in mid-December. Dometic, a Swedish supplier of components to the recreational vehicle (RV) and outdoor leisure sectors, also contributed to returns. Here, too, was an example of a flushed inventory channel: both the European and US RV markets had been de-stocking for many months prior to the onset of the pandemic. In a world of much curtailed freedoms and travel, there has been something of a resurgence in 'staycations', which we expected to benefit Dometic.

The main detractors included blood plasma company Grifols and pulp and paper producer UPM-Kymmene. Grifols suffered from the combination of collection delays and the threat of heightened competitive pressure, and we decided to sell the holding. UPM-Kymmene was weak as the forced closures of offices, schools and travel caused paper demand to slump. We took the opportunity to add to the position as we viewed the company as having one of the best balance sheets in the sector. In addition, we expected it to benefit from its low-cost production and areas such as recyclable plastic bottles made from wood.

We added Arkema, Compagnie de St Gobain, Engie, Linde, Schneider Electric, Siemens Healthineers and ArcelorMittal. In the case of ArcelorMittal, the company has sought to be a leader in decarbonising the steel industry through 'smart carbon' and green hydrogen. We expected these initiatives to be aided by new EU policy aimed at taxing cheap, high-carbon steel imports from emerging markets.

In addition to our positive view on the reopening of economies, it is worth touching on the value versus growth debate. The fund's strategy does not rely on any one investing style, which is crucial at this particular time. After a decade of strong performance by growth stocks, equity markets had become lop-sided. Recent months have seen a broadening in equity market leadership. As a style-agnostic, valuation-conscious strategy, the fund has benefited from this welcome broadening, which is a phenomenon that we expect to continue.

Comparative tables for the year ended 31 May 2021

	Class A accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	286.12	272.71	274.84
Return before operating charges*	87.70	18.29	2.49
Operating charges	(5.67)	(4.88)	(4.62)
Return after operating charges*	82.03	13.41	(2.13)
Distributions on accumulation shares	(1.76)	(0.38)	(1.29)
Retained distributions on accumulation shares	1.76	0.38	1.29
Closing net asset value per share	368.15	286.12	272.71
* after direct transaction costs of:	0.59	0.15	0.25
Performance			
Return after charges	28.67%	4.92%	(0.77%)
Other information			
Closing net asset value (£000s)	14,564	12,512	27,857
Closing number of shares	3,955,985	4,373,065	10,214,978
Operating charges	1.74%	1.70%	1.71%
Direct transaction costs	0.18%	0.05%	0.09%
Prices			
Highest share price (pence)	369.80	311.20	291.40
Lowest share price (pence)	283.40	217.40	245.70

	Class E accumulation	
	2021 (pence per share)	24/06/19 - 31/05/20 (pence per share)
Change in net assets per share		
Opening net asset value per share	287.47	288.59 ¹
Return before operating charges*	88.35	2.10
Operating charges	(4.08)	(3.22)
Return after operating charges*	84.27	(1.12)
Distributions on accumulation shares	(3.55)	(2.28)
Retained distributions on accumulation shares	3.55	2.28
Closing net asset value per share	371.74	287.47
* after direct transaction costs of:	0.59	0.15
Performance		
Return after charges	29.31%	(0.39%)
Other information		
Closing net asset value (£000s)	19,224	14,477
Closing number of shares	5,171,222	5,035,961
Operating charges	1.24%	1.20%
Direct transaction costs	0.18%	0.05%
Prices		
Highest share price (pence)	373.30	312.10
Lowest share price (pence)	284.80	218.20

¹ Class E accumulation launched on 24 June 2019 and this is the first published price.

Comparative tables (continued)

	Class I accumulation		
	2021	2020	2019
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	232.90	220.08	219.90
Return before operating charges*	71.70	14.80	2.03
Operating charges	(2.29)	(1.98)	(1.85)
Return after operating charges*	69.41	12.82	0.18
Distributions on accumulation shares	(3.87)	(2.58)	(3.02)
Retained distributions on accumulation shares	3.87	2.58	3.02
Closing net asset value per share	302.31	232.90	220.08
* after direct transaction costs of:	0.48	0.13	0.20
Performance			
Return after charges	29.80%	5.83%	0.80%
Other information			
Closing net asset value (£000s)	197,511	186,580	195,572
Closing number of shares	65,333,209	80,112,561	89,773,270
Operating charges	0.86%	0.85%	0.85%
Direct transaction costs	0.18%	0.05%	0.09%
Prices			
Highest share price (pence)	303.60	252.60	233.70
Lowest share price (pence)	230.80	176.60	197.60

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2021 %	2020 %
Class A accumulation	1.74	1.70 ¹
Class E accumulation²	1.24	1.20 ¹
Class I accumulation	0.86	0.85 ¹

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

¹ The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

² Class E accumulation launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

Risk and reward profile

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

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



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

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

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

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E accumulation was launched on 24 June 2019 and as it does not have a 5 year history, a synthetic history has been created using the A accumulation share class.

Portfolio statement as at 31 May 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.92% (2020: 96.71%)		
	Belgium 3.72% (2020: 1.92%)		
	Basic Materials 2.20% (2020: 1.92%)		
170,075	Tessenderlo	5,084	2.20
	Financials 1.52% (2020: 0.00%)		
61,110	KBC	3,514	1.52
	Denmark 5.64% (2020: 5.79%)		
	Consumer Discretionary 1.13% (2020: 0.00%)		
27,343	Pandora	2,608	1.13
	Consumer Staples 2.11% (2020: 2.20%)		
37,822	Carlsberg	4,875	2.11
	Health Care 2.40% (2020: 2.60%)		
99,571	Novo Nordisk 'B'	5,552	2.40
	Industrials 0.00% (2020: 0.99%)		
	Finland 8.46% (2020: 6.93%)		
	Basic Materials 5.35% (2020: 3.84%)		
461,653	UPM-Kymmene	12,373	5.35
	Consumer Discretionary 1.84% (2020: 1.20%)		
152,387	Nokian Renkaat	4,251	1.84
	Industrials 1.27% (2020: 1.89%)		
352,213	Metso Outotec	2,947	1.27
	France 18.85% (2020: 7.40%)		
	Consumer Discretionary 4.51% (2020: 1.72%)		
9,440	L'Oréal	2,990	1.29
13,276	LVMH Moët Hennessy Louis Vuitton	7,444	3.22
		10,434	4.51
	Financials 2.62% (2020: 0.00%)		
126,036	BNP Paribas	6,055	2.62
	Health Care 4.90% (2020: 2.08%)		
41,749	EssilorLuxottica	5,093	2.20
83,040	Sanofi	6,211	2.70
		11,304	4.90
	Industrials 4.51% (2020: 1.59%)		
31,119	Airbus	2,855	1.23
108,084	Compagnie de St Gobain	5,095	2.20
22,377	Schneider Electric	2,490	1.08
		10,440	4.51

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Technology 0.99% (2020: 2.01%)		
87,242	STMicroelectronics	2,300	0.99
	Utilities 1.32% (2020: 0.00%)		
292,280	Engie	3,053	1.32
	Germany 7.77% (2020: 19.10%)		
	Consumer Discretionary 6.47% (2020: 2.05%)		
26,717	Adidas	6,842	2.95
71,635	Daimler	4,688	2.03
86,139	Hugo Boss	3,445	1.49
		14,975	6.47
	Financials 1.30% (2020: 3.21%)		
26,111	Deutsche Boerse	2,999	1.30
	Health Care 0.00% (2020: 3.59%)		
	Industrials 0.00% (2020: 4.01%)		
	Technology 0.00% (2020: 6.24%)		
	Ireland 2.29% (2020: 0.00%)		
	Consumer Discretionary 1.10% (2020: 0.00%)		
174,597	Ryanair	2,533	1.10
	Financials 1.19% (2020: 0.00%)		
1,182,358	AIB	2,770	1.19
	Italy 1.12% (2020: 2.06%)		
	Utilities 1.12% (2020: 2.06%)		
374,287	Enel	2,594	1.12
	Luxembourg 1.66% (2020: 0.00%)		
	Basic Materials 1.66% (2020: 0.00%)		
165,579	ArcelorMittal	3,830	1.66
	Netherlands 14.49% (2020: 13.32%)		
	Basic Materials 2.65% (2020: 3.01%)		
67,748	Akzo Nobel	6,136	2.65
	Consumer Staples 1.47% (2020: 0.00%)		
167,664	Koninklijke Ahold Delhaize	3,407	1.47
	Energy 0.58% (2020: 1.29%)		
110,294	SBM Offshore	1,340	0.58
	Financials 3.05% (2020: 2.05%)		
232,971	ASR Nederland	7,056	3.05

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Health Care 0.00% (2020: 2.79%)		
	Industrials 3.06% (2020: 0.00%)		
162,111	Signify	<u>7,078</u>	<u>3.06</u>
	Technology 3.68% (2020: 4.18%)		
18,075	ASML	<u>8,506</u>	<u>3.68</u>
	Norway 3.04% (2020: 1.58%)		
	Consumer Staples 3.04% (2020: 1.58%)		
382,463	Mowi	<u>7,021</u>	<u>3.04</u>
	Portugal 0.00% (2020: 1.76%)		
	Utilities 0.00% (2020: 1.76%)		
	Spain 5.43% (2020: 3.65%)		
	Consumer Discretionary 2.28% (2020: 0.00%)		
194,049	Industria de Diseno Textil	<u>5,290</u>	<u>2.28</u>
	Financials 1.61% (2020: 0.00%)		
1,262,398	Banco Santander	<u>3,717</u>	<u>1.61</u>
	Health Care 0.00% (2020: 2.41%)		
	Technology 1.54% (2020: 0.00%)		
67,065	Amadeus IT	<u>3,561</u>	<u>1.54</u>
	Utilities 0.00% (2020: 1.24%)		
	Sweden 10.29% (2020: 13.00%)		
	Consumer Discretionary 4.02% (2020: 5.11%)		
65,303	Autoliv	4,801	2.07
370,224	Dometic	<u>4,499</u>	<u>1.95</u>
		<u>9,300</u>	<u>4.02</u>
	Energy 3.11% (2020: 0.00%)		
297,957	Lundin Energy	<u>7,202</u>	<u>3.11</u>
	Financials 3.16% (2020: 0.00%)		
965,344	Nordea Bank	<u>7,304</u>	<u>3.16</u>
	Industrials 0.00% (2020: 5.46%)		
	Telecommunications 0.00% (2020: 2.43%)		
	Switzerland 13.09% (2020: 19.07%)		
	Consumer Staples 3.66% (2020: 5.00%)		
97,886	Nestlé	<u>8,475</u>	<u>3.66</u>
	Health Care 2.71% (2020: 6.66%)		
25,669	Roche Non-Voting Shares	<u>6,279</u>	<u>2.71</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 6.72% (2020: 7.41%)		
371,308	Holcim	<u>15,527</u>	<u>6.72</u>
	United Kingdom 1.24% (2020: 1.13%)¹		
	Basic Materials 1.24% (2020: 0.00%)		
13,568	Linde	<u>2,879</u>	<u>1.24</u>
	Consumer Staples 0.00% (2020: 1.13%)		
	United States 1.83% (2020: 0.00%)¹		
	Consumer Discretionary 1.83% (2020: 0.00%)		
302,129	Stellantis	<u>4,223</u>	<u>1.83</u>
	Derivatives 0.00% (2020: 0.00%)		
	Forward Foreign Exchange Contracts 0.00% (2020: 0.00%)²		
	Buy EUR 1,193,891 : Sell GBP 1,024,599 June 2021	2	-
	Buy EUR 122,563 : Sell GBP 105,515 June 2021 ³	-	-
	Buy EUR 190,405 : Sell GBP 163,799 June 2021 ³	-	-
	Buy EUR 280,081 : Sell GBP 241,976 June 2021	(1)	-
		<u>1</u>	<u>-</u>
	Investment assets including investment liabilities	<u>228,793</u>	<u>98.92</u>
	Other net assets	<u>2,506</u>	<u>1.08</u>
	Total net assets	<u>231,299</u>	<u>100.00</u>

¹ These stocks are registered in Europe and are permitted investments, the countries of risk are as shown.

² Not listed on an official stock exchange

³ Due to rounding to nearest £1,000

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

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

Statement of total return for the year ended 31 May 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains	2		55,292		9,400
Revenue	3	5,427		5,281	
Expenses	4	(2,101)		(2,077)	
Interest payable and similar charges	5	<u>(20)</u>		<u>(20)</u>	
Net revenue before taxation		3,306		3,184	
Taxation	6	<u>(520)</u>		<u>(398)</u>	
Net revenue after taxation			<u>2,786</u>		<u>2,786</u>
Total return before distributions			58,078		12,186
Distributions	7		(2,732)		(2,220)
Change in net assets attributable to shareholders from investment activities			<u>55,346</u>		<u>9,966</u>

Statement of change in net assets attributable to shareholders for the year ended 31 May 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		213,569		225,429
Amounts receivable on issue of shares	30,778		18,826	
Amounts payable on cancellation of shares	<u>(71,229)</u>		<u>(42,869)</u>	
		(40,451)		(24,043)
Dilution adjustment		52		15
Change in net assets attributable to shareholders from investment activities		55,346		9,966
Retained distributions on accumulation shares		2,783		2,202
Closing net assets attributable to shareholders		<u>231,299</u>		<u>213,569</u>

Balance sheet as at 31 May 2021

	Note	2021 £000	2020 £000
Assets:			
Investments		228,794	206,545
Current assets:			
Debtors	8	3,095	2,400
Cash and bank balances	9	-	5,608
Total assets		231,889	214,553
Liabilities:			
Investment liabilities		1	-
Creditors:			
Bank overdrafts		237	705
Other creditors	10	352	279
Total liabilities		590	984
Net assets attributable to shareholders		231,299	213,569

Notes to the financial statements for the year ended 31 May 2021

1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the funds' aggregated notes to the financial statements.

2 Net capital gains

Net capital gains on investments during the year comprise:

	2021	2020
	£000	£000
Forward currency contracts	24	(150)
Non-derivative securities	55,278	9,469
Other currency (losses)/gains	(2)	92
Transaction costs	(8)	(11)
Net capital gains	55,292	9,400

3 Revenue

	2021	2020
	£000	£000
Bank interest	-	1
Overseas dividends	5,363	4,719
Stock dividends	54	523
Stock lending revenue	10	18
UK dividends	-	20
Total revenue	5,427	5,281

4 Expenses

	2021	2020
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,818	1,840
GAC*	240	202
	<u>2,058</u>	<u>2,042</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	20	20
Safe custody fees	12	13
	<u>32</u>	<u>33</u>
Other expenses:		
Professional fees**	11	2
	<u>11</u>	<u>2</u>
Total expenses	2,101	2,077

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £8,861 (2020: £10,317).

** Included with professional fees are non-audit fees paid to the auditors of £4,216 in relation to withholding tax reclaims (2020: £2,395).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2021 £000	2020 £000
Interest payable	20	20
Total interest payable and similar charges	20	20

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2021 £000	2020 £000
Current tax		
Overseas withholding tax	520	398
Total tax (note 6b)	520	398

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICS of 20% (2020: 20%). The differences are explained below:

	2021 £000	2020 £000
Net revenue before taxation	3,306	3,184
Corporation tax at 20% (2020: 20%)	661	637
Effects of:		
Double tax relief	-	(9)
Overseas dividends	(1,072)	(884)
Overseas withholding tax	520	398
Stock dividends*	(11)	(105)
UK dividends*	-	(4)
Unused management expenses	422	365
Tax charge for the year (note 6a)	520	398

* As an OEIC this item is not subject to corporation tax.

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2020: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £5,016,697 (2020: £4,594,798) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

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

	2021	2020
	£000	£000
Final accumulation	2,783	2,202
	<u>2,783</u>	<u>2,202</u>
Amounts deducted on cancellation of shares	112	32
Amounts received on issue of shares	(163)	(14)
Total distributions	<u>2,732</u>	<u>2,220</u>
Net revenue after taxation	2,786	2,786
Stock dividends	(54)	(523)
Withholding tax on stock dividends	-	(43)
Total distributions	<u>2,732</u>	<u>2,220</u>

Details of the distribution per share are set out in the Distribution tables on page 92.

8 Debtors

	2021	2020
	£000	£000
Accrued revenue	403	60
Amounts receivable for issue of shares	1,539	191
Overseas withholding tax reclaimable	1,086	810
Sales awaiting settlement	67	1,339
Total debtors	<u>3,095</u>	<u>2,400</u>

9 Cash and bank balances

	2021	2020
	£000	£000
Cash and bank balances	-	5,608
Total cash and bank balances	<u>-</u>	<u>5,608</u>

10 Other creditors

	2021	2020
	£000	£000
Accrued annual management charge	303	139
Accrued Depository's fee	3	2
Accrued other expenses	45	22
Amounts payable for cancellation of shares	1	116
Total other creditors	<u>352</u>	<u>279</u>

Notes to the financial statements (continued)

11 Contingent assets, liabilities and commitments

The fund has filed a claim with HM Revenue & Customs ('HMRC') (on the basis of the principles set out in FII GLO) for corporation tax unduly paid in respect of periods prior to 1 July 2009. The claim has been filed on the basis that the relevant UK tax legislation was in breach of EU law for these periods. A successful outcome may result in a refund of corporation tax. A contingent asset has not been recognised as the amount receivable is not certain.

There were no contingent liabilities or outstanding commitments at the current or prior year end.

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 81 and 82 and notes 4, 7, 8 and 10 on pages 83 to 85 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2020: nil).

13 Shareholders' funds

The fund currently has 3 share classes available: Class A (Retail), Class E (Retail) and Class I (Institutional). The annual management charge on each share class is as follows:

	2021	2020
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class I	0.75	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 73 to 74. The distribution per share class is given in the Distribution tables on page 92. All share classes have the same rights on winding up.

Shares reconciliation as at 31 May 2021

	Class A accumulation	Class E accumulation	Class I accumulation
Opening number of shares	4,373,065	5,035,961	80,112,561
Issues during the year	146,634	50,728	10,569,370
Cancellations during the year	(327,462)	(112,617)	(25,394,794)
Shares converted during the year	(236,252)	197,150	46,072
Closing shares in issue	3,955,985	5,171,222	65,333,209

14 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

Eligible collateral types are approved by the Investment Manager and are agreed with the relevant counterparty.

There was no collateral pledged or collateral held in respect of forward foreign exchange contracts as at 31 May 2021 (2020: nil). The fund had cash assets of nil (2020: nil) and cash liabilities of nil (2020: nil) held in margin accounts at derivative clearing houses and brokers at 31 May 2021.

The tables below, provide further details of the counterparty exposure for the derivative positions held on the fund at 31 May 2021 (2020).

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2021

At 31 May 2021 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	2
	<hr/> 2 <hr/>

2020

The fund had no exposure to derivatives as at 31 May 2020 with a positive marked-to-market fair value.

2021

At 31 May 2021 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	1,537
	<hr/> 1,537 <hr/>

2020

At 31 May 2020 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	211
	<hr/> 211 <hr/>

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

Stock lending revenue is disclosed under 'Revenue' in the Statement of total return.

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.

Notes to the financial statements (continued)

15 Stock lending (continued)

2021 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Credit Suisse	554	814	Government Bond
JPMorgan	5,159	5,654	Government Bond
	5,713	6,468	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas ¹	Stock lending agent	12	2	10

¹ Until 9 March 2021 BNP Paribas was the securities lending agent.

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Morgan Stanley	1,333	1,495	Government Bond
Natixis	9,120	10,133	Equity
Société Générale	4,998	5,554	Equity
	15,451	17,182	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	21	3	18

Notes to the financial statements (continued)

16 Risk

Currency risk

The exposure to currency risk is considered significant. The following table details the net exposure of the principal foreign currencies the fund is exposed to including any instruments used to hedge foreign currencies:

2021	Investment assets including (investment liabilities) £000	Other net assets £000	Total net assets/ (liabilities) £000
Currency			
Danish krone	13,035	257	13,292
Euro	156,185	860	157,045
Norwegian krone	7,021	134	7,155
Swedish krona	23,806	44	23,850
Swiss franc	30,281	-	30,281
UK sterling	(1,535)	1,186	(349)
US dollar	-	25	25
Total	228,793	2,506	231,299

2020	Investment assets including (investment liabilities) £000	Other net assets/(liabilities) £000	Total net assets/(liabilities) £000
Currency			
Danish krone	12,356	282	12,638
Euro	122,323	6,721	129,044
Norwegian krone	3,372	88	3,460
Swedish krona	27,766	-	27,766
Swiss franc	40,728	-	40,728
UK sterling	-	(88)	(88)
US dollar	-	21	21
Total	206,545	7,024	213,569

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £231,648,058 (2020: £213,657,011). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 May 2021 and the net assets as at 31 May 2021 by £23,164,806 (2020: £21,365,701).

Interest rate risk

The fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Other market price risk

An increase or decrease in market values will have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

Leverage

The fund has not employed significant leverage in the current or prior year.

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities showing the remaining contractual maturities on an undiscounted basis:

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2021				
Bank overdrafts	237	-	-	-
Derivative financial liabilities	-	1	-	-
Other creditors	-	352	-	-
Total	237	353	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Bank overdrafts	705	-	-	-
Other creditors	-	279	-	-
Total	705	279	-	-

17 Fair value disclosure

Fair value measurement

The intention of a fair value measurement is to estimate the price at which an asset or a liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS 102 the fund classifies fair value measurement under the following levels:

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 either 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.

Fair value hierarchy

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	228,792	-	206,545	-
Level 2	2	1	-	-
Level 3	-	-	-	-
	228,794	1	206,545	-

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trades in the year				
Equities	254,593	127,018	288,133	151,835
Trades in the year before transaction costs	254,593	127,018	288,133	151,835
Transaction costs				
Commissions				
Equities	95	45	102	54
Total commissions	95	45	102	54
Taxes				
Equities	59	-	-	-
Total taxes	59	-	-	-
Other expenses				
Equities	198	38	1	-
Total other expenses	198	38	1	-
Total transaction costs	352	83	103	54
Total net trades in the year after transaction costs	254,945	127,101	288,030	151,781

	Purchases		Sales	
	2021	2020	2021	2020
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.04	0.04	0.04
Taxes				
Equities	0.02	-	-	-
Other expenses				
Equities	0.08	0.03	-	-
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.09	0.04		
Taxes	0.03	-		
Other expenses	0.09	0.02		
Total costs	0.21	0.06		

There were no in specie transfers during the year (2020: nil). There were no corporate actions during the year (2020: £410,698).

There were no direct transaction costs associated with derivatives in the year (2020: nil).

Direct transaction costs are fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the fund. These exclude any differences between quoted bid and offer prices or internal administrative or holding costs.

The portfolio dealing spread as at 28 May 2021 was 0.04% (2020: 0.05%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

As at 23 August 2021, the Net Asset Value of the fund is £275,659,171 which is an increase of 19.2% from the balance sheet date. The increase in NAV is due to the increase in value of the underlying investments and net inflows to the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 31 May 2021 (in pence per share)

Interim dividend distribution (accounting date 30 November 2020, paid on 29 January 2021)

Group 1: shares purchased prior to 1 June 2020

Group 2: shares purchased on or after 1 June 2020

	Distribution per share	Equalisation	Total distribution per share 29/01/21	Total distribution per share 31/01/20
Class A accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class E accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

Final dividend distribution (accounting date 31 May 2021, paid on 30 July 2021)

Group 1: shares purchased prior to 1 December 2020

Group 2: shares purchased on or after 1 December 2020

	Distribution per share	Equalisation	Total distribution per share 30/07/21	Total distribution per share 31/07/20
Class A accumulation				
Group 1	1.7569	-	1.7569	0.3795
Group 2	1.6489	0.1080	1.7569	0.3795
Class E accumulation				
Group 1	3.5491	-	3.5491	2.2835
Group 2	3.2568	0.2923	3.5491	2.2835
Class I accumulation				
Group 1	3.8723	-	3.8723	2.5843
Group 2	2.3737	1.4986	3.8723	2.5843

Janus Henderson European Selected Opportunities Fund

Authorised Corporate Director's report

Investment Fund Managers

John Bennett and Tom O'Hara

Investment objective and policy

The fund aims to provide a return, from a combination of capital growth and income over the long term (5 years or more).

The fund invests at least 80% of its assets in shares (also known as equities) of companies, of any size, in any industry, in Europe (excluding UK). Companies will be incorporated, headquartered, listed on an exchange in, or deriving significant revenue from, this region. The fund is actively managed with reference to the FTSE World Europe Ex UK Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Performance summary

Cumulative performance	One year	Three years	Five years	Since inception
	31 May 20 - 31 May 21 %	31 May 18 - 31 May 21 %	31 May 16 - 31 May 21 %	31 Aug 84 - 31 May 21 %
Class I accumulation (Net)	25.2	33.7	77.9	10,317.9
FTSE World Europe (Ex UK) Index	26.6	31.3	79.9	-*
IA Europe (Ex UK) Sector	27.7	27.1	73.6	4,423.5

Discrete performance	31 May 20 - 31 May 21 %	31 May 19 - 31 May 20 %	31 May 18 - 31 May 19 %	31 May 17 - 31 May 18 %	31 May 16 - 31 May 17 %
	Class I accumulation (Net)	25.2	8.1	(1.2)	0.0
FTSE World Europe (Ex UK) Index	26.6	1.9	1.8	0.9	35.7
IA Europe (Ex UK) Sector	27.7	2.9	(3.3)	2.6	33.1

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

Source: Morningstar

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

Benchmark values are as at close of business.

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

Benchmark usage:

Index: FTSE World Europe (Ex UK) Index

Index usage: Comparator

Index description: The FTSE World Europe (Ex UK) Index is a measure of the combined performance of large and medium sized companies from developed and advanced emerging European stock markets excluding the UK. It provides a useful comparison against which the fund's performance can be assessed over time.

Peer group: IA Europe (Ex UK) Sector

Peer group usage: Comparator

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

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

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 31 May 2021

Largest purchases	£000	Largest sales	£000
TotalEnergies	80,952	Novartis	82,937
BNP Paribas	76,049	Koninklijke Philips	76,243
Nordea Bank	68,241	Sandvik	61,027
Banco Santander	64,422	SAP	58,478
Adidas	57,558	Holcim	57,890
Compagnie de St Gobain	52,651	Infineon Technologies	46,304
Mowi	50,592	Volvo 'B'	44,580
Daimler	46,263	KION	43,891
EssilorLuxottica	43,257	Bayer	43,810
KBC	39,478	ASML	43,677
Total purchases	1,698,956	Total sales	1,647,302

Investment review

The fund returned 25.2% based on Class I accumulation (Net) over the year under review, compared with a return of 26.6% in the FTSE World Europe (Ex UK) Index and a return of 27.7% return in the IA Europe (Ex UK) Sector peer group benchmark.

Shortly after COVID-19 came to Europe's shores, in the spring of 2020, we identified the ingredients that would lead to a V-shaped recovery in the industrial world. In a nutshell, these ingredients included naturally occurring lows in the corporate inventory and capital expenditure cycles. The pandemic served to aggravate these lows, driving them yet deeper. Then came the quite extraordinary monetary stimulus from central banks worldwide, followed, to varying degrees, by fiscal expansion. The resultant recovery in demand for industrial goods, as factories and construction sites quickly reopened, has benefited the fund's strategy.

As the calendar year 2020 drew to a close and Europe was suffering from a second wave of COVID-19 infections, we drew succour from the unequivocally excellent vaccine data. This encouraged us to strengthen our view that a second V-shape was likely: this time in the consumer sphere. This prompted us to shift the portfolio towards the consumer discretionary sector. Notwithstanding, at times, hysterical media and political rhetoric concerning vaccine roll-outs, efficacy and even nationalism, we have resolutely trusted the data. Thus, we have not been swayed in building positions in stocks we considered strong beneficiaries of the reopening theme. Prime examples included Airbus (aerospace), BMW (automotive), Daimler (automotive), EssilorLuxottica (eyewear), Inditex (apparel), Pandora (jewellery), Ryanair (airline) and Stellantis (automotive). The fund's positioning, then, has sought to benefit from what we believed would be a happy confluence: an army of immunised consumers meeting exceptionally high savings ratios. After a year or more of being unnaturally confined, the consumer is a coiled spring, ready to live life again. If we are right, not even a bungling European Union (EU) can prevent this and we can look forward to its powerful effects on the portfolio's companies.

This evolving outlook goes a long way to explaining the fund's returns over the reporting year. The biggest contributor at the sector level was an overweight exposure to the consumer discretionary sector as well as underweight positions in the more defensive areas of communication services and consumer staples. The fund's underweight positions in the financials sector was the biggest drag on performance. While an improving inflation outlook has caused us to narrow the fund's underweight holding versus the benchmark, the lack of a broader fundamental driver for the banking sector has limited the amount of client capital we have been willing to deploy.

At the stock level, the biggest contribution came from Daimler, as the wider European automotive sector performed strongly on the positive COVID-19 vaccine news. In addition, the new management has been leading the biggest cost-cutting and refocusing project in the company's modern history to lower breakeven points and successfully transition to the electric vehicle world. KION, a German producer of industrial forklift trucks and warehouse equipment, also added to returns. The company's products sell internationally and command high market shares. Much has been written about the pandemic's effect of accelerating a number of market and economic phenomena. One of these is, unsurprisingly, home shopping. We identified KION, a key supplier to warehouses, as a beneficiary of such trends. That said, we reduced the holding on valuation grounds. Truck manufacturer Volvo announced a gradual recovery in end-market demand and we expected the company to be a leader in the shift towards large vehicle electrification.

The main detractors included blood plasma company Grifols and pulp and paper producer UPM-Kymmene. Grifols suffered from the combination of collection delays and the threat of heightened competitive pressure, and we decided to sell the holding. UPM-Kymmene was weak as the forced closures of offices, schools and travel caused paper demand to slump. We took the opportunity to add to the position as we viewed the company as having one of the best balance sheets in the sector. In addition, we expected it to benefit from its low-cost production and areas such as recyclable plastic bottles made from wood. The company has also, increasingly, offered excellent environmental, social and governance credentials.

In activity outside the fund's sectoral themes, we added Arkema, Compagnie de St Gobain, Engie, Linde, Schneider Electric, Siemens Healthineers and ArcelorMittal. In the case of ArcelorMittal, the company is seeking to be a leader in decarbonising the steel industry through 'smart carbon', which includes technologies such as carbon capture, storage and re-use, and the replacement of coking coal with bioenergy sources. Another goal is green hydrogen, which is produced from renewable energy sources used in the manufacturing process. We expected these initiatives to be aided by new EU policy aimed at taxing cheap, high-carbon steel imports from emerging markets.

In addition to our positive view on the reopening of economies, it is worth touching on the value versus growth debate. The fund's strategy does not rely on any one investing style, which is crucial at this particular time. After a decade of strong performance by growth stocks, equity markets had become lop-sided. Recent months have seen a broadening in equity market leadership. As a style-agnostic, valuation-conscious strategy, the fund has benefited from this welcome broadening, which is a phenomenon that we expect to continue.

Comparative tables for the year ended 31 May 2021

	Class A accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,727.86	1,631.78	1,647.20
Return before operating charges*	461.97	125.25	11.94
Operating charges	(33.52)	(29.17)	(27.36)
Return after operating charges*	428.45	96.08	(15.42)
Distributions on accumulation shares	(6.08)	(3.24)	(8.00)
Retained distributions on accumulation shares	6.08	3.24	8.00
Closing net asset value per share	2,156.31	1,727.86	1,631.78
* after direct transaction costs of:	3.12	0.89	1.12
Performance			
Return after charges	24.80%	5.89%	(0.94%)
Other information			
Closing net asset value (£000s)	745,991	682,250	874,655
Closing number of shares	34,595,746	39,485,171	53,601,351
Operating charges	1.73%	1.69%	1.69%
Direct transaction costs	0.16%	0.05%	0.07%
Prices			
Highest share price (pence)	2,176.00	1,863.00	1,744.00
Lowest share price (pence)	1,715.00	1,325.00	1,483.00

	Class C accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,984.02	1,852.45	1,848.81
Return before operating charges*	533.50	142.59	13.87
Operating charges	(12.74)	(11.02)	(10.23)
Return after operating charges*	520.76	131.57	3.64
Distributions on accumulation shares	(34.23)	(27.54)	(30.68)
Retained distributions on accumulation shares	34.23	27.54	30.68
Closing net asset value per share	2,504.78	1,984.02	1,852.45
* after direct transaction costs of:	3.60	1.01	1.27
Performance			
Return after charges	26.25%	7.10%	0.20%
Other information			
Closing net asset value (£000s)	423	428	449
Closing number of shares	16,903	21,570	24,257
Operating charges	0.57%	0.56%	0.56%
Direct transaction costs	0.16%	0.05%	0.07%
Prices			
Highest share price (pence)	2,528.00	2,131.00	1,963.00
Lowest share price (pence)	1,970.00	1,518.00	1,676.00

Comparative tables (continued)

Class E accumulation

	2021	24/06/19 - 31/05/20
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	1,735.98	1,727.07 ¹
Return before operating charges*	465.41	28.12
Operating charges	(24.09)	(19.21)
Return after operating charges*	441.32	8.91
Distributions on accumulation shares	(17.07)	(12.88)
Retained distributions on accumulation shares	17.07	12.88
Closing net asset value per share	2,177.30	1,735.98
* after direct transaction costs of:	3.16	0.89

Performance

Return after charges	25.42%	0.52%
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Other information

Closing net asset value (£000s)	208,639	143,676
Closing number of shares	9,582,468	8,276,369
Operating charges	1.23%	1.19%
Direct transaction costs	0.16%	0.05%

Prices

Highest share price (pence)	2,197.00	1,869.00
Lowest share price (pence)	1,723.00	1,330.00

¹ Class E accumulation launched on 24 June 2019 and this is the first published price.

Class G accumulation

	2021	11/10/19 - 31/05/20
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	99.72	100.00 ²
Return before operating charges*	26.81	0.13
Operating charges	(0.76)	(0.41)
Return after operating charges*	26.05	(0.28)
Distributions on accumulation shares	(1.61)	(1.11)
Retained distributions on accumulation shares	1.61	1.11
Closing net asset value per share	125.77	99.72
* after direct transaction costs of:	0.18	0.05

Performance

Return after charges	26.12%	(0.28%)
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Other information

Closing net asset value (£000s)	59,067	41,614
Closing number of shares	46,964,478	41,732,471
Operating charges	0.67%	0.66%
Direct transaction costs	0.16%	0.05%

Prices

Highest share price (pence)	126.90	107.10
Lowest share price (pence)	99.02	76.29

² Class G accumulation launched on 11 October 2019 and this is the first published price.

Comparative tables (continued)

	Class G income	
	2021	11/10/19 - 31/05/20
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	98.58	100.00 ³
Return before operating charges*	26.52	0.13
Operating charges	(0.76)	(0.41)
Return after operating charges*	25.76	(0.28)
Distributions on income shares	(1.62)	(1.14)
Closing net asset value per share	122.72	98.58
* after direct transaction costs of:	0.18	0.05
Performance		
Return after charges	26.13%	0.28%
Other information		
Closing net asset value (£000s)	394,344	165,987
Closing number of shares	321,325,925	168,376,413
Operating charges	0.67%	0.66%
Direct transaction costs	0.16%	0.05%
Prices		
Highest share price (pence)	125.50	107.10
Lowest share price (pence)	97.89	76.29

³ Class G income launched on 11 October 2019 and this is the first published price.

	Class I accumulation		
	2021	2020	2019
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	1,919.69	1,797.49	1,799.01
Return before operating charges*	515.61	138.24	13.40
Operating charges	(18.41)	(16.04)	(14.92)
Return after operating charges*	497.20	122.20	(1.52)
Distributions on accumulation shares	(26.96)	(21.21)	(24.62)
Retained distributions on accumulation shares	26.96	21.21	24.62
Closing net asset value per share	2,416.89	1,919.69	1,797.49
* after direct transaction costs of:	3.49	0.98	1.23
Performance			
Return after charges	25.90%	6.80%	(0.08%)
Other information			
Closing net asset value (£000s)	669,164	539,275	616,243
Closing number of shares	27,687,034	28,091,751	34,283,488
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.16%	0.05%	0.07%
Prices			
Highest share price (pence)	2,439.00	2,064.00	1,909.00
Lowest share price (pence)	1,906.00	1,469.00	1,628.00

Comparative tables (continued)

	Class I income		
	2021	2020	2019
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	216.28	204.76	207.78
Return before operating charges*	58.02	15.76	1.55
Operating charges	(2.04)	(1.83)	(1.72)
Return after operating charges*	55.98	13.93	(0.17)
Distributions on income shares	(2.84)	(2.41)	(2.85)
Closing net asset value per share	269.42	216.28	204.76
* after direct transaction costs of:	0.39	0.11	0.14
Performance			
Return after charges	25.88%	6.80%	(0.08%)
Other information			
Closing net asset value (£000s)	81,895	133,457	334,956
Closing number of shares	30,396,907	61,706,099	163,581,106
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.16%	0.05%	0.07%
Prices			
Highest share price (pence)	274.80	235.10	220.50
Lowest share price (pence)	214.80	167.40	188.00

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2021	2020
	%	%
Class A accumulation	1.73	1.69 ¹
Class C accumulation	0.57	0.56 ¹
Class E accumulation²	1.23	1.19 ¹
Class G accumulation³	0.67	0.66 ¹
Class G income³	0.67	0.66 ¹
Class I accumulation	0.85	0.84 ¹
Class I income	0.85	0.84 ¹

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

¹ The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

² Class E accumulation launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

³ Class G accumulation and Class G income launched on 11 October 2019. An annualised OCF rate has been disclosed in the prior year comparative.

Risk and reward profile

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

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



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

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

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

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E accumulation was launched on 24 June 2019 and as it does not have a 5 year history, a synthetic history has been created using the A accumulation share class. Class G accumulation and Class G income launched on 11 October 2019, as these share classes do not have a 5 year history, a synthetic history has been created using the funds relevant sector average.

Portfolio statement as at 31 May 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.81% (2020: 97.60%)		
	Belgium 1.39% (2020: 0.00%)		
	Financials 1.39% (2020: 0.00%)		
521,336	KBC	29,982	1.39
	China 0.00% (2020: 0.52%)		
	Technology 0.00% (2020: 0.52%)		
	Denmark 7.12% (2020: 5.91%)		
	Consumer Discretionary 1.16% (2020: 0.00%)		
261,666	Pandora	24,959	1.16
	Consumer Staples 2.21% (2020: 2.21%)		
370,626	Carlsberg	47,770	2.21
	Health Care 2.42% (2020: 2.71%)		
935,733	Novo Nordisk 'B'	52,171	2.42
	Industrials 1.33% (2020: 0.99%)		
168,033	DSV Panalpina	28,780	1.33
	Finland 7.61% (2020: 6.94%)		
	Basic Materials 4.73% (2020: 3.81%)		
3,815,839	UPM-Kymmene	102,272	4.73
	Consumer Discretionary 1.90% (2020: 1.21%)		
1,467,637	Nokian Renkaat	40,939	1.90
	Industrials 0.98% (2020: 1.92%)		
373,101	Kone	21,226	0.98
	France 24.45% (2020: 11.50%)		
	Basic Materials 1.52% (2020: 0.00%)		
355,238	Arkema	32,924	1.52
	Consumer Discretionary 4.72% (2020: 3.23%)		
91,936	L'Oréal	29,116	1.35
129,767	LVMH Moet Hennessy Louis Vuitton	72,764	3.37
		101,880	4.72
	Energy 2.92% (2020: 0.00%)		
1,935,314	TotalEnergies	63,090	2.92
	Financials 2.71% (2020: 0.00%)		
1,216,520	BNP Paribas	58,440	2.71
	Health Care 4.86% (2020: 2.13%)		
381,452	EssilorLuxottica	46,538	2.16
780,819	Sanofi	58,404	2.70
		104,942	4.86

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 5.59% (2020: 4.12%)		
268,804	Airbus	24,661	1.14
1,014,838	Compagnie de St Gobain	47,835	2.21
312,004	Legrand	22,983	1.06
228,671	Schneider Electric	25,448	1.18
		<u>120,927</u>	<u>5.59</u>
	Technology 0.92% (2020: 2.02%)		
752,333	STMicroelectronics	19,837	0.92
	Utilities 1.21% (2020: 0.00%)		
2,496,154	Engie	26,074	1.21
	Germany 13.44% (2020: 18.27%)		
	Consumer Discretionary 6.02% (2020: 2.30%)		
236,620	Adidas	60,591	2.80
383,699	BMW	28,657	1.33
627,243	Daimler	41,046	1.89
		<u>130,294</u>	<u>6.02</u>
	Financials 2.90% (2020: 3.48%)		
157,621	Allianz	29,210	1.35
290,109	Deutsche Boerse	33,325	1.55
		<u>62,535</u>	<u>2.90</u>
	Health Care 3.22% (2020: 3.78%)		
340,692	Bayer	15,101	0.70
261,423	Merck	33,189	1.54
536,384	Siemens Healthineers	21,264	0.98
		<u>69,554</u>	<u>3.22</u>
	Industrials 0.78% (2020: 3.78%)		
224,058	KION	16,817	0.78
	Technology 0.52% (2020: 4.93%)		
390,432	Infineon Technologies	11,168	0.52
	Ireland 0.98% (2020: 0.00%)		
	Consumer Discretionary 0.98% (2020: 0.00%)		
1,455,402	Ryanair	21,112	0.98
	Italy 1.14% (2020: 2.20%)		
	Utilities 1.14% (2020: 2.20%)		
3,563,198	Enel	24,690	1.14
	Luxembourg 1.38% (2020: 0.00%)		
	Basic Materials 1.38% (2020: 0.00%)		
1,286,889	ArcelorMittal	29,770	1.38

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Netherlands 9.77% (2020: 11.99%)		
	Basic Materials 2.36% (2020: 2.65%)		
562,358	Akzo Nobel	50,934	2.36
	Consumer Staples 1.47% (2020: 0.60%)		
1,564,108	Koninklijke Ahold Delhaize	31,784	1.47
	Energy 0.64% (2020: 1.30%)		
1,129,962	SBM Offshore	13,733	0.64
	Financials 1.51% (2020: 0.00%)		
1,079,722	ASR Nederland	32,700	1.51
	Health Care 0.00% (2020: 2.83%)		
	Technology 3.79% (2020: 4.61%)		
173,756	ASML	81,767	3.79
	Norway 2.38% (2020: 1.52%)		
	Consumer Staples 2.38% (2020: 1.52%)		
2,796,847	Mowi	51,345	2.38
	Portugal 0.98% (2020: 1.13%)		
	Utilities 0.98% (2020: 1.13%)		
5,230,008	Energias de Portugal	21,152	0.98
	Spain 6.09% (2020: 4.17%)		
	Consumer Discretionary 2.10% (2020: 0.00%)		
1,673,474	Industria de Diseno Textil	45,616	2.10
	Financials 1.62% (2020: 0.00%)		
11,847,212	Banco Santander	34,886	1.62
	Health Care 0.00% (2020: 2.41%)		
	Technology 1.41% (2020: 0.52%)		
571,517	Amadeus IT	30,350	1.41
	Utilities 0.96% (2020: 1.24%)		
2,188,794	Iberdrola	20,700	0.96
	Sweden 7.19% (2020: 9.91%)		
	Consumer Discretionary 2.18% (2020: 2.49%)		
640,904	Autoliv	47,119	2.18
	Financials 2.69% (2020: 0.00%)		
7,670,459	Nordea Bank	58,033	2.69

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 2.32% (2020: 7.42%)		
396,055	Atlas Copco 'A'	16,941	0.78
889,100	Sandvik	16,542	0.77
897,562	Volvo 'B'	16,558	0.77
		<u>50,041</u>	<u>2.32</u>
	Switzerland 11.91% (2020: 21.28%)		
	Consumer Staples 3.77% (2020: 5.01%)		
939,568	Nestlé	81,345	3.77
	Financials 0.00% (2020: 0.85%)		
	Health Care 2.75% (2020: 8.18%)		
243,037	Roche Non-Voting Shares	59,447	2.75
	Industrials 5.39% (2020: 7.24%)		
2,781,720	Holcim	116,326	5.39
	United Kingdom 1.24% (2020: 2.26%)¹		
	Basic Materials 1.24% (2020: 0.00%)		
126,515	Linde	26,846	1.24
	Consumer Discretionary 0.00% (2020: 1.09%)		
	Consumer Staples 0.00% (2020: 1.17%)		
	United States 1.74% (2020: 0.00%)¹		
	Consumer Discretionary 1.74% (2020: 0.00%)		
2,686,711	Stellantis	37,558	1.74
	Derivatives 0.00% (2020: 0.00%)		
	Forward Foreign Exchange Contracts 0.00% (2020: 0.00%)²		
	Buy EUR 24,477,901 : Sell GBP 21,073,074 June 2021	(18)	-
	Buy GBP 315,439 : Sell EUR 367,632 June 2021	(1)	-
	Buy GBP 546,656 : Sell EUR 632,868 June 2021	2	-
	Buy GBP 582,626 : Sell EUR 677,400 June 2021 ³	-	-
		<u>(17)</u>	<u>-</u>
	Investment assets including investment liabilities	2,133,818	98.81
	Other net assets	25,705	1.19
	Total net assets	2,159,523	100.00

¹ These stocks are registered in Europe and are therefore permitted investments, the countries of risk are as shown.

² Not listed on an official stock exchange

³ Due to rounding to nearest £1,000

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

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

Statement of total return for the year ended 31 May 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains	2		414,043		99,401
Revenue	3	44,370		42,169	
Expenses	4	(22,703)		(21,582)	
Interest payable and similar charges	5	<u>(223)</u>		<u>(330)</u>	
Net revenue before taxation		21,444		20,257	
Taxation	6	<u>(3,228)</u>		<u>(3,242)</u>	
Net revenue after taxation			<u>18,216</u>		<u>17,015</u>
Total return before distributions			432,259		116,416
Distributions	7		(17,754)		(12,269)
Change in net assets attributable to shareholders from investment activities			<u>414,505</u>		<u>104,147</u>

Statement of change in net assets attributable to shareholders for the year ended 31 May 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		1,706,687		1,826,303
Amounts receivable on issue of shares	191,852		57,672	
Amounts payable on cancellation of shares	<u>(165,493)</u>		<u>(290,219)</u>	
		26,359		(232,547)
Dilution adjustment		-		10
Change in net assets attributable to shareholders from investment activities		414,505		104,147
Retained distributions on accumulation shares		11,968		8,774
Unclaimed distributions		4		-
Closing net assets attributable to shareholders		<u>2,159,523</u>		<u>1,706,687</u>

Balance sheet as at 31 May 2021

	Note	2021 £000	2020 £000
Assets:			
Investments		2,133,837	1,665,677
Current assets:			
Debtors	8	32,083	17,235
Cash and bank balances	9	6,134	43,921
Total assets		2,172,054	1,726,833
Liabilities:			
Investment liabilities		19	4
Creditors:			
Bank overdrafts		-	84
Distributions payable		6,084	3,400
Other creditors	10	6,428	16,658
Total liabilities		12,531	20,146
Net assets attributable to shareholders		2,159,523	1,706,687

Notes to the financial statements for the year ended 31 May 2021

1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the funds' aggregated notes to the financial statements.

2 Net capital gains

Net capital gains on investments during the year comprise:

	2021 £000	2020 £000
Forward currency contracts	61	(723)
Non-derivative securities	416,065	99,373
Other currency (losses)/gains	(2,070)	767
Transaction costs	(13)	(16)
Net capital gains	414,043	99,401

3 Revenue

	2021 £000	2020 £000
Bank interest	-	1
Interest on tax refund	150	2
Overseas dividends	43,638	37,054
Stock dividends	443	4,333
Stock lending revenue	139	189
UK dividends	-	590
Total revenue	44,370	42,169

4 Expenses

	2021 £000	2020 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	19,666	19,138
GAC*	2,788	2,256
	<u>22,454</u>	<u>21,394</u>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary fees	89	80
Safe custody fees	106	102
	<u>195</u>	<u>182</u>

Other expenses:

Professional fees**	54	6
	<u>54</u>	<u>6</u>

Total expenses

	<u>22,703</u>	<u>21,582</u>
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Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £8,861 (2020: £10,317).

** Included with professional fees are non-audit fees paid to the auditors of £42,716 in relation to withholding tax reclaims (2020: £5,660).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2021	2020
	£000	£000
Interest payable	223	330
Total interest payable and similar charges	223	330

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2021	2020
	£000	£000
Current tax		
Adjustment in respect of corporation tax	-	150
Overseas withholding tax	3,228	3,092
Total tax (note 6b)	3,228	3,242

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICS of 20% (2020: 20%). The differences are explained below:

	2021	2020
	£000	£000
Net revenue before taxation	21,444	20,257
Corporation tax at 20% (2020: 20%)	4,289	4,051
Effects of:		
Adjustment in respect of corporation tax	-	150
Double tax relief	(25)	(59)
Expenses not deductible for tax purposes	1	13
Overseas dividends	(8,560)	(7,016)
Overseas withholding tax	3,228	3,092
Stock dividends*	(89)	(866)
UK dividends*	-	(118)
Unused management expenses	4,384	3,995
Tax charge for the year (note 6a)	3,228	3,242

* As an OEIC this item is not subject to corporation tax.

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2020: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £55,235,571 (2020: £50,851,751) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

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

	2021	2020
	£000	£000
Final income	6,084	3,400
Final accumulation	11,968	8,774
	<u>18,052</u>	<u>12,174</u>
Amounts deducted on cancellation of shares	131	237
Amounts received on issue of shares	(429)	(142)
Total distributions	<u>17,754</u>	<u>12,269</u>
Net revenue after taxation	18,216	17,015
Equalisation on conversions	16	(167)
Stock dividends	(443)	(4,333)
Withholding tax on stock dividends	(35)	(246)
Total distributions	<u>17,754</u>	<u>12,269</u>

Details of the distribution per share are set out in the Distribution tables on pages 118 to 119.

8 Debtors

	2021	2020
	£000	£000
Accrued revenue	1,046	496
Amounts receivable for issue of shares	21,732	757
Currency transactions awaiting settlement	-	1,228
Overseas withholding tax reclaimable	8,619	5,167
Sales awaiting settlement	686	9,587
Total debtors	<u>32,083</u>	<u>17,235</u>

9 Cash and bank balances

	2021	2020
	£000	£000
Cash and bank balances	6,134	43,921
Total cash and bank balances	<u>6,134</u>	<u>43,921</u>

Notes to the financial statements (continued)

10 Other creditors

	2021	2020
	£000	£000
Accrued annual management charge	3,570	1,454
Accrued Depositary's fee	16	7
Accrued other expenses	526	220
Amounts payable for cancellation of shares	2,094	4,434
Corporation tax payable	222	216
Currency transactions awaiting settlement	-	1,227
Purchases awaiting settlement	-	9,100
Total other creditors	6,428	16,658

11 Contingent liabilities and commitments

The fund has filed a claim with HM Revenue & Customs ('HMRC') (on the basis of the principles set out in FII GLO) for corporation tax unduly paid in respect of periods prior to 1 July 2009. The claim has been filed on the basis that the relevant UK tax legislation was in breach of EU law for these periods. A successful outcome may result in a refund of corporation tax. A contingent asset has not been recognised as the amount receivable is not certain.

There were no contingent liabilities or outstanding commitments at the current or prior year end.

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 106 and 107 and notes 4, 7, 8 and 10 on pages 108 to 111 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2020: nil).

13 Shareholders' funds

The fund currently has 5 share classes available: Class A (Retail), Class C (Institutional), Class E (Retail), Class G (Institutional) and Class I (Institutional). The annual management charge on each share class is as follows:

	2021	2020
	%	%
Class A	1.50	1.50
Class C	0.50	0.50
Class E	1.00	1.00
Class G	0.60	0.60
Class I	0.75	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 96 to 99. The distribution per share class is given in the Distribution tables on pages 118 to 119. All share classes have the same rights on winding up.

Shares reconciliation as at 31 May 2021

	Class A	Class C	Class E	Class G
	accumulation	accumulation	accumulation	accumulation
Opening number of shares	39,485,171	21,570	8,276,369	41,732,471
Issues during the year	569,739	-	14,109	4,581,295
Cancellations during the year	(3,543,084)	(4,667)	(433,556)	(3,459,211)
Shares converted during the year	(1,916,080)	-	1,725,546	4,109,923
Closing shares in issue	34,595,746	16,903	9,582,468	46,964,478

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation (continued)

	Class G income	Class I accumulation	Class I income
Opening number of shares	168,376,413	28,091,751	61,706,099
Issues during the year	83,307,243	2,030,930	14,496,634
Cancellations during the year	(13,577,824)	(2,369,218)	(7,969,207)
Shares converted during the year	83,220,093	(66,429)	(37,836,619)
Closing shares in issue	<u>321,325,925</u>	<u>27,687,034</u>	<u>30,396,907</u>

14 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

Eligible collateral types are approved by the Investment Manager and are agreed with the relevant counterparty.

There was no collateral pledged or collateral held in respect of forward foreign exchange contracts as at 31 May 2021 (2020: nil). The fund had cash assets of nil (2020: nil) and cash liabilities of nil (2020: nil) held in margin accounts at derivative clearing houses and brokers at 31 May 2021.

The tables below, provide further details of the counterparty exposure for the derivative positions held on the fund at 31 May 2021 (2020).

2021

At 31 May 2021 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	2
	<u>2</u>

2020

At 31 May 2020 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	3
	<u>3</u>

2021

At 31 May 2021 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	22,498
	<u>22,498</u>

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2020

At 31 May 2020 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	3,743
	<u>3,743</u>

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

Stock lending revenue is disclosed under 'Revenue' in the Statement of total return.

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.

2021 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of America	22,933	24,511	Government Bond
JPMorgan	23,384	25,632	Government Bond
Morgan Stanley	10,034	10,767	Government Bond
	<u>56,351</u>	<u>60,910</u>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas ¹	Stock lending agent	99	15	84
JPMorgan ²	Stock lending agent	60	5	55

¹ Until 9 March 2021 BNP Paribas was the securities lending agent.

² From 10 March 2021 JPMorgan was the securities lending agent.

Notes to the financial statements (continued)

15 Stock lending (continued)

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of Nova Scotia	4,230	4,700	Equity
Citigroup	10,287	11,430	Equity
HSBC	673	748	Equity
JPMorgan	3,618	4,020	Equity
Natixis	190,057	211,175	Equity
Société Générale	68,772	76,417	Equity
	277,637	308,490	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	222	33	189

16 Risk

Currency risk

The exposure to currency risk is considered significant. The following table details the net exposure of the principal foreign currencies the fund is exposed to including any instruments used to hedge foreign currencies:

2021 Currency	Investment assets including (investment liabilities) £000	Other net assets/(liabilities) £000	Total net assets/(liabilities) £000
Danish krone	153,680	1,218	154,898
Euro	1,536,110	13,594	1,549,704
Norwegian krone	51,345	1,073	52,418
Swedish krona	155,193	145	155,338
Swiss franc	257,118	-	257,118
UK sterling	(19,628)	9,221	(10,407)
US dollar	-	454	454
Total	2,133,818	25,705	2,159,523

Notes to the financial statements (continued)

16 Risk (continued)

Currency risk (continued)

2020	Investment assets including (investment liabilities) £000	Other net assets/(liabilities) £000	Total net assets £000
Currency			
Danish krone	100,898	1,428	102,326
Euro	1,003,414	47,839	1,051,253
Norwegian krone	26,012	601	26,613
Swedish krona	169,121	-	169,121
Swiss franc	362,927	-	362,927
UK sterling	3,301	(8,974)	(5,673)
US dollar	-	120	120
Total	1,665,673	41,014	1,706,687

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £2,169,930,257 (2020: £1,712,360,296). A 10% increase/ (decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/ (decreasing) the return for the year ended 31 May 2021 and the net assets as at 31 May 2021 by £216,993,026 (2020: £171,236,030).

Interest rate risk

The fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Other market price risk

An increase or decrease in market values will have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

Leverage

The fund has not employed significant leverage in the current or prior year.

Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities showing the remaining contractual maturities on an undiscounted basis:

2021	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
Derivative financial liabilities	-	19	-	-
Distribution payable	-	6,084	-	-
Other creditors	-	6,428	-	-
Total	-	12,531	-	-
2020	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
Bank overdrafts	84	-	-	-
Derivative financial liabilities	-	4	-	-
Distribution payable	-	3,400	-	-
Other creditors	-	16,658	-	-
Total	84	20,062	-	-

Notes to the financial statements (continued)

17 Fair value disclosure

Fair value measurement

The intention of a fair value measurement is to estimate the price at which an asset or a liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS 102 the fund classifies fair value measurement under the following levels:

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 either 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.

Fair value hierarchy

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	2,133,835	-	1,665,674	-
Level 2	2	19	3	4
Level 3	-	-	-	-
	<u>2,133,837</u>	<u>19</u>	<u>1,665,677</u>	<u>4</u>

18 Direct transaction costs

	Purchases		Sales	
	2021 £000	2020 £000	2021 £000	2020 £000
Trades in the year				
Equities	<u>1,696,511</u>	<u>789,625</u>	<u>1,647,940</u>	<u>991,716</u>
Trades in the year before transaction costs	<u>1,696,511</u>	<u>789,625</u>	<u>1,647,940</u>	<u>991,716</u>
Transaction costs				
Commissions				
Equities	<u>640</u>	<u>259</u>	<u>632</u>	<u>335</u>
Total commissions	<u>640</u>	<u>259</u>	<u>632</u>	<u>335</u>
Taxes				
Equities	<u>257</u>	<u>122</u>	<u>-</u>	<u>-</u>
Total taxes	<u>257</u>	<u>122</u>	<u>-</u>	<u>-</u>
Other expenses				
Equities	<u>1,548</u>	<u>260</u>	<u>6</u>	<u>-</u>
Total other expenses	<u>1,548</u>	<u>260</u>	<u>6</u>	<u>-</u>
Total transaction costs	<u>2,445</u>	<u>641</u>	<u>638</u>	<u>335</u>
Total net trades in the year after transaction costs	<u>1,698,956</u>	<u>790,266</u>	<u>1,647,302</u>	<u>991,381</u>

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.03	0.04	0.03
Taxes				
Equities	0.02	0.02	-	-
Other expenses				
Equities	0.09	0.03	-	-
	2021 %	2020 %		
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.07	0.03		
Taxes	0.01	0.01		
Other expenses	0.08	0.01		
Total costs	0.16	0.05		

There were no in specie transfers during the year (2020: nil). There were no corporate actions during the year (2020: nil).

There were no direct transaction costs associated with derivatives in the year (2020: nil).

Direct transaction costs are fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the fund. These exclude any differences between quoted bid and offer prices or internal administrative or holding costs.

The portfolio dealing spread as at 28 May 2021 was 0.03% (2020: 0.04%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

There were no material post Balance sheet events which require disclosure within these financial statements.

Distribution tables for the year ended 31 May 2021 (in pence per share)

Interim dividend distribution (accounting date 30 November 2020, paid on 29 January 2021)

Group 1: shares purchased prior to 1 June 2020

Group 2: shares purchased on or after 1 June 2020

	Distribution per share	Equalisation	Total distribution per share 29/01/21	Total distribution per share 31/01/20
Class A accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class C accumulation				
Group 1	-	-	-	0.4991
Group 2	-	-	-	0.4991
Class E accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class G accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class G income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I income				
Group 1	-	-	-	-
Group 2	-	-	-	-

Distribution tables (continued)

Final dividend distribution (accounting date 31 May 2021, paid on 30 July 2021)

Group 1: shares purchased prior to 1 December 2020

Group 2: shares purchased on or after 1 December 2020

	Distribution per share	Equalisation	Total distribution per share 30/07/21	Total distribution per share 31/07/20
Class A accumulation				
Group 1	6.0849	-	6.0849	3.2426
Group 2	5.7438	0.3411	6.0849	3.2426
Class C accumulation				
Group 1	34.2319	-	34.2319	27.0452
Group 2	34.2319	-	34.2319	27.0452
Class E accumulation				
Group 1	17.0709	-	17.0709	12.8779
Group 2	15.4887	1.5822	17.0709	12.8779
Class G accumulation				
Group 1	1.6142	-	1.6142	1.1066
Group 2	1.4179	0.1963	1.6142	1.1066
Class G income				
Group 1	1.6247	-	1.6247	1.1356
Group 2	1.0936	0.5311	1.6247	1.1356
Class I accumulation				
Group 1	26.9573	-	26.9573	21.2149
Group 2	23.8026	3.1547	26.9573	21.2149
Class I income				
Group 1	2.8403	-	2.8403	2.4111
Group 2	2.5273	0.3130	2.8403	2.4111

Janus Henderson UK & Irish Smaller Companies Fund

Authorised Corporate Director's report

Janus Henderson UK & Irish Smaller Companies Fund merged into Janus Henderson UK Smaller Companies Fund, a sub fund of the Janus Henderson UK & Europe Funds, on 18 March 2021. The fund holds illiquid stocks on the Portfolio which has prevented the fund from terminating. It is the ACD's intention to terminate the fund once the stocks have been removed from the Portfolio.

Investment objective and policy up to 18 March 2021

The fund aims to provide a return, from a combination of capital growth and income over the long term (5 years or more).

The fund invests at least 80% of its assets in shares (also known as equities) of smaller companies, in any industry, in the UK and Ireland. Companies will be incorporated, headquartered or deriving significant revenue from, the UK or Ireland.

The fund is actively managed with reference to the Numis Sub-£1bn ex Investment Companies Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Performance summary

Cumulative performance	Period from	Period from	Period from	Since inception	
	31 May 20 - 18 Mar 21*	31 May 18 - 18 Mar 21*	31 May 16 - 18 Mar 21*	30 Dec 94 - 18 Mar 21*	
	%	%	%	%	
Class I accumulation (Net)	36.4	12.0	48.1	1,513.9	
Numis Smaller Companies (Ex investment companies and companies with a market capitalisation greater than £1bn) Index	52.7	23.3	65.5	624.3	
IA UK Smaller Companies Sector	40.0	23.8	78.4	1,221.9	
Discrete performance	31 May 20 - 18 Mar 21*	31 May 19 - 31 May 20	31 May 18 - 31 May 19	31 May 17 - 31 May 18	31 May 16 - 31 May 17
	%	%	%	%	%
Class I accumulation (Net)	36.4	(7.5)	(11.3)	7.8	22.7
Numis Smaller Companies (Ex investment companies and companies with a market capitalisation greater than £1bn) Index	52.7	(12.5)	(7.7)	5.6	27.1
IA UK Smaller Companies Sector	40.0	(7.8)	(4.1)	12.7	27.9

Source: Morningstar

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

Benchmark values are as at close of business.

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

* The fund closed on 18 March 2021.

Benchmark usage:

Index: Numis Smaller Companies (Ex investment companies and companies with a market capitalisation greater than £1bn)

Index usage: Comparator

Index description: The Numis Smaller Companies (Ex investment companies and companies with a market capitalisation greater than £1bn) Index is a measure of the combined performance of smaller companies (the bottom 10%) listed on the London Stock Exchange excluding investment companies and companies with a market capitalisation greater than £1bn. It provides a useful comparison against which the fund's performance can be assessed over time.

Authorised Corporate Director's report (continued)

Performance summary (continued)

Peer group: IA UK Smaller Companies Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 May 2021

Largest purchases	£000	Largest sales	£000
Foresight	1,336	Codemasters	3,103
John Laing	1,248	Paragon Banking	1,841
Moonpig	797	Vitec	1,651
Mitchells & Butlers	670	PureTech Health	1,548
Bytes Technology	661	Future	1,532
Mitchells & Butlers (Subscription Shares)	623	AssetCo	1,435
Eurocell	575	OSB	1,431
Pagegroup	540	Alliance Pharma	1,279
Mitchells & Butlers (Over Subscription)	510	Severfield	1,221
Serco	464	Avon Rubber	1,188
Total purchases	15,893	Total sales	55,165

Investment review

The fund returned 36.4% based on Class I accumulation (Net) over the period from 1 June 2020 to 18 March 2021, compared with a return of 52.7% in the Numis Smaller Companies (Ex investment companies and companies with a market capitalisation greater than £1bn) Index and a return of 40.0% in the IA UK Smaller Companies Sector peer group benchmark.

In the second half of 2020, UK and global equity markets rallied. Despite increasing COVID-19 cases news that three vaccine trials passed the first efficacy and safety hurdles marked a turning point. Value stocks rallied at the expense of growth stocks, and oil and commodity prices rose. The US Federal Reserve signaled that interest rates were likely to stay lower for longer and Joe Biden's election as US president raised hopes of further fiscal stimulus. Elsewhere, the UK and European Union agreed a trade deal just before the end of the transition period on 31 December 2020.

The UK equity market continued to rally in the first quarter of 2021. In the UK, more than half of the adult population received their first dose of the vaccine and the country remains on track to proceed with the reopening of the economy. Despite early signs of a third wave of infections manufacturing and services surveys continued to rise in the UK and Europe. Value stocks rose at the expense of defensive and growth stocks as investors started to position themselves for an economic recovery.

Positive contributors to performance included Codemasters, Mitchells & Butlers and Impax Asset Management. Shares in Codemasters the video games company rose strongly after it received competing bids. Mitchells & Butlers, the pub operator, benefited from increasing confidence around the UK vaccination roll-out programme, a well-supported equity raise that has shored up the balance sheet, and the announcement of a reopening date for UK pubs. Meanwhile, ethical fund manager Impax benefited from the announcement of a sharp rise in AUM and earnings.

On the flip side, key detractors to performance included Clinigen, a specialty pharmaceutical services and products business, which saw the share price fall after its customer loavance Biotherapeutics delayed seeking approval for a tumour infiltrating therapy. The delay was expected to impact the timing of the approval and sales of Clinigen's Proleukin drug, which is used in the therapy. Elsewhere, specialist translation company RWS fell due to its all-share acquisition of SDL and the rotation away from growth to value stocks.

In terms of activity we initiated positions in Foresight Group, Moonpig and Restaurant Group. Foresight Group is an alternatives asset manager specialising in infrastructure and regional private equity investments. We invested in Foresight as it offered exposure to growing fund allocations towards alternative assets. The company has been highly cash generative and announced their intention to spend money on bolt-on merger and acquisition (M&A) alongside returning cash to shareholders. With over 60% market share of the online card market, Moonpig is a category leader, has shown structural growth and has benefited from the offline to online transition in card purchasing. We took the opportunity to invest at the initial public offering (IPO). We also acquired a position in Restaurant Group, an operator of a selection of pub and restaurant brands including Wagamama, Brunning and Price, and Frankie and Benny's, as the company raised new funds to strengthen its balance sheet. We believe as the UK economy reopens demand from consumers is likely to exceed expectations due to significant excess household savings, reduced competition and a likely staycation summer.

We sold most of our position in Cineworld, the cinema operator. The share price recovered strongly in recent months and the forced closure of its business throughout most of 2020 and early 2021 has left the balance sheet over indebted. Additionally, moves from the film studios to shorten the exclusive period that movies are shown at cinemas, and the rise in premium video-on-demand leaves the likely shape of recovery in trading at Cineworld open to question. We sold our position in Forterra, a brick manufacturer, after the shares had recovered sharply in recent months. We also sold our position in Codemasters, after the company received an agreed cash bid from Electronic Arts.

The coronavirus outbreak dramatically changed expectations for global growth. Government actions to protect consumers and businesses softened the blow but ultimately can only be short term in nature. In the corporate sector, conditions are intrinsically stronger than they were during the financial crisis of 2008-9; balance sheets are more robust. Overall, the UK corporate sector has performed well during the crisis and many companies have beat their initial earnings and cash expectations. Despite the uncertainty in short-term economic conditions, we believe the virus will pass and we should see a recovery. The movements in equity markets have thrown up some attractive buying opportunities and many listed companies may emerge stronger from the downturn. However, it is important to be selective as any recovery will be uneven and strength of franchise, market positioning and balance sheet strength will likely determine the winners from the losers.

In order to simplify Janus Henderson's range of UK-domiciled funds, the Janus Henderson UK & Irish Smaller Companies Fund merged into the Janus Henderson UK Smaller Companies Fund, a sub fund of the Janus Henderson UK & Europe Funds, on 18 March 2021 as considerable overlap existed between the two funds.

Comparative tables for the year ended 31 May 2021

	Class A accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	548.02	599.26	677.30
Return before operating charges*	203.19	(41.07)	(67.52)
Operating charges	(8.68)	(10.17)	(10.52)
Return after operating charges*	194.51	(51.24)	(78.04)
Distributions on accumulation shares	-	(1.47)	(3.12)
Retained distributions on accumulation shares	-	1.47	3.12
Final cancellation	(742.53) ¹	-	-
Closing net asset value per share	-	548.02	599.26
* after direct transaction costs of:	-	0.37	1.55
Performance			
Return after charges	35.49%	(8.55%)	(11.52%)
Other information			
Closing net asset value (£000s)	-	44,420	81,827
Closing number of shares	-	8,105,626	13,654,817
Operating charges	1.76%	1.71%	1.70%
Direct transaction costs	0.00%	0.06%	0.25%
Prices			
Highest share price (pence)	747.90 ²	696.20	693.20
Lowest share price (pence)	537.80 ²	404.70	532.20

¹ Class A accumulation closed on 18 March 2021.

² to 18 March 2021.

Comparative tables (continued)

	Class C accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	586.63	634.19	708.72
Return before operating charges*	218.50	(43.96)	(70.86)
Operating charges	(3.08)	(3.60)	(3.67)
Return after operating charges*	215.42	(47.56)	(74.53)
Distributions on accumulation shares	(2.67)	(7.33)	(10.70)
Retained distributions on accumulation shares	2.67	7.33	10.70
Final cancellation	(802.05) ³	-	-
Closing net asset value per share	-	586.63	634.19
* after direct transaction costs of:	-	0.39	1.61
Performance			
Return after charges	36.72%	(7.50%)	(10.52%)
Other information			
Closing net asset value (£000s)	-	21,504	23,264
Closing number of shares	-	3,665,711	3,668,272
Operating charges	0.58%	0.57%	0.57%
Direct transaction costs	0.00%	0.06%	0.25%
Prices			
Highest share price (pence)	807.80 ⁴	742.20	725.60
Lowest share price (pence)	576.90 ⁴	432.20	560.50

³ Class C accumulation closed on 18 March 2021.

⁴ to 18 March 2021.

Comparative tables (continued)

	Class E accumulation	
	2021	24/06/19 - 31/05/20
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	550.59	597.39 ⁵
Return before operating charges*	204.78	(40.07)
Operating charges	(6.32)	(6.73)
Return after operating charges*	198.46	(46.80)
Distributions on accumulation shares	-	(2.90)
Retained distributions on accumulation shares	-	2.90
Final cancellation	(749.05) ⁶	-
Closing net asset value per share	-	550.59
* after direct transaction costs of:	-	0.37
Performance		
Return after charges	36.04%	(7.83%)
Other information		
Closing net asset value (£000s)	-	24,921
Closing number of shares	-	4,526,172
Operating charges	1.26%	1.21%
Direct transaction costs	0.00%	0.06%
Prices		
Highest share price (pence)	754.40 ⁷	698.20
Lowest share price (pence)	540.90 ⁷	406.20

⁵ Class E accumulation launched on 24 June 2019 and this is the first published price.

⁶ Class E accumulation closed on 18 March 2021.

⁷ to 18 March 2021.

Comparative tables (continued)

	Class I accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	540.54	586.01	656.69
Return before operating charges*	201.38	(40.51)	(65.60)
Operating charges	(4.33)	(4.96)	(5.08)
Return after operating charges*	197.05	(45.47)	(70.68)
Distributions on accumulation shares	(0.87)	(5.12)	(8.22)
Retained distributions on accumulation shares	0.87	5.12	8.22
Final cancellation	(737.59) ⁸	-	-
Closing net asset value per share	-	540.54	586.01
* after direct transaction costs of:	-	0.36	1.49

Performance

Return after charges	36.45%	(7.76%)	(10.76%)
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Other information

Closing net asset value (£000s)	-	15,586	18,073
Closing number of shares	-	2,883,393	3,084,165
Operating charges	0.88%	0.85%	0.85%
Direct transaction costs	0.00%	0.06%	0.25%

Prices

Highest share price (pence)	742.90 ⁹	684.60	672.30
Lowest share price (pence)	531.30 ⁹	398.50	518.50

⁸ Class I accumulation closed on 18 March 2021.

⁹ to 18 March 2021.

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

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

Operating charges

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

Share class launches and closures

There were no share classes launched during the year. The fund closed on 18 March 2021.

The following share classes closed during the year:

Share class	Closure date
Class A accumulation	18 March 2021
Class C accumulation	18 March 2021
Class E accumulation	18 March 2021
Class I accumulation	18 March 2021

Ongoing charge figure

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

	2021 %	2020 %
Class A accumulation²	1.76	1.71 ¹
Class C accumulation²	0.58	0.57 ¹
Class E accumulation^{2,3}	1.26	1.21 ¹
Class I accumulation²	0.88	0.85 ¹

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

¹ The OCF is a blended rate reflecting new GAC rates that took effect from 5 May 2020.

² Class A accumulation, Class C accumulation, Class E accumulation and Class I accumulation closed on 18 March 2021.

³ Class E accumulation launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

Portfolio statement as at 31 May 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 0.00% (2020: 98.15%)		
	Qatar 0.00% (2020: 0.00%)		
	Industrials 0.00% (2020: 0.00%)		
640,445	Panceltica ¹	-	-
	Singapore 0.00% (2020: 1.06%)		
	Industrials 0.00% (2020: 1.06%)		
	United Kingdom 0.00% (2020: 93.76%)		
	Basic Materials 0.00% (2020: 2.20%)		
	Consumer Goods 0.00% (2020: 8.06%)		
	Consumer Services 0.00% (2020: 11.65%)		
1,118	Caplay ¹	-	-
994,384	Conviviality ¹	-	-
	Financials 0.00% (2020: 19.80%)		
76,122	Gartmore Irish Growth Fund ¹	-	-
	Health Care 0.00% (2020: 5.40%)		
	Industrials 0.00% (2020: 35.40%)		
	Oil & Gas 0.00% (2020: 2.96%)		
44,221,007	Max Petroleum ¹	-	-
	Technology 0.00% (2020: 6.24%)		
	Telecommunications 0.00% (2020: 2.05%)		
	United States 0.00% (2020: 3.33%)		
	Consumer Goods 0.00% (2020: 1.61%)		
	Health Care 0.00% (2020: 1.07%)		
	Industrials 0.00% (2020: 0.65%)		
	Investment assets	-	-
	Other net assets	-	-
	Total net assets	-	-

¹ Suspended or delisted securities

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

The classification is based on the country of risk and a relevant industry classification standard.

Statement of total return for the year ended 31 May 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		37,184		(10,014)
Revenue	3	996		2,054	
Expenses	4	<u>(1,168)</u>		<u>(1,476)</u>	
Net (expense)/revenue before taxation		(172)		578	
Taxation	5	<u>-</u>		<u>-</u>	
Net (expense)/revenue after taxation			<u>(172)</u>		<u>578</u>
Total return before distributions			37,012		(9,436)
Distributions	6		(120)		(690)
Change in net assets attributable to shareholders from investment activities			<u>36,892</u>		<u>(10,126)</u>

Statement of change in net assets attributable to shareholders for the year ended 31 May 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		106,431		123,164
Amounts receivable on issue of shares	3,106		3,092	
Amounts payable on cancellation of shares	(40,527)		(10,376)	
Amounts payable on merger	<u>(106,108)</u>		<u>-</u>	
		(143,529)		(7,284)
Dilution adjustment		139		-
Change in net assets attributable to shareholders from investment activities		36,892		(10,126)
Retained distributions on accumulation shares		67		677
Closing net assets attributable to shareholders*		<u>-</u>		<u>106,431</u>

* The Janus Henderson UK & Irish Smaller Companies Fund merged into the Janus Henderson UK Smaller Companies Fund, a sub fund of the Janus Henderson UK & Europe Funds, on 18 March 2021.

Balance sheet as at 31 May 2021

	Note	2021 £000	2020 £000
Assets:			
Current assets:			
Investments		-	104,461
Debtors	7	114	540
Cash and bank balances	8	21	2,146
Total assets		135	107,147
Liabilities:			
Creditors:			
Bank overdrafts		-	99
Other creditors	9	135	617
Total liabilities		135	716
Net assets attributable to shareholders		-	106,431

Notes to the financial statements for the year ended 31 May 2021

1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the funds' aggregated notes to the financial statements.

2 Net capital gains/(losses)

Net capital gains/(losses) on investments during the year comprise:

	2021	2020
	£000	£000
Non-derivative securities	37,188	(10,006)
Transaction costs	(4)	(8)
Net capital gains/(losses)	37,184	(10,014)

3 Revenue

	2021	2020
	£000	£000
Bank interest	-	16
Overseas dividends	22	64
UK dividends	907	1,859
UK REIT revenue - PID	64	113
Underwriting commission	3	2
Total revenue	996	2,054

4 Expenses

	2021	2020
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	980	1,290
GAC*	158	166
	<u>1,138</u>	<u>1,456</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	8	11
Safe custody fees	3	4
	<u>11</u>	<u>15</u>
Other expenses:		
Professional fees**	20	5
	<u>20</u>	<u>5</u>
Total expenses	1,169	1,476

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £7,088 (2020: £7,912).

** Included with professional fees are non-audit fees paid to the auditors of £1,884 in relation to withholding tax reclaims (2020: nil).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2020: nil).

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICS of 20% (2020: 20%). The differences are explained below:

	2021	2020
	£000	£000
Net (expense)/revenue before taxation	(172)	578
Corporation tax at 20% (2020: 20%)	(34)	116
Effects of:		
Overseas dividends	(5)	(13)
UK dividends*	(181)	(372)
Unused management expenses	220	269
Tax charge for the year (note 5a)	-	-

* As an OEIC this item is not subject to corporation tax.

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2020: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £14,299,766 (2020: £14,079,602) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

6 Distributions

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

	2021	2020
	£000	£000
Interim accumulation	50	557
Final accumulation	17	120
	67	677
Amounts deducted on cancellation of shares	54	14
Amounts received on issue of shares	(1)	(1)
Total distributions	120	690
Net (expense)/revenue after taxation	(172)	578
Equalisation on conversions	-	1
Revenue shortfall	292	111
Total distributions	120	690

Details of the distribution per share are set out in the Distribution tables on pages 138 to 139.

Notes to the financial statements (continued)

7 Debtors

	2021 £000	2020 £000
Accrued revenue	-	64
Amounts receivable for issue of shares	-	4
Overseas withholding tax reclaimable	114	120
Sales awaiting settlement	-	352
Total debtors	114	540

8 Cash and bank balances

	2021 £000	2020 £000
Cash and bank balances	21	2,146
Total cash and bank balances	21	2,146

9 Other creditors

	2021 £000	2020 £000
Accrued annual management charge	-	92
Accrued Depositary's fee	-	1
Accrued other expenses	20	16
Amounts payable for cancellation of shares	-	108
Amounts payable to merger fund	115	-
Purchases awaiting settlement	-	400
Total other creditors	135	617

10 Contingent liabilities and commitments

The outstanding commitments at the balance sheet date are as follows:

	2021 £000	2020 £000
Hyve (Rights)	-	270
Total commitments	-	270

11 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 129 and 130 and notes 4,6,7 and 9 on pages 131 to 133 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2020: nil).

Notes to the financial statements (continued)

12 Shareholders' funds

Prior to the closure of the fund on 18 March 2021 the fund had 4 share classes available: Class A (Retail), Class C (Retail), Class E (Retail) and Class I (Institutional). The annual management charge on each share class is as follows:

	2021	2020
	%	%
Class A	1.50	1.50
Class C	0.50	0.50
Class E	1.00	1.00
Class I	0.75	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 123 to 126. The distribution per share class is given in the Distribution tables on pages 138 to 139. All share classes have the same rights on winding up.

Shares reconciliation as at 31 May 2021

	Class A accumulation	Class C accumulation	Class E accumulation	Class I accumulation
Opening number of shares	8,105,626	3,665,711	4,526,172	2,883,393
Issues during the year	414,921	-	14,699	38,336
Cancellations during the year	(7,250,312)	(3,665,711)	(5,750,661)	(2,976,051)
Shares converted during the year	(1,270,235)	-	1,209,790	54,322
Closing shares in issue	-	-	-	-

13 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

Eligible collateral types are approved by the Investment Manager and are agreed with the relevant counterparty.

The counterparty exposure has been calculated using the positive marked-to-market value of the derivative contract with that counterparty.

There was no collateral pledged or collateral held in respect of derivatives as at 31 May 2021 (2020: nil).

2021

The fund had no exposure to derivatives as at 31 May 2021 with a positive market value.

2020

The fund had no exposure to derivatives as at 31 May 2020 with a positive market value.

14 Stock lending

Until the date of the merger, the fund and the Investment Manager were in a stock lending programme with BNP Paribas acting as the stock lending agent in order to generate additional revenue.

Stock lending revenue is disclosed under 'Revenue' in the Statement of total return.

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.

2021

There was no stock on loan as at 31 May 2021 and no stock lending revenue received in the year to 31 May 2021.

2020

There was no stock on loan as at 31 May 2020 and no stock lending revenue received in the year to 31 May 2020.

Notes to the financial statements (continued)

15 Risk

Currency risk

The fund's exposure to currency risk is considered insignificant. This is consistent with the exposure during the prior year.

Interest rate risk

The fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Other market price risk

An increase or decrease in market values will have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

Leverage

The fund has not employed significant leverage in the current or prior year.

Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities showing the remaining contractual maturities on an undiscounted basis:

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2021				
Other creditors	-	135	-	-
Total	-	135	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Bank overdrafts	99	-	-	-
Other creditors	-	617	-	-
Total	99	617	-	-

16 Fair value disclosure

Fair value measurement

The intention of a fair value measurement is to estimate the price at which an asset or a liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS 102 the fund classifies fair value measurement under the following levels:

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 either 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)

16 Fair value disclosure (continued)

Fair value hierarchy

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	-	-	104,461	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	<u>-</u>	<u>-</u>	<u>104,461</u>	<u>-</u>

17 Direct transaction costs

	Purchases		Sales	
	2021 £000	2020 £000	2021 £000	2020 £000
Trades in the year				
Equities	15,844	18,044	55,188	21,943
Trades in the year before transaction costs	<u>15,844</u>	<u>18,044</u>	<u>55,188</u>	<u>21,943</u>
Transaction costs				
Commissions				
Equities	5	7	23	10
Total commissions	<u>5</u>	<u>7</u>	<u>23</u>	<u>10</u>
Taxes				
Equities	44	57	-	-
Total taxes	<u>44</u>	<u>57</u>	<u>-</u>	<u>-</u>
Other expenses				
Equities	-	-	-	-
Total other expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total transaction costs	<u>49</u>	<u>64</u>	<u>23</u>	<u>10</u>
Total net trades in the year after transaction costs	<u>15,893</u>	<u>18,108</u>	<u>55,165</u>	<u>21,933</u>

	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.04	0.04	0.05
Taxes				
Equities	0.28	0.32	-	-
Other expenses				
Equities	-	-	-	-
	<u>2021 %</u>	<u>2020 %</u>		
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.02	0.01		
Taxes	0.04	0.05		
Other expenses	-	-		
Total costs	<u>0.06</u>	<u>0.06</u>		

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

There were in specie transfers during the year of £106,107,858 (2020: nil). There were corporate actions during the year of £2,044,496 (2020: £1,178,946).

There were no direct transaction costs associated with derivatives in the year (2020: nil).

Direct transaction costs are fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the fund. These exclude any differences between quoted bid and offer prices or internal administrative or holding costs.

The portfolio dealing spread as at 28 May 2021 is not applicable as the fund closed during the year (2020: 1.16%). The portfolio dealing spread was calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

There were no material post Balance sheet events which require disclosure within these financial statements.

Distribution tables for the year ended 31 May 2021 (in pence per share)

Interim dividend distribution (accounting date 30 November 2020, paid on 29 January 2021)

Group 1: shares purchased prior to 1 June 2020

Group 2: shares purchased on or after 1 June 2020

	Distribution per share	Equalisation	Total distribution per share 29/01/21	Total distribution per share 31/01/20
Class A accumulation				
Group 1	-	-	-	1.4740
Group 2	-	-	-	1.4740
Class C accumulation				
Group 1	1.1574	-	1.1574	5.1474
Group 2	1.1574	-	1.1574	5.1474
Class E accumulation				
Group 1	-	-	-	2.7679
Group 2	-	-	-	2.7679
Class I accumulation				
Group 1	0.2671	-	0.2671	3.9366
Group 2	0.0496	0.2175	0.2671	3.9366

Final dividend distribution on closure (accounting date 18 March 2021, paid on 30 April 2021)

Group 1: shares purchased prior to 1 December 2020

Group 2: shares purchased on or after 1 December 2020

	Distribution per share	Equalisation	Total distribution per share 30/04/21
Class A accumulation¹			
Group 1	-	-	-
Group 2	-	-	-
Class C accumulation¹			
Group 1	1.5091	-	1.5091
Group 2	1.5091	-	1.5091
Class E accumulation¹			
Group 1	-	-	-
Group 2	-	-	-
Class I accumulation¹			
Group 1	0.6038	-	0.6038
Group 2	0.1984	0.4054	0.6038

¹ The fund closed on 18 March 2021.

Distribution tables (continued)

Final dividend distribution (accounting date 31 May 2021, paid on 30 July 2021)

Group 1: shares purchased prior to 1 December 2020

Group 2: shares purchased on or after 1 December 2020

	Distribution per share	Equalisation	Total distribution per share 30/07/21	Total distribution per share 31/07/20
Class A accumulation¹				
Group 1	n/a	n/a	n/a	-
Group 2	n/a	n/a	n/a	-
Class C accumulation¹				
Group 1	n/a	n/a	n/a	2.1847
Group 2	n/a	n/a	n/a	2.1847
Class E accumulation¹				
Group 1	n/a	n/a	n/a	0.1328
Group 2	n/a	n/a	n/a	0.1328
Class I accumulation¹				
Group 1	n/a	n/a	n/a	1.1873
Group 2	n/a	n/a	n/a	1.1873

¹ Class A accumulation, Class C accumulation, Class E accumulation and Class I accumulation closed on 18 March 2021.

Janus Henderson US Growth Fund

Authorised Corporate Director's report

Investment Fund Managers

Doug Rao and Nick Schommer

Investment objective and policy

The fund aims to provide capital growth over the long term.

Performance target: To outperform the S&P 500 Index by at least 2.5% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in a concentrated portfolio of shares (also known as equities) of companies, of any size, in any industry, in the United States. Companies will have their registered office in or do most of their business (directly or through subsidiaries) in the United States.

The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings.

The fund is actively managed with reference to the S&P 500 Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Performance summary

Cumulative performance	One year	Three years	Five years	Since inception
	31 May 20 - 31 May 21 %	31 May 18 - 31 May 21 %	31 May 16 - 31 May 21 %	26 Jan 76 - 31 May 21 %
Class I accumulation (Net)	22.1	67.5	135.9	9,215.2
S&P 500 Index	22.0	53.8	126.1	-*
IA North America Sector	23.8	48.8	116.8	11,063.1
Class I accumulation (Gross)	23.2	71.7	146.0	13,523.3
S&P 500 Index + 2.5%	25.1	65.6	155.8	-*

Performance/performance target related data will display only when relevant to the fund/share class inception date and the annualised target time period.

Discrete performance	31 May 20 -	31 May 19 -	31 May 18 -	31 May 17 -	31 May 16 -
	31 May 21 %	31 May 20 %	31 May 19 %	31 May 18 %	31 May 17 %
Class I accumulation (Net)	22.1	19.8	14.5	11.5	26.3
S&P 500 Index	22.0	15.0	9.6	11.0	32.4
IA North America Sector	23.8	11.8	7.5	10.9	31.4
Class I accumulation (Gross)	23.2	20.8	15.4	12.4	27.4
S&P 500 Index + 2.5%	25.1	17.9	12.3	13.7	35.8

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

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

Source: Morningstar

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

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

Benchmark values are as at close of business.

Authorised Corporate Director's report (continued)

Performance summary (continued)

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

Benchmark usage:

Index: S&P 500 Index

Index usage: Target

Index description: The S&P 500 Index is a measure of the combined performance of 500 large companies listed on US stock markets. It forms the basis for the fund's performance target.

Peer group: IA North America Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 May 2021

Largest purchases	£000	Largest sales	£000
Booking	10,209	Salesforce.com	12,841
DexCom	7,412	Thermo Fisher Scientific	11,655
Howmet Aerospace	7,362	Visa	8,911
Uber Technologies	7,174	Home Depot	8,902
Taiwan Semiconductor Manufacturing ADS	6,301	Apple	8,020
Facebook	6,081	Merck	7,174
Vertex Pharmaceuticals	5,511	Alphabet 'A'	6,916
Illumina	5,465	Intuitive Surgical	6,409
Align Technology	5,227	Illumina	6,175
Nvidia	5,113	Boston Scientific	6,144
Total purchases	123,907	Total sales	163,538

Investment review

The fund returned 22.1% (Net), 23.2% (Gross) based on Class I accumulation over the year under review, compared with a return of 22.0% in the S&P 500 Index, a return of 25.1% in the Target Index + 2.5% and a return of 23.8% in the IA North America Sector peer group benchmark.

US equities posted significant gains over the reporting year, as they recovered from the economic shock brought on by the COVID-19 pandemic. Throughout the year, the US government and US Federal Reserve maintained extremely accommodative fiscal and monetary policies in an effort to stimulate economic growth. Towards the end of the year, smaller-cap and value stocks led the market, reversing the trend of significant large-cap and growth leadership since the beginning of the pandemic. A steady vaccination roll-out led to a marked drop in COVID-19-related deaths and hospitalisations, boosting confidence in a full reopening of the economy that can fuel a broader-based economic recovery. In general, consumer balance sheets strengthened, as they benefited from fiscal stimulus as well as strong stock and housing markets. This consumer strength and pent-up demand further supported the potential for a robust economic recovery. However, there were also significant bouts of market volatility from an uptick in interest rates and inflation expectations as well as deleveraging events and increased retail investor participation.

The fund outperformed its benchmark, due in part to strong stock selection. We run a concentrated portfolio, which meant that individual stocks played a significant role in driving performance. Stock selection in the healthcare and communication services sectors contributed to relative performance, while stock selection in the industrials sector and an underweight allocation to financials detracted.

Social media operator Snap was among the top relative contributors. The company reported strong results, driven by average revenue per user growth in North America and Europe and new user growth in the rest of the world. As Snap has introduced new features and it has matured, we have begun to see its business model evolve into a core digital advertising platform.

Semiconductor equipment manufacturer ASML was another top relative contributor. As long-term secular demand has continued to increase in the semiconductor market, leading chipmakers have announced massive capital investment plans. We took the view that ASML would benefit from these plans as the primary provider of extreme ultraviolet lithography equipment, which is essential in the pursuit of leading-edge semiconductor technology. In addition, the company was well placed to benefit from its strong competitive position and a rapidly expanding market for semiconductors.

Real estate investment trust American Tower, which owns and operates wireless and broadcast communications towers, was among the top detractors. During the year, investors priced in slightly lower mobile tower growth after the company renegotiated its contracts with the combined T-Mobile/Sprint. The stock also lagged as investors began to favour companies with strong secular growth or cyclical recovery prospects. However, we expected American Tower to benefit from increasing wireless data consumption and the transition to 5G networks as well as opportunities outside the US.

Boston Scientific, a cardiovascular-focused medical device company, was also among the top detractors from benchmark-relative performance. The company's shares suffered as it voluntarily recalled its Lotus Edge transcatheter aortic valve replacement (TAVR) product. We remained constructive on the stock despite this setback. The TAVR market is a small portion of Boston Scientific's revenues, while the company has been one of the fastest-growing companies within the medical technology industry.

The biggest changes to the portfolio included the sales of positions in Thermo Fisher Scientific, Salesforce.com and Avalara. We also added several new stocks, including Snap, Booking and Align Technology.

Much of the initial market recovery in 2020 was driven by a select group of technology stocks that benefited directly from the COVID-19 environment. Recently, we have seen a leadership change to more cyclical, economically sensitive and smaller-cap companies that stand to benefit from a broader economic recovery. A steady vaccination roll-out and a subsequent drop in COVID-19-related hospitalisations have fuelled optimism. As a result, economic growth projections have increased, and we have witnessed a consequent uptick in inflation expectations and US Treasury bond yields. We believe that there will be an ongoing tug-of-war between stock valuations and interest rates as markets evaluate the potential breadth and depth of a recovery and an appropriate risk-free rate.

While investors have begun to anticipate a full reopening, the economy currently remains hindered by social restrictions. Additional factors could also make the recovery complex and increase market volatility, including the reorganisation of supply chains and the potential for bottlenecks created by the rapid release of pent-up demand. Lagging vaccination rates in countries outside the US could also hinder a synchronised global return to growth. In general, however, the US consumer appears poised to help drive a recovery, due to surplus savings and asset growth from a strong stock market recovery and rising home values. In addition to tremendous fiscal stimulus, we also expect monetary policy to remain accommodative, further supporting the overall backdrop for equities.

While we have seen companies with more cyclical characteristics lead the market in anticipation of increased engagement with the physical economy, we continue to believe innovation will be the primary driver of durable growth in the long term. As always, we remain focused on identifying companies that have sustainable business models and deeply rooted competitive advantages with the potential to grow market share over a number of years.

Comparative tables for the year ended 31 May 2021

	Class A accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,449.11	1,201.52	1,017.28
Return before operating charges*	328.95	270.06	149.46
Operating charges	(28.06)	(22.47)	(19.22)
Return after operating charges*	300.89	247.59	130.24
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	1,750.00	1,449.11	1,201.52
* after direct transaction costs of:	-	0.16	0.11
Performance			
Return after charges	20.76%	20.61%	12.16%
Other information			
Closing net asset value (£000s)	146,920	130,876	151,998
Closing number of shares	8,395,401	9,031,428	12,650,468
Operating charges	1.73%	1.69%	1.69%
Direct transaction costs	0.00%	0.01%	0.01%
Prices			
Highest share price (pence)	1,804.00	1,480.00	1,237.00
Lowest share price (pence)	1,399.00	1,127.00	1,003.00
	Class C accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,339.01	1,097.89	968.06
Return before operating charges*	305.43	247.97	135.62
Operating charges	(8.61)	(6.85)	(5.79)
Return after operating charges*	296.82	241.12	129.83
Distributions on accumulation shares	(2.59)	(3.98)	(3.68)
Retained distributions on accumulation shares	2.59	3.98	3.68
Closing net asset value per share	1,635.83	1,339.01	1,097.89
* after direct transaction costs of:	-	0.15	0.10
Performance			
Return after charges	22.17%	21.96%	13.41%
Other information			
Closing net asset value (£000s)	32	26	22
Closing number of shares	1,953	1,953	1,953
Operating charges	0.57%	0.56%	0.56%
Direct transaction costs	0.00%	0.01%	0.01%
Prices			
Highest share price (pence)	1,685.00	1,363.00	1,130.00
Lowest share price (pence)	1,294.00	1,039.00	912.00

Comparative tables (continued)

Class E accumulation

	2021	24/06/19 - 31/05/20
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	1,455.67	1,277.73 ¹
Return before operating charges*	331.15	192.81
Operating charges	(20.13)	(14.87)
Return after operating charges*	311.02	177.94
Distributions on accumulation shares	-	-
Retained distributions on accumulation shares	-	-
Closing net asset value per share	1,766.69	1,455.67
* after direct transaction costs of:	-	0.16

Performance

Return after charges	21.37%	13.93%
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Other information

Closing net asset value (£000s)	38,298	30,701
Closing number of shares	2,167,769	2,109,107
Operating charges	1.23%	1.19%
Direct transaction costs	0.00%	0.01%

Prices

Highest share price (pence)	1,821.00	1,485.00
Lowest share price (pence)	1,406.00	1,131.00

¹ Class E accumulation launched on 24 June 2019 and this is the first published price.

Class I accumulation

	2021	2020	2019
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	431.12	354.40	313.29
Return before operating charges*	98.22	80.03	43.92
Operating charges	(4.11)	(3.31)	(2.81)
Return after operating charges*	94.11	76.72	41.11
Distributions on accumulation shares	-	(0.20)	(0.24)
Retained distributions on accumulation shares	-	0.20	0.24
Closing net asset value per share	525.23	431.12	354.40
* after direct transaction costs of:	-	0.05	0.03

Performance

Return after charges	21.83%	21.65%	13.12%
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Other information

Closing net asset value (£000s)	166,568	158,799	118,300
Closing number of shares	31,713,661	36,833,605	33,380,441
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest share price (pence)	541.20	439.30	364.70
Lowest share price (pence)	416.40	334.70	294.70

Comparative tables (continued)

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2021 %	2020 %
Class A accumulation	1.73	1.69 ¹
Class C accumulation	0.57	0.56 ¹
Class E accumulation²	1.23	1.19 ¹
Class I accumulation	0.85	0.84 ¹

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

¹ The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

² Class E accumulation launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

Risk and reward profile

The fund currently has 4 types of share class in issue: A accumulation, C accumulation, E accumulation and I accumulation.

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



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

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

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

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E accumulation was launched on 24 June 2019 and as it does not have a 5 year history, a synthetic history has been created using the A accumulation share class.

Portfolio statement as at 31 May 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 97.98% (2020: 98.21%)		
	Denmark 0.48% (2020: 0.00%)		
	Health Care 0.48% (2020: 0.00%)		
	Biotechnology 0.48% (2020: 0.00%)		
17,961	Ascendis Pharma ADR	1,698	0.48
	France 2.34% (2020: 2.18%)		
	Consumer Discretionary 2.34% (2020: 2.18%)		
	Textiles, Apparel & Luxury Goods 2.34% (2020: 2.18%)		
14,692	LVMH Moet Hennessy Louis Vuitton	8,238	2.34
	Netherlands 2.90% (2020: 2.26%)		
	Information Technology 2.90% (2020: 2.26%)		
	Semiconductors & Semiconductor Equipment 2.90% (2020: 2.26%)		
21,522	ASML	10,220	2.90
	Taiwan 2.38% (2020: 0.00%)		
	Information Technology 2.38% (2020: 0.00%)		
	Semiconductors & Semiconductor Equipment 2.38% (2020: 0.00%)		
101,437	Taiwan Semiconductor Manufacturing ADS	8,373	2.38
	United States 89.88% (2020: 93.77%)		
	Communication Services 16.90% (2020: 14.00%)		
	Diversified Telecommunication Services 4.31% (2020: 6.40%)		
5,423	Alphabet 'A'	8,991	2.56
17,418	Netflix	6,161	1.75
		15,152	4.31
	Entertainment 1.62% (2020: 1.34%)		
45,446	Walt Disney	5,712	1.62
	Interactive Media & Services 8.02% (2020: 3.64%)		
65,144	Facebook	15,071	4.29
40,607	Match	4,092	1.16
206,597	Snap	9,028	2.57
		28,191	8.02
	Wireless Telecommunication Services 2.95% (2020: 2.62%)		
104,397	T-Mobile USA	10,388	2.95
	Consumer Discretionary 10.45% (2020: 11.15%)		
	Internet & Catalog Retail 9.42% (2020: 5.65%)		
10,628	Amazon.com	24,106	6.86
5,418	Booking	9,001	2.56
		33,107	9.42

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Specialty Retail 0.00% (2020: 2.77%)		
	Textiles, Apparel & Luxury Goods 1.03% (2020: 2.73%)		
37,921	Nike 'B'	3,641	1.03
	Consumer Staples 2.27% (2020: 3.75%)		
	Food & Staples Retailing 0.00% (2020: 1.71%)		
	Household Products 2.27% (2020: 2.04%)		
84,055	Procter & Gamble	7,976	2.27
	Financials 7.42% (2020: 5.12%)		
	Capital Markets 3.53% (2020: 2.95%)		
191,036	Blackstone	12,451	3.53
	Commercial Banks 2.91% (2020: 2.17%)		
88,463	JPMorgan Chase	10,222	2.91
	Consumer Finance 0.98% (2020: 0.00%)		
65,634	Onemain	2,670	0.76
42,698	Oscar Health	757	0.22
		3,427	0.98
	Health Care 13.92% (2020: 14.77%)		
	Biotechnology 1.38% (2020: 0.00%)		
33,027	Vertex Pharmaceuticals	4,848	1.38
	Health Care Equipment & Supplies 10.45% (2020: 7.82%)		
21,264	Align Technology	8,828	2.51
305,870	Boston Scientific	9,155	2.60
63,277	Danaher	11,401	3.23
28,538	DexCom	7,416	2.11
		36,800	10.45
	Life Sciences Tools & Services 0.00% (2020: 3.00%)		
	Pharmaceuticals 2.09% (2020: 3.95%)		
290,172	Elanco Animal Health	7,341	2.09
	Industrials 7.97% (2020: 5.94%)		
	Aerospace & Defence 4.80% (2020: 3.02%)		
329,817	Howmet Aerospace	8,230	2.34
56,174	L3Harris Technologies	8,615	2.46
		16,845	4.80
	Professional Services 1.84% (2020: 2.06%)		
10,804	CoStar	6,491	1.84
	Road & Rail 1.33% (2020: 0.86%)		
131,319	Uber Technologies	4,695	1.33

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Information Technology 23.75% (2020: 30.10%)		
	Computers & Peripherals 2.90% (2020: 4.41%)		
116,518	Apple	10,214	2.90
	Electronic Equipment, Instruments & Components 0.00% (2020: 0.69%)		
	IT Services 5.38% (2020: 7.06%)		
18,767	Twilio	4,436	1.26
90,484	Visa	14,477	4.12
		18,913	5.38
	Semiconductors & Semiconductor Equipment 5.05% (2020: 3.96%)		
14,490	Nvidia	6,624	1.88
83,327	Texas Instruments	11,127	3.17
		17,751	5.05
	Software 10.42% (2020: 13.98%)		
31,447	Adobe	11,156	3.17
125,820	Microsoft	22,109	6.27
21,372	Workday 'A'	3,439	0.98
		36,704	10.42
	Materials 3.06% (2020: 3.80%)		
	Chemicals 3.06% (2020: 2.18%)		
53,919	Sherwin-Williams	10,755	3.06
	Construction Materials 0.00% (2020: 1.62%)		
	Real Estate 2.10% (2020: 3.19%)		
	Equity Real Estate Investment Trust (REIT's) 2.10% (2020: 3.19%)		
41,040	American Tower	7,378	2.10
	Utilities 2.04% (2020: 1.95%)		
	Multi-Utilities 2.04% (2020: 1.95%)		
75,307	Sempra Energy	7,180	2.04
	Derivatives 0.00% (2020: 0.00%)		
	Forward Foreign Exchange Contracts 0.00% (2020: 0.00%)¹		
	Buy GBP 1,346,804 : Sell USD 1,904,774 June 2021	7	-
	Buy USD 2,595,068 : Sell GBP 1,834,538 June 2021	(9)	-
	Buy USD 486,672 : Sell GBP 343,184 June 2021	(1)	-
	Buy USD 722,237 : Sell GBP 510,214 June 2021	(2)	-
		(5)	-
	Investment assets including investment liabilities	344,706	97.98
	Other net assets	7,112	2.02
	Total net assets	351,818	100.00

¹ Not listed on an official stock exchange

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

The classification is based on the country of risk and a relevant industry classification standard.

Statement of total return for the year ended 31 May 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains	2		68,517		59,375
Revenue	3	2,973		3,067	
Expenses	4	<u>(4,308)</u>		<u>(3,761)</u>	
Net expense before taxation		(1,335)		(694)	
Taxation	5	<u>(429)</u>		<u>(415)</u>	
Net expense after taxation			<u>(1,764)</u>		<u>(1,109)</u>
Total return before distributions			66,753		58,266
Distributions	6		-		(67)
Change in net assets attributable to shareholders from investment activities			<u>66,753</u>		<u>58,199</u>

Statement of change in net assets attributable to shareholders for the year ended 31 May 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		320,402		270,320
Amounts receivable on issue of shares	154,154		168,752	
Amounts payable on cancellation of shares	<u>(189,523)</u>		<u>(176,965)</u>	
		(35,369)		(8,213)
Dilution adjustment		31		28
Change in net assets attributable to shareholders from investment activities		66,753		58,199
Retained distributions on accumulation shares		-		68
Unclaimed distributions		1		-
Closing net assets attributable to shareholders		<u>351,818</u>		<u>320,402</u>

Balance sheet as at 31 May 2021

	Note	2021 £000	2020 £000
Assets:			
Investments		344,718	314,677
Current assets:			
Debtors	7	2,897	891
Cash and bank balances	8	7,365	7,961
Total assets		354,980	323,529
Liabilities:			
Investment liabilities		12	1
Creditors:			
Bank overdrafts		-	1,265
Other creditors	9	3,150	1,861
Total liabilities		3,162	3,127
Net assets attributable to shareholders		351,818	320,402

Notes to the financial statements for the year ended 31 May 2021

1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the funds' aggregated notes to the financial statements.

2 Net capital gains

Net capital gains on investments during the year comprise:

	2021	2020
	£000	£000
Forward currency contracts	(139)	(152)
Non-derivative securities	69,668	59,112
Other currency (losses)/gains	(1,011)	420
Transaction costs	(1)	(5)
Net capital gains	68,517	59,375

3 Revenue

	2021	2020
	£000	£000
Bank interest	-	145
Overseas dividends	2,819	2,772
Overseas REIT revenue	154	150
Total revenue	2,973	3,067

4 Expenses

	2021	2020
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	3,735	3,332
GAC*	542	402
	<u>4,277</u>	<u>3,734</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	26	23
Safe custody fees	5	4
	<u>31</u>	<u>27</u>
Total expenses	4,308	3,761

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £8,861 (2020: £7,912).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2021 £000	2020 £000
Current tax		
Overseas withholding tax	429	415
Total tax (note 5b)	<u>429</u>	<u>415</u>

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICS of 20% (2020: 20%). The differences are explained below:

	2021 £000	2020 £000
Net expense before taxation	(1,335)	(694)
Corporation tax at 20% (2020: 20%)	(267)	(139)
Effects of:		
Double tax relief	(5)	(5)
Overseas dividends	(563)	(554)
Overseas withholding tax	429	415
Unused management expenses	835	698
Tax charge for the year (note 5a)	<u>429</u>	<u>415</u>

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2020: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £11,559,120 (2020: £10,723,793) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

6 Distributions

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

	2021	2020
	£000	£000
Interim accumulation	-	56
Final accumulation	-*	12
	<u>-</u>	<u>68</u>
Amounts deducted on cancellation of shares	-	10
Amounts received on issue of shares	-	(11)
	<u>-</u>	<u>67</u>
Total distributions	-	67
Net expense after taxation	(1,764)	(1,109)
Revenue shortfall	1,764	1,176
	<u>-</u>	<u>67</u>
Total distributions	-	67

* Distributions totaling £51 were paid out during the year in relation to accumulation shares. Details of the distribution per share are set out in the Distribution tables on page 161.

7 Debtors

	2021	2020
	£000	£000
Accrued revenue	117	131
Amounts receivable for issue of shares	2,764	454
Overseas withholding tax reclaimable	16	12
Sales awaiting settlement	-	294
	<u>2,897</u>	<u>891</u>
Total debtors	2,897	891

8 Cash and bank balances

	2021	2020
	£000	£000
Cash and bank balances	7,365	7,961
	<u>7,365</u>	<u>7,961</u>
Total cash and bank balances	7,365	7,961

9 Other creditors

	2021	2020
	£000	£000
Accrued annual management charge	641	284
Accrued Depositary's fee	5	3
Accrued other expenses	94	41
Amounts payable for cancellation of shares	1,423	1,533
Purchases awaiting settlement	987	-
	<u>3,150</u>	<u>1,861</u>
Total other creditors	3,150	1,861

10 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the current or prior year end.

Notes to the financial statements (continued)

11 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 151 and 152 and notes 4, 6, 7 and 9 on pages 153 to 155 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2020: nil).

12 Shareholders' funds

The fund currently has 4 share classes available: Class A (Retail), Class C (Retail), Class E (Retail) and Class I (Institutional). The annual management charge on each share class is as follows:

	2021	2020
	%	%
Class A	1.50	1.50
Class C	0.50	0.50
Class E	1.00	1.00
Class I	0.75	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 143 to 145. The distribution per share class is given in the Distribution tables on page 161. All share classes have the same rights on winding up.

Shares reconciliation as at 31 May 2021

	Class A accumulation	Class C accumulation	Class E accumulation	Class I accumulation
Opening number of shares	9,031,428	1,953	2,109,107	36,833,605
Issues during the year	5,047,696	-	26,092	15,013,327
Cancellations during the year	(5,477,572)	-	(139,500)	(20,243,876)
Shares converted during the year	(206,151)	-	172,070	110,605
Closing shares in issue	8,395,401	1,953	2,167,769	31,713,661

13 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

Eligible collateral types are approved by the Investment Manager and are agreed with the relevant counterparty.

There was no collateral pledged or collateral held in respect of forward foreign exchange contracts as at 31 May 2021 (2020: nil). The fund had cash assets of nil (2020: nil) and cash liabilities of nil (2020: nil) held in margin accounts at derivative clearing houses and brokers at 31 May 2021.

The tables below, provide further details of the counterparty exposure for the derivative positions held on the fund at 31 May 2021 (2020).

2021

At 31 May 2021 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	7
	<u>7</u>

Notes to the financial statements (continued)

13 Financial derivatives (continued)

2020

At 31 May 2020 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	4
	<hr/> 4 <hr/>

2021

At 31 May 2021 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	4,016
	<hr/> 4,016 <hr/>

2020

At 31 May 2020 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	1,136
	<hr/> 1,136 <hr/>

14 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

Stock lending revenue is disclosed under 'Revenue' in the Statement of total return.

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.

2021

There was no stock on loan as at 31 May 2021 and no stock lending revenue received in the year to 31 May 2021.

2020

There was no stock on loan as at 31 May 2020 and no stock lending revenue received in the year to 31 May 2020.

Notes to the financial statements (continued)

15 Risk

Currency risk

The exposure to currency risk is considered significant. The following table details the net exposure of the principal foreign currencies the fund is exposed to including any instruments used to hedge foreign currencies:

2021	Investment assets including (investment liabilities) £000	Other net assets £000	Total net assets/(liabilities) £000
Currency			
Euro	8,238	6	8,244
UK sterling	(1,341)	601	(740)
US dollar	337,809	6,505	344,314
Total	344,706	7,112	351,818

2020	Investment assets including (investment liabilities) £000	Other net assets/(liabilities) £000	Total net assets/(liabilities) £000
Currency			
Euro	6,985	-	6,985
UK sterling	830	(1,407)	(577)
US dollar	306,861	7,133	313,994
Total	314,676	5,726	320,402

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £352,557,693 (2020: £320,979,324). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 May 2021 and the net assets as at 31 May 2021 by £35,255,769 (2020: £32,097,932).

Interest rate risk

The fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Other market price risk

An increase or decrease in market values will have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

Leverage

The fund has not employed significant leverage in the current or prior year.

Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities showing the remaining contractual maturities on an undiscounted basis:

2021	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
Derivative financial liabilities	-	12	-	-
Other creditors	-	3,150	-	-
Total	-	3,162	-	-

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk (continued)

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Bank overdrafts	1,265	-	-	-
Derivative financial liabilities	-	1	-	-
Other creditors	-	1,861	-	-
Total	1,265	1,862	-	-

16 Fair value disclosure

Fair value measurement

The intention of a fair value measurement is to estimate the price at which an asset or a liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS 102 the fund classifies fair value measurement under the following levels:

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 either 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.

Fair value hierarchy

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	344,718	-	314,673	-
Level 2	-	12	4	1
Level 3	-	-	-	-
	344,718	12	314,677	1

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trades in the year				
Equities	123,894	164,425	163,552	171,183
Trades in the year before transaction costs	123,894	164,425	163,552	171,183
Transaction costs				
Commissions				
Equities	10	18	11	15
Total commissions	10	18	11	15
Taxes				
Equities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Equities	3	28	3	3
Total other expenses	3	28	3	3
Total transaction costs	13	46	14	18
Total net trades in the year after transaction costs	123,907	164,471	163,538	171,165

	Purchases		Sales	
	2021	2020	2021	2020
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.01	0.01	0.01	0.01
Taxes				
Equities	-	-	-	-
Other expenses				
Equities	-	0.02	-	-
	2021	2020		
	%	%		
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.01	0.01		
Taxes	-	-		
Other expenses	-	0.01		
Total costs	0.01	0.02		

There were no in specie transfers during the year (2020: nil). There were no corporate actions during the year (2020: nil).

There were no direct transaction costs associated with derivatives in the year (2020: nil).

Direct transaction costs are fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the fund. These exclude any differences between quoted bid and offer prices or internal administrative or holding costs.

The portfolio dealing spread as at 28 May 2021 was 0.04% (2020: 0.04%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

There were no material post Balance sheet events which require disclosure within these financial statements.

Distribution tables for the year ended 31 May 2021 (in pence per share)

Interim dividend distribution (accounting date 30 November 2020, paid on 29 January 2021)

Group 1: shares purchased prior to 1 June 2020

Group 2: shares purchased on or after 1 June 2020

	Distribution per share	Equalisation	Total distribution per share 29/01/21	Total distribution per share 31/01/20
Class A accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class C accumulation				
Group 1	1.0099	-	1.0099	2.1699
Group 2	1.0099	-	1.0099	2.1699
Class E accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I accumulation				
Group 1	-	-	-	0.1657
Group 2	-	-	-	0.1657

Final dividend distribution (accounting date 31 May 2021, paid on 30 July 2021)

Group 1: shares purchased prior to 1 December 2020

Group 2: shares purchased on or after 1 December 2020

	Distribution per share	Equalisation	Total distribution per share 30/07/21	Total distribution per share 31/07/20
Class A accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class C accumulation				
Group 1	1.5825	-	1.5825	1.8140
Group 2	1.5825	-	1.5825	1.8140
Class E accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I accumulation				
Group 1	-	-	-	0.0324
Group 2	-	-	-	0.0324

Janus Henderson Absolute Return Fund (formerly Janus Henderson UK Absolute Return Fund)

Authorised Corporate Director's report

Investment Fund Managers

Ben Wallace and Luke Newman

Investment objective and policy

The fund aims to provide a positive (absolute) return, regardless of market conditions, over any 12 month period. A positive return is not guaranteed over this or any other time period, and particularly over the shorter term the fund may experience periods of negative returns. Consequently your capital is at risk.

Performance target: To outperform the UK Base Interest Rate, after the deduction of charges, over any 3 year period.

The fund invests in shares and makes extensive use of derivatives (complex financial instruments) to take both 'long' and 'short' positions in companies the Investment Manager believes will either rise in value (long positions) or fall in value (short positions) meaning that the fund may benefit from either scenario.

The fund will hold a significant proportion of its assets in cash and money market instruments as a result of holding derivatives and for when the Investment Manager wishes to take a defensive stance. Conversely, the fund may also employ 'leverage' (so that the fund can invest a greater amount than its actual value) when the Investment Manager has greater confidence in the opportunities available.

Typically, at least 60% of the exposure to the long and short positions (in aggregate) will be to companies of any size, in any industry, in the UK. Companies may be incorporated or headquartered in the UK, deriving significant revenue from the UK, or constituents of the FTSE All Share Index. Up to 40% of the long and short exposure may be to non-UK companies.

The fund is actively managed with reference to the UK Base Interest Rate as this forms the basis of the fund's performance target and the level above which performance fees may be charged (if applicable). The Investment Manager has complete discretion to choose investments for the fund and is not constrained by a benchmark.

Performance summary

Cumulative performance	One year	Three years	Five years	Since inception	
	31 May 20 - 31 May 21	31 May 18 - 31 May 21	31 May 16 - 31 May 21	29 Apr 09 - 31 May 21	
	%	%	%	%	
Class I accumulation (Net)	5.3	7.3	12.1	79.4	
UK Base Interest Rate	0.1	1.4	2.1	5.8	
Discrete performance	31 May 20 - 31 May 21	31 May 19 - 31 May 20	31 May 18 - 31 May 19	31 May 17 - 31 May 18	31 May 16 - 31 May 17
	%	%	%	%	%
Class I accumulation (Net)	5.3	4.0	(2.0)	1.5	2.9
UK Base Interest Rate	0.1	0.6	0.7	0.4	0.3

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

Source: Morningstar

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

Benchmark values are as at close of business.

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark usage:

Index: UK Base Interest Rate

Index usage: Target

Index description: The UK Base Interest Rate is the interest rate set by the Bank of England. It is the performance target of the fund.

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

Significant portfolio changes for the year ended 31 May 2021

Largest purchases	£000	Largest sales/maturities	£000
Lloyds Bank 0.05% 03/12/2020	51,500	Lloyds Bank 0.05% 03/12/2020	51,500
ABN AMRO 0.02% 12/04/2021	35,000	ABN AMRO 0.02% 12/04/2021	35,000
Barclays Bank 0.10% 28/06/2021	34,500	Barclays Bank 0.68% 05/06/2020	33,000
Lloyds Bank 0.01% 03/03/2021	32,250	Lloyds Bank 0.01% 03/03/2021	32,250
Nordea Bank 0.02% 19/04/2021	32,000	Citibank 0.40% 07/08/2020	32,000
Alphabet 'C'	30,103	Nordea Bank 0.02% 19/04/2021	32,000
Santander UK 0.06% 06/11/2020	29,000	Crédit Agricole Corporate & Investment Bank 0.21% 01/09/2020	31,000
Nordea Bank 0.06% 28/05/2021	28,500	Santander UK 0.06% 06/11/2020	29,000
MUFG Bank 0.04% 15/03/2021	28,250	Nordea Bank 0.06% 28/05/2021	28,500
Oracle	27,200	MUFG Bank 0.04% 15/03/2021	28,250
Total purchases	2,359,528	Total sales/maturities	2,563,708

Investment review

The fund returned 5.3% based on Class I accumulation (Net) over the year under review, compared with a return of 0.1% in the UK Base Interest Rate.

Following the dramatic falls in equity markets in the first quarter of 2020 due to the global pandemic, monetary and fiscal stimulus measures introduced by governments worldwide resulted in a broad recovery through the spring and summer months. However, equities remained volatile, particularly those sectors or industries with demand patterns or supply chains disrupted by government actions to control the spread of COVID-19.

Rising virus caseloads, US/China trade noise and impending deadlines of the US presidential election and trade negotiations between the UK and European Union saw markets give back some of their gains in September and October. However, in November markets again rallied on hopes that the incoming US administration of Joe Biden would be forced to moderate taxation and regulatory plans without clear control of the legislature, followed by the announcement of three separate COVID-19 vaccines. Equity continued to rally into year end, although 2021 saw concerns about the efficacy of vaccines on new COVID-19 variants and the prospect of higher inflation, along with volatility due to rapid rotations between a number of themes, sectors and factors.

The long book was strongly positive, while the short book detracted. The top-performing long position was the core holding in Danish freight provider DSV Panalpina, which reported results that were ahead of expectations and improved guidance. The long position in building materials supplier CRH was also positive, as it benefited from US infrastructure stimulus measures and delivered a positive trading update. The core long position in insurer Legal & General contributed, thanks to attractive new business rates and an improved macroeconomic backdrop, which was supportive of its business model. We also expected the prospect of higher bond yields to boost its investment returns and solvency calculations. There were few notable detractors within the long book, although food delivery service Just Eat Takeaway.com detracted along with the news of easing COVID-19 restrictions. Microchip designer Alphawave IP's share price fell during the sell-off in technology stocks in spring 2021.

Within the short book, a number of positions in housebuilders (used as hedges against the fund's overall long position within the sector) detracted. A short position in an airline also detracted, as the shares rallied because of progress in the roll-out of vaccines. Given the strong performance in equity markets, there were few standout positive contributors within the short book.

The fund was active in the recapitalisation process on both the long and short books. We maintained an open dialogue with companies and their advisers who needed to raise new equity to repair balance sheets and to fund future growth. The initial public offering market reopened sooner than anticipated for those companies with attractive business models, typically those with a well-invested technology platform that can survive and grow in a post-COVID-19 environment. The shorter-term tactical book was also active, with sharp moves in currency, fixed income and commodity markets all presenting trading opportunities.

Equity markets are likely to remain volatile over the coming months as economies emerge from lockdown restrictions and the conflicting inflationary pressures of pent-up demand patterns returning with the gradual normalisation of supply chains for goods and services. Against this backdrop, macroeconomic data will likely prove inconclusive in determining the long-term price response in a number of industries and regions to ongoing fiscal and monetary stimulus offset by the familiar structural deflationary pressures of demographics and technological efficiencies. A balanced approach to factor positioning within the portfolio remains the favoured approach and the experience of the past year is that stock fundamentals can be rewarded on both the long and short books despite the macro uncertainty. This has allowed more capital to be deployed through higher gross exposure in recent months, as both the core and tactical books have sought to take advantage of higher stock-specific dispersion.

Comparative tables for the year ended 31 May 2021

	Class A accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	159.80	154.66	158.39
Return before operating charges*	11.85	7.80	(1.07)
Operating charges	(2.81)	(2.66)	(2.64)
Operating charges - performance fees	(1.69)	-	(0.02)
Return after operating charges*	7.35	5.14	(3.73)
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	167.15	159.80	154.66
* after direct transaction costs of:	0.16	0.19	0.16
Performance			
Return after charges	4.60%	3.32%	(2.35%)
Other information			
Closing net asset value (£000s)	44,045	46,997	67,063
Closing number of shares	26,350,313	29,409,502	43,362,733
Operating charges	1.73%	1.69%	1.69%
Operating charges - performance fees	1.04%	0.00%	0.01%
Direct transaction costs	0.10%	0.12%	0.10%
Prices			
Highest share price (pence)	168.00	161.80	159.20
Lowest share price (pence)	158.90	154.50	152.10

Comparative tables (continued)

	Class E accumulation	
	2021	24/06/19 - 31/05/20
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	160.55	155.06 ¹
Return before operating charges*	11.97	7.24
Operating charges	(2.01)	(1.75)
Operating charges - performance fees	(2.06)	-
Return after operating charges*	7.90	5.49
Distributions on accumulation shares	-	-
Retained distributions on accumulation shares	-	-
Closing net asset value per share	168.45	160.55
* after direct transaction costs of:	0.16	0.20
Performance		
Return after charges	4.92%	3.54%
Other information		
Closing net asset value (£000s)	843	904
Closing number of shares	500,459	563,016
Operating charges	1.23%	1.19%
Operating charges - performance fees	1.26%	0.00%
Direct transaction costs	0.10%	0.12%
Prices		
Highest share price (pence)	169.30	162.20
Lowest share price (pence)	159.80	155.00

¹ Class E accumulation launched on 24 June 2019 and this is the first published price.

Comparative tables (continued)

	Class G accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	103.08	99.14	100.72
Return before operating charges*	7.67	5.00	(0.69)
Operating charges	(0.86)	(0.81)	(0.89)
Operating charges - performance fees	(1.39)	(0.25)	-
Return after operating charges*	5.42	3.94	(1.58)
Distributions on accumulation shares	-	(0.09)	(0.18)
Retained distributions on accumulation shares	-	0.09	0.18
Closing net asset value per share	108.50	103.08	99.14
* after direct transaction costs of:	0.11	0.13	0.10
Performance			
Return after charges	5.26%	3.97%	(1.57%)
Other information			
Closing net asset value (£000s)	358,347	374,487	530,145
Closing number of shares	330,281,261	363,293,539	534,749,279
Operating charges	0.82%	0.80%	0.89%
Operating charges - performance fees	1.32%	0.25%	0.00%
Direct transaction costs	0.10%	0.12%	0.10%
Prices			
Highest share price (pence)	109.00	104.00	101.30
Lowest share price (pence)	102.80	99.02	97.16

Comparative tables (continued)

	Class I accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	170.39	164.11	167.01
Return before operating charges*	12.66	8.29	(1.17)
Operating charges	(1.86)	(1.76)	(1.73)
Operating charges - performance fees	(2.22)	(0.25)	-
Return after operating charges*	8.58	6.28	(2.90)
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	178.97	170.39	164.11
* after direct transaction costs of:	0.17	0.21	0.17
Performance			
Return after charges	5.04%	3.83%	(1.74%)
Other information			
Closing net asset value (£000s)	952,248	1,024,244	1,435,125
Closing number of shares	532,062,468	601,109,150	874,477,611
Operating charges	1.07%	1.05%	1.05%
Operating charges - performance fees	1.28%	0.15%	0.00%
Direct transaction costs	0.10%	0.12%	0.10%
Prices			
Highest share price (pence)	179.80	172.10	167.90
Lowest share price (pence)	169.70	163.90	161.00

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2021 OCF¹ %	2021 Performance fees %	2020 OCF¹ %	2020 Performance fees %
Class A accumulation	1.73	1.04	1.69 ²	-
Class E accumulation³	1.23	1.26	1.19 ²	-
Class G accumulation	0.82	1.32	0.80 ²	0.25
Class I accumulation	1.07	1.28	1.05 ²	0.15

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

¹ The OCF excludes performance fees.

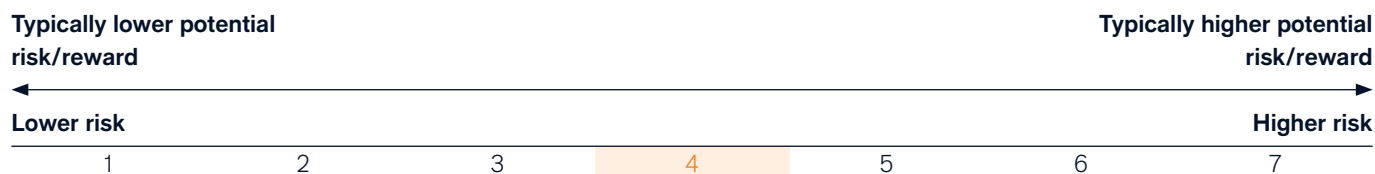
² The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

³ Class E accumulation launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

Risk and reward profile

The fund currently has 4 types of share class in issue: A accumulation, E accumulation, G accumulation and I accumulation.

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



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

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

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

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

There has been no changes to the risk ratings in the year.

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

* Class G accumulation was launched on 18 December 2017 and Class E accumulation was launched on 24 June 2019. As these share classes do not have a 5 year history, a synthetic history has been created for Class G accumulation using the fund's relevant sector average and for Class E accumulation using the A accumulation share class.

Portfolio statement as at 31 May 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 40.53% (2020: 23.58%)		
	Belgium 0.00% (2020: 0.20%)		
	Consumer Staples 0.00% (2020: 0.20%)		
	Canada 0.36% (2020: 0.05%)		
	Financials 0.00% (2020: 0.05%)		
	Materials 0.36% (2020: 0.00%)		
59,344	Agnico Eagle Mines	2,995	0.21
58,707	Alamos Gold (Canadian Listing)	374	0.03
244,507	Alamos Gold (US Listing)	1,570	0.12
		<u>4,939</u>	<u>0.36</u>
	Denmark 1.05% (2020: 1.98%)		
	Health Care 0.00% (2020: 0.41%)		
	Industrials 1.01% (2020: 0.87%)		
80,194	DSV Panalpina	<u>13,735</u>	<u>1.01</u>
	Utilities 0.04% (2020: 0.70%)		
4,938	Orsted	<u>525</u>	<u>0.04</u>
	Germany 3.99% (2020: 1.19%)		
	Consumer Discretionary 0.00% (2020: 0.16%)		
	Financials 0.39% (2020: 0.00%)		
22,190	Allianz	4,112	0.31
107,241	Deutsche Bank	1,122	0.08
		<u>5,234</u>	<u>0.39</u>
	Information Technology 1.06% (2020: 0.00%)		
147,675	SAP	<u>14,422</u>	<u>1.06</u>
	Real Estate 2.30% (2020: 1.03%)		
92,465	Deutsche Wohnen	4,150	0.31
295,084	Instone Real Estate	6,574	0.48
465,312	Vonovia	20,468	1.51
		<u>31,192</u>	<u>2.30</u>
	Utilities 0.24% (2020: 0.00%)		
378,062	E.ON	<u>3,208</u>	<u>0.24</u>
	Ireland 0.00% (2020: 0.57%)		
	Consumer Discretionary 0.00% (2020: 0.57%)		
	Italy 0.11% (2020: 0.00%)		
	Communication Services 0.11% (2020: 0.00%)		
188,860	Infrastrutture Wireless Italiane	<u>1,487</u>	<u>0.11</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Luxembourg 0.04% (2020: 0.00%)		
	Financials 0.04% (2020: 0.00%)		
23,784	Lakestar	17	-
66,712	Lakestar Spac	569	0.04
		<u>586</u>	<u>0.04</u>
	Netherlands 1.08% (2020: 0.90%)		
	Consumer Discretionary 0.37% (2020: 0.00%)		
79,271	Just Eat Takeaway.com	5,060	0.37
	Financials 0.32% (2020: 0.00%)		
440,763	ING	4,299	0.32
	Health Care 0.00% (2020: 0.46%)		
	Information Technology 0.07% (2020: 0.00%)		
2,072	ASML	975	0.07
	Materials 0.32% (2020: 0.44%)		
33,390	Koninklijke DSM	4,328	0.32
	Norway 0.33% (2020: 0.00%)		
	Materials 0.33% (2020: 0.00%)		
954,883	Norsk Hydro	4,410	0.33
	Sweden 0.62% (2020: 0.00%)		
	Industrials 0.62% (2020: 0.00%)		
442,471	SKF 'B'	8,442	0.62
	Switzerland 0.83% (2020: 1.10%)		
	Consumer Staples 0.05% (2020: 0.65%)		
8,588	Nestlé	744	0.05
	Financials 0.47% (2020: 0.30%)		
21,317	Zurich Insurance	6,261	0.47
	Health Care 0.20% (2020: 0.15%)		
28,936	Novartis	1,786	0.13
3,970	Roche Non-Voting Shares	971	0.07
		<u>2,757</u>	<u>0.20</u>
	Industrials 0.11% (2020: 0.00%)		
704	SGS	1,544	0.11
	United Kingdom 16.95% (2020: 10.44%)		
	Communication Services 0.03% (2020: 0.00%)		
128,735	Trustpilot	386	0.03

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Consumer Discretionary 0.64% (2020: 0.00%)		
1,432,305	THG	8,723	0.64
	Consumer Staples 2.45% (2020: 1.44%)		
791,781	Unilever	33,211	2.45
	Financials 3.76% (2020: 1.16%)		
1,121,192	Conduit	5,797	0.43
2,831,036	NatWest	5,860	0.43
265,607	Schroder Non-Voting Shares	6,919	0.51
27,636,322	Sherborne Investors 'A'	16,030	1.19
2,609,653	Sherborne Investors 'B'	313	0.02
12,391,063	Triam Investors 1	15,984	1.18
		50,903	3.76
	Industrials 9.27% (2020: 7.84%)		
1,000,572	Jet2	13,508	1.00
6,110,443	RELX	112,160	8.27
		125,668	9.27
	Information Technology 0.80% (2020: 0.00%)		
3,523,655	Alphawave IP	10,800	0.80
	United States 15.17% (2020: 7.16%)		
	Communication Services 1.75% (2020: 0.47%)		
8,937	Alphabet 'C'	15,163	1.12
25,469	Facebook	5,892	0.43
68,726	Verizon Communications	2,733	0.20
		23,788	1.75
	Consumer Discretionary 1.21% (2020: 0.62%)		
1,421	Amazon.com	3,223	0.24
205,693	eBay	8,808	0.66
27,063	Ralph Lauren	2,362	0.17
58,424	Skechers USA	1,951	0.14
		16,344	1.21
	Consumer Staples 1.50% (2020: 0.26%)		
48,157	Archer-Daniels-Midland	2,254	0.17
12,130	Clorox	1,508	0.11
400,988	Coca-Cola	15,596	1.15
26,877	Hormel Foods	918	0.07
		20,276	1.50
	Energy 0.28% (2020: 0.00%)		
52,772	Chevron	3,854	0.28

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Financials 2.61% (2020: 1.81%)			
29,958	AON	5,340	0.39
10,613	Arthur J Gallagher	1,095	0.08
119,501	Bank of America	3,564	0.26
53,707	Berkshire Hathaway 'B'	10,937	0.82
19,663	S&P Global	5,245	0.39
49,665	Willis Towers Watson	9,132	0.67
		<u>35,313</u>	<u>2.61</u>
Health Care 1.03% (2020: 0.30%)			
6,725	Align Technology	2,792	0.21
11,158	Danaher	2,011	0.15
186,693	Envista	5,731	0.41
19,456	Stryker	3,494	0.26
		<u>14,028</u>	<u>1.03</u>
Industrials 2.33% (2020: 0.15%)			
96,268	Expeditors International of Washington	8,511	0.63
188,729	Otis Worldwide	10,394	0.77
304,056	Sensata Technologies	12,713	0.93
		<u>31,618</u>	<u>2.33</u>
Information Technology 3.75% (2020: 2.25%)			
65,060	Analog Devices	7,533	0.56
156,392	Intel	6,284	0.46
4,504	International Business Machines	456	0.03
14,413	MasterCard	3,656	0.27
108,958	Maxim Integrated Products	7,818	0.58
23,905	Microsoft	4,201	0.31
221,733	Oracle	12,282	0.91
23,593	VeriSign	3,650	0.27
30,180	Visa	4,829	0.36
		<u>50,709</u>	<u>3.75</u>
Materials 0.71% (2020: 0.69%)			
47,916	Freeport-McMoRan	1,440	0.11
159,168	Newmont	8,228	0.60
		<u>9,668</u>	<u>0.71</u>
Real Estate 0.00% (2020: 0.06%)			
Utilities 0.00% (2020: 0.55%)			
Collective Investment Schemes 4.75% (2020: 4.58%)			
64,361,727	Deutsche Global Liquidity Managed Sterling Fund Platinum Class	64,362	4.75
Certificates of Deposit 44.57% (2020: 65.14%)			
Australia 5.77% (2020: 5.63%)			
GBP 10,000,000	Australia & New Zealand Banking 0.05% 10/08/2021	10,001	0.74
GBP 15,000,000	Australia & New Zealand Banking 0.10% 14/10/2021	15,004	1.11
GBP 11,750,000	Australia & New Zealand Banking 0.10% 28/10/2021	11,753	0.87
GBP 8,000,000	Commonwealth Bank of Australia 0.05% 03/08/2021	8,001	0.59

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Australia (continued)			
GBP 17,500,000	National Australia Bank 0.02% 07/07/2021	17,501	1.28
GBP 16,000,000	National Australia Bank 0.10% 10/09/2021	16,004	1.18
		78,264	5.77
Canada 3.84% (2020: 8.85%)			
GBP 14,500,000	Bank of Nova Scotia 0.06% 22/06/2021	14,501	1.07
GBP 8,500,000	Toronto-Dominion Bank 0.09% 06/12/2021	8,502	0.63
GBP 14,500,000	Toronto-Dominion Bank 0.10% 06/09/2021	14,503	1.07
GBP 14,500,000	Toronto-Dominion Bank 0.10% 12/10/2021	14,503	1.07
		52,009	3.84
Denmark 0.00% (2020: 4.50%)			
Finland 1.96% (2020: 3.38%)			
GBP 12,500,000	Nordea Bank 0.09% 21/06/2021	12,501	0.92
GBP 14,000,000	Nordea Bank 0.10% 11/11/2021	14,004	1.04
		26,505	1.96
France 3.17% (2020: 9.20%)			
GBP 15,000,000	Crédit Agricole Corporate & Investment Bank 0.03% 14/07/2021	15,001	1.11
GBP 5,500,000	Crédit Agricole Corporate & Investment Bank 0.19% 31/08/2021	5,502	0.41
GBP 22,500,000	Société Générale 0.095% 01/09/2021	22,504	1.65
		43,007	3.17
Germany 0.00% (2020: 4.53%)			
Japan 1.84% (2020: 2.21%)			
GBP 25,000,000	Mitsubishi UFJ Trust and Banking 0.10% 01/07/2021	25,002	1.84
Netherlands 4.02% (2020: 1.94%)			
GBP 19,500,000	ING Bank 0.02% 21/06/2021	19,500	1.44
GBP 12,000,000	ING Bank 0.05% 19/10/2021	12,001	0.89
GBP 12,500,000	Rabobank 0.03% 07/06/2021	12,500	0.92
GBP 10,500,000	Rabobank 0.10% 29/11/2021	10,503	0.77
		54,504	4.02
Singapore 3.51% (2020: 2.30%)			
GBP 5,000,000	United Overseas Bank 0.08% 02/09/2021	5,001	0.37
GBP 5,500,000	United Overseas Bank 0.10% 01/10/2021	5,501	0.41
GBP 7,500,000	United Overseas Bank 0.10% 07/10/2021	7,502	0.55
GBP 7,500,000	United Overseas Bank 0.10% 08/10/2021	7,502	0.55
GBP 4,000,000	United Overseas Bank 0.10% 10/09/2021	4,001	0.30
GBP 7,000,000	United Overseas Bank 0.10% 20/10/2021	7,002	0.52
GBP 11,000,000	United Overseas Bank 0.10% 22/09/2021	11,006	0.81
		47,515	3.51

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Sweden 5.05% (2020: 2.49%)			
GBP 16,000,000	Handelsbanken 0.06% 04/06/2021	16,000	1.18
GBP 20,000,000	Handelsbanken 0.085% 05/07/2021	20,003	1.47
GBP 10,000,000	SEB 0.07% 09/08/2021	10,001	0.74
GBP 14,000,000	SEB 0.095% 18/10/2021	14,003	1.03
GBP 8,500,000	SEB 0.10% 09/12/2021	8,502	0.63
		<u>68,509</u>	<u>5.05</u>
Switzerland 4.93% (2020: 2.40%)			
GBP 11,000,000	Credit Suisse 0.09% 03/09/2021	11,002	0.80
GBP 8,000,000	Credit Suisse 0.10% 09/11/2021	8,002	0.59
GBP 5,500,000	Credit Suisse 0.12% 01/10/2021	5,502	0.41
GBP 8,500,000	Credit Suisse 0.14% 09/12/2021	8,504	0.63
GBP 10,000,000	UBS 0.07% 09/08/2021	10,001	0.74
GBP 8,000,000	UBS 0.09% 06/08/2021	8,001	0.59
GBP 5,500,000	UBS 0.10% 31/08/2021	5,501	0.41
GBP 5,250,000	UBS 0.11% 07/12/2021	5,252	0.39
GBP 5,000,000	UBS 0.12% 14/10/2021	5,002	0.37
		<u>66,767</u>	<u>4.93</u>
United Arab Emirates 3.76% (2020: 3.81%)			
GBP 15,000,000	First Abu Dhabi Bank 0.07% 23/07/2021	15,001	1.11
GBP 13,000,000	First Abu Dhabi Bank 0.08% 01/07/2021	13,001	0.96
GBP 14,000,000	First Abu Dhabi Bank 0.10% 07/07/2021	14,002	1.03
GBP 9,000,000	First Abu Dhabi Bank 0.125% 29/11/2021	9,004	0.66
		<u>51,008</u>	<u>3.76</u>
United Kingdom 4.54% (2020: 11.15%)			
GBP 9,000,000	Barclays Bank 0.10% 20/07/2021	9,001	0.66
GBP 34,500,000	Barclays Bank 0.10% 28/06/2021	34,504	2.55
GBP 5,000,000	Barclays Bank 0.20% 10/05/2022	5,005	0.37
GBP 5,500,000	Barclays Bank 0.21% 05/10/2021	5,503	0.41
GBP 5,000,000	Barclays Bank 0.23% 10/09/2021	5,003	0.37
GBP 2,500,000	HSBC 0.25% 10/08/2021	2,501	0.18
		<u>61,517</u>	<u>4.54</u>
United States 2.18% (2020: 2.75%)			
GBP 15,500,000	Citibank 0.00% 03/09/2021	15,502	1.15
GBP 14,000,000	Citibank 0.10% 04/10/2021	14,003	1.03
		<u>29,505</u>	<u>2.18</u>
Treasury Bill 1.03% (2020: 1.14%)			
United Kingdom 1.03% (2020: 1.14%)			
GBP 14,000,000	UK Treasury 0.00% 16/08/2021	13,998	1.03
Derivatives 0.06% (2020: (1.54%))			
Contracts for Difference (0.11%) (2020: 0.22%)¹			
Equity Short Contracts for Difference (0.16%) (2020: (0.33%))¹			
(208,603)	Antofagasta	527	0.04
(10,353)	Apple	12	-
(19,023)	Arcadis	3	-
(1,715,157)	Banco Santander	35	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Equity Short Contracts for Difference <small>(continued)</small>			
(79,529)	Bank of Nova Scotia 'A'	(50)	-
(5,733,703)	Barclays	(179)	(0.01)
(1,662,291)	Barratt Developments	(49)	-
(35,618)	Basic-Fit	(70)	(0.01)
(15,436)	Best Buy	42	-
(15,681)	BNP Paribas	(6)	-
(1,828,925)	British Land	358	0.03
(8,685)	Brown-Forman	(15)	-
(24,760)	Clorox	69	0.01
(4,511)	Coinbase	(16)	-
(299,562)	CRH	144	0.01
(18,081)	Croda International	(81)	(0.01)
(27,422)	Danone	48	-
(68,773)	DraftKings	(311)	(0.02)
(96,097)	Exxon Mobil	147	0.01
(78,062)	Ferguson	(337)	(0.02)
(35,579)	Flowers Foods	6	-
(88,713)	General Mills	(5)	-
(2,467)	Givaudan	(15)	-
(362,872)	GlaxoSmithKline	(43)	-
(59,364)	Halma	(74)	(0.01)
(46,914)	Hanesbrands	11	-
(31,012)	Hanover Insurance	69	0.01
(5,168)	Home Depot	3	-
(98,469)	Hormel Foods	(138)	(0.01)
(39,671)	InterContinental Hotels	(33)	-
(29,592)	International Business Machines	27	-
(2,638,179)	International Consolidated Airlines	(218)	(0.02)
(37,410)	Intertek	141	0.01
(1,020,726)	Intesa Sanpaolo	(20)	-
(60,855)	JPMorgan Chase	18	-
(17,695)	Kellogg's	10	-
(23,856)	Kone 'B'	5	-
(11,632)	Lowe's	(6)	-
(56,824)	Marriott International 'A'	(143)	(0.01)
(11,048)	Moody's	(44)	-
(6,401)	Nasdaq-100 Equal Weighted Index	(973)	(0.07)
(6,233)	Netflix	(61)	-
(30,612)	Omnicom	19	-
(168,054)	Pearson	31	-
(62,591)	PepsiCo	(77)	(0.01)
(612,596)	Phoenix	(102)	(0.01)
(37,175)	Post	45	-
(135,001)	Prudential	25	-
(187,092)	Red Eléctrica	(2)	-
(5,774,069)	RELX	(1,492)	(0.11)
(4,455,440)	Royal Dutch Shell 'A'	980	0.07
(189,420)	Schroders	(72)	(0.01)
(113,951)	Securitas 'B'	30	-
(9,989)	ServiceNow	(79)	(0.01)
(32,273)	Skanska 'B'	4	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Equity Short Contracts for Difference <small>(continued)</small>			
(8,478)	Société BIC	18	-
(200,719)	SSE	(176)	(0.01)
(60,471)	Swiss Re	24	-
(7,704)	Temenos	(12)	-
(158,444)	Tencent	(33)	-
(3,783)	Tesla	(127)	(0.01)
(46,568)	Texas Instruments	(280)	(0.02)
(177,874)	TOTAL	63	-
(254,858)	TUI	(11)	-
(29,099)	Unibail-Rodamco-Westfield	(56)	-
(644,473)	Unilever	(39)	-
(834,942)	United Utilities	(103)	(0.01)
(8,983)	VF	44	-
(71,876)	Vulcan Materials	497	0.04
(3,059)	Whirlpool	18	-
		<u>(2,075)</u>	<u>(0.16)</u>
Equity Long Contracts for Difference 0.09% (2020: 0.55%)¹			
49,812	Air Liquide	(90)	(0.01)
37,941	Allianz	3	-
75,090	Amundi	13	-
267,388	Anglo American	(201)	(0.01)
22,186	Ashtead	93	0.01
595,433	Assicurazioni Generali	54	-
144,524	AstraZeneca	598	0.04
46,439	Autoliv	(42)	-
5,522,490	Aviva	585	0.04
1,056,884	BAE Systems	243	0.02
3,865,584	Balfour Beatty	14	-
20,511	Bayer	(12)	-
72,200	Bellway	9	-
136,814	Berkeley	(42)	-
1,570,218	BP	(162)	(0.01)
478,828	Britvic	65	-
1,925,575	BT	126	0.01
127,607	Burberry	59	-
142,712	Compass	34	-
242,596	Crédit Agricole	16	-
594,768	Crest Nicholson	251	0.02
741,019	CRH	1,089	0.08
69,012	Diageo	130	0.01
855,770	DS Smith	14	-
226,488	E.ON	(8)	-
764,166	Engie	(287)	(0.02)
310,477	Entain	264	0.02
73,719	Flutter Entertainment	(11)	-
2,191,388	Glencore	(121)	(0.01)
105,098	Homeserve ²	-	-
1,888,345	HSBC	289	0.02
231,308	Industria de Diseno Textil	111	0.01

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Equity Long Contracts for Difference (continued)			
9,996	Just Eat Takeaway.com	(44)	-
2,639,677	Lancashire	(2,005)	(0.14)
2,935,350	Land Securities	(654)	(0.05)
9,648,410	Legal & General	387	0.03
10,179	LVMH Moët Hennessy	107	0.01
352,778	Meggitt	44	-
321,992	Mitchells & Butlers	(19)	-
187,781	Mondi	38	-
1,371,991	National Grid	329	0.02
28,514	Next	64	-
742,645	Pennon	246	0.02
15,261	Pernod Ricard ²	-	-
228,560	Persimmon	130	0.01
180,458	Prosus 'B'	(29)	-
173,896	Publicis	78	0.01
1,394,395	Quilter	(38)	-
80,635	Reckitt Benckiser	95	0.01
881,020	Royal Bank of Scotland	145	0.01
5,072,950	Royal Dutch Shell 'B'	(1,543)	(0.11)
110,930	Safran	269	0.02
1,589,729	Sage	513	0.04
153,972	Sanofi	(130)	(0.01)
438,305	Severn Trent	47	-
672,850	Smith & Nephew	111	0.01
37,807	Sodexo	33	-
173,851	Spectris	80	0.01
601,423	Standard Chartered ²	-	-
4,514,935	Taylor Wimpey	(213)	(0.02)
1,126,184	Tesco	(5)	-
153,629	THG	(80)	(0.01)
59,134	Travis Perkins	15	-
12,025	Vinci	(4)	-
35,780	Volkswagen	94	0.01
515,172	WH Smith	(15)	-
66,257	Wickes	4	-
804,454	WM Morrison Supermarkets	(44)	-
270,793	WPP	44	-
		<u>1,134</u>	<u>0.09</u>
Index Contracts for Difference (0.04%) (2020: (0.17%))¹			
(1,162)	FTSE 250 Index	<u>(601)</u>	<u>(0.04)</u>
Futures (0.25%) (2020: (1.26%))			
(300)	CME E-mini Russell 2000 Index June 2021	(439)	(0.03)
(14)	CME Nasdaq 100 E-mini June 2021	(46)	-
(163)	CME S&P 500 E-mini Index June 2021	(454)	(0.03)
(1,272)	EUX Euro Stoxx 50 June 2021	(1,328)	(0.10)
(530)	ICE FTSE 100 June 2021	<u>(1,176)</u>	<u>(0.09)</u>
		<u>(3,443)</u>	<u>(0.25)</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts 0.42% (2020: (0.33%))¹			
	Buy CAD 158,906 : Sell GBP 92,320 June 2021 ²	-	-
	Buy CHF 1,047,472 : Sell GBP 825,660 June 2021	(6)	-
	Buy CHF 1,220,254 : Sell GBP 961,990 June 2021	(7)	-
	Buy CHF 1,240,381 : Sell GBP 977,957 June 2021	(8)	-
	Buy CHF 217,332 : Sell GBP 170,758 July 2021	(1)	-
	Buy CHF 811,405 : Sell GBP 639,705 June 2021	(5)	-
	Buy DKK 10,126,752 : Sell GBP 1,183,173 June 2021	(12)	-
	Buy DKK 2,538,179 : Sell GBP 295,981 June 2021	(2)	-
	Buy EUR 1,048,968 : Sell GBP 902,255 June 2021 ²	-	-
	Buy EUR 1,066,800 : Sell GBP 921,446 July 2021	(3)	-
	Buy EUR 1,167,200 : Sell GBP 1,000,872 July 2021	4	-
	Buy EUR 1,169,476 : Sell GBP 1,014,908 June 2021	(9)	-
	Buy EUR 1,185,915 : Sell GBP 1,016,991 July 2021	4	-
	Buy EUR 120,300 : Sell GBP 104,372 June 2021	(1)	-
	Buy EUR 136,300 : Sell GBP 118,576 June 2021	(1)	-
	Buy EUR 1,456,794 : Sell GBP 1,267,430 June 2021	(14)	-
	Buy EUR 1,528,414 : Sell GBP 1,323,350 July 2021	(8)	-
	Buy EUR 173,159 : Sell GBP 149,674 July 2021	(1)	-
	Buy EUR 1,749,664 : Sell GBP 1,512,472 June 2021	(7)	-
	Buy EUR 1,787,693 : Sell GBP 1,553,361 June 2021	(15)	-
	Buy EUR 1,959,277 : Sell GBP 1,704,646 June 2021	(19)	-
	Buy EUR 2,158,575 : Sell GBP 1,878,790 June 2021	(22)	-
	Buy EUR 219,800 : Sell GBP 189,483 July 2021 ²	-	-
	Buy EUR 2,363,261 : Sell GBP 2,049,583 June 2021	(17)	-
	Buy EUR 2,436,429 : Sell GBP 2,095,936 June 2021 ²	-	-
	Buy EUR 2,486,068 : Sell GBP 2,160,767 June 2021	(22)	-
	Buy EUR 252,900 : Sell GBP 220,027 June 2021	(2)	-
	Buy EUR 26,797 : Sell GBP 23,238 June 2021 ²	-	-
	Buy EUR 273,611 : Sell GBP 235,517 July 2021 ²	-	-
	Buy EUR 2,948,393 : Sell GBP 2,546,625 July 2021	(9)	-
	Buy EUR 348,522 : Sell GBP 302,898 June 2021	(3)	-
	Buy EUR 381,064 : Sell GBP 327,998 July 2021 ²	-	-
	Buy EUR 430,578 : Sell GBP 373,372 July 2021	(3)	-
	Buy EUR 457,403 : Sell GBP 394,044 July 2021 ²	-	-
	Buy EUR 511,730 : Sell GBP 442,029 July 2021	(2)	-
	Buy EUR 540,458 : Sell GBP 465,052 July 2021 ²	-	-
	Buy EUR 637,899 : Sell GBP 554,988 June 2021	(6)	-
	Buy EUR 68,000 : Sell GBP 59,116 June 2021	(1)	-
	Buy EUR 6,921,375 : Sell GBP 6,005,472 June 2021	(51)	-
	Buy EUR 73,997 : Sell GBP 63,751 July 2021 ²	-	-
	Buy EUR 765,900 : Sell GBP 661,905 June 2021	(3)	-
	Buy EUR 812,241 : Sell GBP 698,646 June 2021 ²	-	-
	Buy EUR 84,700 : Sell GBP 72,899 July 2021 ²	-	-
	Buy EUR 864,275 : Sell GBP 743,648 July 2021 ²	-	-
	Buy EUR 8,796,324 : Sell GBP 7,656,271 June 2021	(89)	(0.01)
	Buy EUR 91,826 : Sell GBP 78,747 July 2021 ²	-	-
	Buy EUR 94,800 : Sell GBP 82,080 July 2021 ²	-	-
	Buy GBP 101,328 : Sell USD 139,800 June 2021	3	-
	Buy GBP 10,201,849 : Sell EUR 11,708,572 June 2021	130	0.01
	Buy GBP 102,906,027 : Sell EUR 119,506,299 June 2021	101	0.01
	Buy GBP 103,355 : Sell EUR 119,100 June 2021	1	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 104,694 : Sell EUR 121,630 July 2021 ²	-	-
	Buy GBP 1,079,660 : Sell NOK 12,480,057 June 2021	24	-
	Buy GBP 1,089,145 : Sell EUR 1,260,520 July 2021	4	-
	Buy GBP 109,585,163 : Sell EUR 126,847,325 July 2021	396	0.03
	Buy GBP 1,106,596 : Sell EUR 1,273,000 July 2021	11	-
	Buy GBP 1,115,288 : Sell USD 1,537,928 June 2021	33	-
	Buy GBP 1,122,673 : Sell EUR 1,305,510 July 2021	(1)	-
	Buy GBP 112,829,800 : Sell USD 156,807,259 July 2021	2,525	0.18
	Buy GBP 1,134,467 : Sell USD 1,570,780 June 2021	29	-
	Buy GBP 1,142,758 : Sell EUR 1,327,482 July 2021 ²	-	-
	Buy GBP 114,717 : Sell NOK 1,348,743 July 2021	1	-
	Buy GBP 115,242 : Sell USD 158,900 June 2021	3	-
	Buy GBP 116,437 : Sell EUR 135,400 July 2021 ²	-	-
	Buy GBP 1,209,705 : Sell USD 1,685,341 June 2021	24	-
	Buy GBP 142,731 : Sell EUR 164,662 June 2021	1	-
	Buy GBP 146,190 : Sell EUR 169,201 June 2021	1	-
	Buy GBP 1,497,555 : Sell EUR 1,739,591 July 2021 ²	-	-
	Buy GBP 1,499,081 : Sell EUR 1,724,694 July 2021	14	-
	Buy GBP 1,524,123 : Sell CHF 1,923,101 June 2021	20	-
	Buy GBP 1,524,269 : Sell EUR 1,753,422 June 2021	16	-
	Buy GBP 1,536,179 : Sell CHF 1,955,014 July 2021	5	-
	Buy GBP 1,594,340 : Sell EUR 1,833,410 July 2021	16	-
	Buy GBP 15,967,020 : Sell EUR 18,311,685 June 2021	214	0.02
	Buy GBP 1,617,737 : Sell USD 2,247,784 June 2021	36	-
	Buy GBP 1,621,299 : Sell CHF 2,057,249 June 2021	12	-
	Buy GBP 1,632,560 : Sell CHF 2,073,915 June 2021	10	-
	Buy GBP 165,141 : Sell EUR 191,100 July 2021	1	-
	Buy GBP 1,657,957 : Sell USD 2,350,922 July 2021	4	-
	Buy GBP 167,322 : Sell NOK 1,914,764 June 2021	5	-
	Buy GBP 1,684,190 : Sell EUR 1,941,513 June 2021	14	-
	Buy GBP 168,974 : Sell NOK 1,964,122 July 2021	3	-
	Buy GBP 170,577 : Sell CHF 217,332 June 2021	1	-
	Buy GBP 171,998 : Sell NOK 1,988,179 July 2021	4	-
	Buy GBP 172,319 : Sell NOK 1,985,803 June 2021	4	-
	Buy GBP 174,988 : Sell EUR 201,779 June 2021	1	-
	Buy GBP 1,765,735 : Sell EUR 2,031,597 July 2021	17	-
	Buy GBP 1,775,714 : Sell USD 2,512,136 July 2021	9	-
	Buy GBP 1,780,079 : Sell USD 2,500,494 July 2021	21	-
	Buy GBP 1,818,884 : Sell DKK 15,549,612 June 2021	20	-
	Buy GBP 1,870,152 : Sell EUR 2,164,371 July 2021	7	-
	Buy GBP 189,661 : Sell CAD 323,621 July 2021	1	-
	Buy GBP 191,537 : Sell EUR 220,876 July 2021	1	-
	Buy GBP 198,684 : Sell EUR 228,757 June 2021	2	-
	Buy GBP 2,042,912 : Sell USD 2,878,480 July 2021	18	-
	Buy GBP 218,073 : Sell USD 305,100 June 2021	3	-
	Buy GBP 2,272,822 : Sell EUR 2,629,395 June 2021	11	-
	Buy GBP 2,379,553 : Sell EUR 2,765,395 July 2021	(1)	-
	Buy GBP 2,410,024 : Sell DKK 20,747,885 July 2021	9	-
	Buy GBP 2,432,174 : Sell DKK 21,013,887 June 2021	2	-
	Buy GBP 2,451,904 : Sell EUR 2,849,514 July 2021	(1)	-
	Buy GBP 251,052 : Sell CHF 318,409 June 2021	2	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 2,542,688 : Sell SEK 30,241,602 June 2021	(23)	-
	Buy GBP 264,694 : Sell EUR 304,400 July 2021	3	-
	Buy GBP 2,648,459 : Sell USD 3,743,457 July 2021	15	-
	Buy GBP 2,717,301 : Sell USD 3,762,978 June 2021	70	0.01
	Buy GBP 2,737,112 : Sell CHF 3,452,498 June 2021	36	-
	Buy GBP 274,282 : Sell EUR 314,800 June 2021	3	-
	Buy GBP 281,106 : Sell EUR 323,500 June 2021	3	-
	Buy GBP 287,400 : Sell DKK 2,475,070 July 2021	1	-
	Buy GBP 299,242 : Sell USD 416,166 June 2021	6	-
	Buy GBP 3,035,088 : Sell USD 4,286,009 July 2021	20	-
	Buy GBP 317,418 : Sell EUR 365,847 June 2021	3	-
	Buy GBP 3,206,578 : Sell EUR 3,680,081 June 2021	41	-
	Buy GBP 326,160 : Sell USD 448,391 June 2021	11	-
	Buy GBP 331,562 : Sell USD 463,541 July 2021	5	-
	Buy GBP 337,197 : Sell SEK 3,952,140 June 2021	2	-
	Buy GBP 339,022 : Sell NOK 3,952,052 July 2021	5	-
	Buy GBP 3,403,154 : Sell CHF 4,364,877 June 2021	(12)	-
	Buy GBP 340,986 : Sell NOK 3,933,492 June 2021	8	-
	Buy GBP 3,432,837 : Sell CHF 4,364,877 July 2021	15	-
	Buy GBP 35,255 : Sell EUR 40,571 June 2021 ²	-	-
	Buy GBP 361,792 : Sell USD 513,000 July 2021	1	-
	Buy GBP 370,799 : Sell EUR 426,511 June 2021	4	-
	Buy GBP 374,007 : Sell EUR 433,000 July 2021	1	-
	Buy GBP 3,748,002 : Sell USD 5,207,252 June 2021	85	0.01
	Buy GBP 3,768,927 : Sell USD 5,245,227 June 2021	79	0.01
	Buy GBP 376,931 : Sell CAD 656,057 June 2021	(5)	-
	Buy GBP 384,075 : Sell CAD 656,057 July 2021	2	-
	Buy GBP 393,533 : Sell CHF 499,132 July 2021	3	-
	Buy GBP 406,799 : Sell SEK 4,767,709 July 2021	2	-
	Buy GBP 415,810 : Sell USD 588,018 July 2021	2	-
	Buy GBP 426,996 : Sell USD 594,200 June 2021	9	-
	Buy GBP 430,522 : Sell EUR 495,600 June 2021	4	-
	Buy GBP 439,584 : Sell USD 619,810 July 2021	4	-
	Buy GBP 442,994 : Sell NOK 5,110,260 June 2021	11	-
	Buy GBP 4,453,509 : Sell USD 6,226,762 July 2021	73	0.01
	Buy GBP 4,621,871 : Sell USD 6,545,727 July 2021	17	-
	Buy GBP 464,499 : Sell CHF 594,080 June 2021 ²	-	-
	Buy GBP 505,184 : Sell EUR 587,572 July 2021	(1)	-
	Buy GBP 506,823 : Sell SEK 5,939,823 July 2021	3	-
	Buy GBP 511,361 : Sell EUR 588,053 July 2021	5	-
	Buy GBP 519,426 : Sell SEK 6,124,488 July 2021 ²	-	-
	Buy GBP 535,471 : Sell EUR 616,485 June 2021	5	-
	Buy GBP 540,925 : Sell USD 767,700 July 2021	1	-
	Buy GBP 554,019 : Sell USD 760,793 June 2021	19	-
	Buy GBP 559,250 : Sell USD 776,941 July 2021	13	-
	Buy GBP 56,426 : Sell USD 79,900 July 2021 ²	-	-
	Buy GBP 59,167 : Sell EUR 68,100 June 2021	1	-
	Buy GBP 591,827 : Sell USD 838,100 July 2021	2	-
	Buy GBP 591,942 : Sell USD 812,800 June 2021	20	-
	Buy GBP 59,870 : Sell USD 82,300 June 2021	2	-
	Buy GBP 608,403 : Sell EUR 706,800 July 2021 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 614,325 : Sell USD 859,410 June 2021	10	-
	Buy GBP 61,609 : Sell USD 84,900 June 2021	2	-
	Buy GBP 6,221,438 : Sell USD 8,599,586 June 2021	172	0.01
	Buy GBP 631,634 : Sell EUR 732,678 July 2021	1	-
	Buy GBP 654,488 : Sell USD 922,100 July 2021	6	-
	Buy GBP 671,864 : Sell USD 939,300 July 2021	11	-
	Buy GBP 69,915 : Sell USD 96,000 June 2021	2	-
	Buy GBP 704,346 : Sell EUR 818,000 July 2021 ²	-	-
	Buy GBP 705,991 : Sell EUR 814,263 June 2021	6	-
	Buy GBP 721,118 : Sell NOK 8,310,230 June 2021	18	-
	Buy GBP 73,224 : Sell EUR 85,100 July 2021 ²	-	-
	Buy GBP 743,061 : Sell EUR 864,275 June 2021 ²	-	-
	Buy GBP 758,405 : Sell EUR 878,138 July 2021	3	-
	Buy GBP 765,079 : Sell SEK 8,955,252 June 2021	5	-
	Buy GBP 793,341 : Sell USD 1,127,537 July 2021 ²	-	-
	Buy GBP 79,484,706 : Sell USD 109,741,671 June 2021	2,285	0.16
	Buy GBP 817,688 : Sell USD 1,130,360 June 2021	23	-
	Buy GBP 823,537 : Sell NOK 9,519,312 June 2021	19	-
	Buy GBP 841,348 : Sell USD 1,160,677 June 2021	25	-
	Buy GBP 8,780,350 : Sell SEK 103,631,708 July 2021	(14)	-
	Buy GBP 902,050 : Sell EUR 1,038,009 June 2021	9	-
	Buy GBP 907,429 : Sell EUR 1,048,097 July 2021	5	-
	Buy GBP 94,242 : Sell EUR 108,700 June 2021	1	-
	Buy GBP 957,302 : Sell USD 1,351,744 July 2021	6	-
	Buy GBP 96,223 : Sell EUR 110,700 June 2021	1	-
	Buy SEK 10,404,890 : Sell GBP 884,800 June 2021	(2)	-
	Buy SEK 4,676,531 : Sell GBP 397,825 July 2021	(1)	-
	Buy SEK 7,776,381 : Sell GBP 660,665 July 2021	(1)	-
	Buy USD 1,032,403 : Sell GBP 729,135 July 2021	(3)	-
	Buy USD 108,600 : Sell GBP 78,167 July 2021	(2)	-
	Buy USD 1,094,700 : Sell GBP 773,753 July 2021	(4)	-
	Buy USD 1,159,300 : Sell GBP 822,236 July 2021	(7)	-
	Buy USD 1,210,037 : Sell GBP 855,620 July 2021	(4)	-
	Buy USD 1,268,240 : Sell GBP 916,269 June 2021	(24)	-
	Buy USD 1,272,833 : Sell GBP 900,534 July 2021	(5)	-
	Buy USD 1,371,400 : Sell GBP 984,312 June 2021	(20)	-
	Buy USD 1,807,345 : Sell GBP 1,301,662 June 2021	(30)	-
	Buy USD 1,994,055 : Sell GBP 1,409,598 July 2021	(7)	-
	Buy USD 21,417 : Sell GBP 15,377 June 2021 ²	-	-
	Buy USD 218,310 : Sell GBP 156,528 June 2021	(3)	-
	Buy USD 2,189,833 : Sell GBP 1,546,716 July 2021	(6)	-
	Buy USD 2,486,261 : Sell GBP 1,760,315 July 2021	(11)	-
	Buy USD 2,524,100 : Sell GBP 1,796,793 July 2021	(21)	-
	Buy USD 2,904,030 : Sell GBP 2,098,262 June 2021	(55)	-
	Buy USD 344,100 : Sell GBP 243,045 July 2021	(1)	-
	Buy USD 356,300 : Sell GBP 252,272 July 2021	(2)	-
	Buy USD 3,668,785 : Sell GBP 2,649,623 June 2021	(69)	(0.01)
	Buy USD 3,728,692 : Sell GBP 2,654,514 July 2021	(32)	-
	Buy USD 391,295 : Sell GBP 283,934 June 2021	(9)	-
	Buy USD 407,422 : Sell GBP 296,700 June 2021	(10)	-
	Buy USD 4,490,345 : Sell GBP 3,223,981 June 2021	(65)	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts <small>(continued)</small>			
	Buy USD 514,300 : Sell GBP 374,496 June 2021	(13)	-
	Buy USD 615,123 : Sell GBP 442,978 June 2021	(10)	-
	Buy USD 6,416,145 : Sell GBP 4,633,692 June 2021	(120)	(0.01)
	Buy USD 647,378 : Sell GBP 464,027 June 2021	(9)	-
	Buy USD 667,700 : Sell GBP 471,958 July 2021	(2)	-
	Buy USD 6,946,419 : Sell GBP 4,927,182 July 2021	(41)	-
	Buy USD 695,200 : Sell GBP 498,262 June 2021	(9)	-
	Buy USD 72,600 : Sell GBP 51,079 July 2021 ²	-	-
	Buy USD 782,000 : Sell GBP 562,070 July 2021	(12)	-
	Buy USD 791,245 : Sell GBP 568,765 July 2021	(12)	-
	Buy USD 82,900 : Sell GBP 59,866 June 2021	(2)	-
	Buy USD 875,293 : Sell GBP 637,415 June 2021	(22)	-
	Buy USD 9,815,047 : Sell GBP 7,057,726 June 2021	(153)	(0.01)
		<u>5,817</u>	<u>0.42</u>
	Investment assets including investment liabilities	1,232,741	90.94
	Other net assets	122,742	9.06
	Total net assets	1,355,483	100.00

¹ Not listed on an official stock exchange

² Due to rounding to nearest £1,000

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

The classification is based on the country of risk and a relevant industry classification standard.

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

Statement of total return for the year ended 31 May 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains	2		91,081		69,265
Revenue	3	26,116		42,782	
Expenses	4	(32,086)		(19,873)	
Interest payable and similar charges	5	<u>(15,618)</u>		<u>(27,766)</u>	
Net expense before taxation		(21,588)		(4,857)	
Taxation	6	<u>(452)</u>		<u>(457)</u>	
Net expense after taxation			<u>(22,040)</u>		<u>(5,314)</u>
Total return before distributions			69,041		63,951
Distributions	7		-		(473)
Change in net assets attributable to shareholders from investment activities			<u>69,041</u>		<u>63,478</u>

Statement of change in net assets attributable to shareholders for the year ended 31 May 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		1,446,632		2,032,333
Amounts receivable on issue of shares	395,319		381,824	
Amounts payable on cancellation of shares	<u>(555,509)</u>		<u>(1,031,410)</u>	
		(160,190)		(649,586)
Dilution adjustment		-		22
Change in net assets attributable to shareholders from investment activities		69,041		63,478
Retained distributions on accumulation shares		-		385
Closing net assets attributable to shareholders		<u>1,355,483</u>		<u>1,446,632</u>

Balance sheet as at 31 May 2021

	Note	2021 £000	2020 £000
Assets:			
Investments		1,249,338	1,387,356
Current assets:			
Debtors	8	9,475	15,365
Cash and bank balances	9	155,326	171,211
Total assets		1,414,139	1,573,932
Liabilities:			
Investment liabilities		16,597	43,375
Creditors:			
Amounts held at derivative clearing houses and brokers		5,870	729
Bank overdrafts		925	3,793
Other creditors	10	35,264	79,403
Total liabilities		58,656	127,300
Net assets attributable to shareholders		1,355,483	1,446,632

Notes to the financial statements for the year ended 31 May 2021

1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the funds' aggregated notes to the financial statements.

2 Net capital gains

Net capital gains on investments during the year comprise:

	2021	2020
	£000	£000
Capital management fee rebates	16	51
Derivative securities	(13,570)	46,730
Forward currency contracts	32,128	(7,161)
Non-derivative securities	71,926	27,967
Other currency gains	592	1,690
Transaction costs	(11)	(12)
Net capital gains	91,081	69,265

3 Revenue

	2021	2020
	£000	£000
Bank interest	108	1,250
Derivative revenue	16,752	26,411
Interest on debt securities	1,890	8,314
Overseas dividends*	3,912	3,489
Stock dividends	35	503
Stock lending revenue	10	33
UK dividends	3,409	2,782
Total revenue	26,116	42,782

* includes distributions from overseas funds

4 Expenses

	2021	2020
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	13,252	16,039
GAC*	909	854
Performance fee	17,811	2,850
	<u>31,972</u>	<u>19,743</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	75	83
Safe custody fees	39	47
	<u>114</u>	<u>130</u>
Total expenses	32,086	19,873

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £11,556 (2020: £10,317).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2021	2020
	£000	£000
Interest payable*	3,209	6,145
Interest on margin	1,181	2,132
Dividends payable on CFD contracts	11,228	19,489
Total interest payable and similar charges	15,618	27,766

* Includes negative interest on credit balances held with the broker.

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2021	2020
	£000	£000
Current tax		
Overseas withholding tax	452	457
Total tax (note 6b)	452	457

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2020: 20%). The differences are explained below:

	2021	2020
	£000	£000
Net expense before taxation	(21,588)	(4,857)
Corporation tax at 20% (2020: 20%)	(4,318)	(971)
Effects of:		
Overseas withholding tax	452	457
Overseas dividends	(782)	(698)
Tax effect of management fee rebates in capital	3	10
UK dividends*	(682)	(557)
Unused management expenses	5,779	2,216
Tax charge for the year (note 6a)	452	457

* As an OEIC this item is not subject to corporation tax.

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2020: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £21,116,079 (2020: £15,337,059) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

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

	2021	2020
	£000	£000
Interim accumulation	-	385
Final accumulation	-	-
	<u>-</u>	<u>385</u>
Amounts deducted on cancellation of shares	-	111
Amounts received on issue of shares	-	(23)
	<u>-</u>	<u>473</u>
Total distributions	-	473
Net expense after taxation	(22,040)	(5,314)
Performance fee borne by the capital account	17,811	2,850
Revenue shortfall	4,264	3,440
Stock dividends	(35)	(503)
	<u>-</u>	<u>473</u>
Total distributions	-	473

Details of the distribution per share are set out in the Distribution tables on page 199.

8 Debtors

	2021	2020
	£000	£000
Accrued revenue	2,946	1,676
Amounts receivable for issue of shares	677	6,184
Amounts receivable from counterparty regarding CFD contracts	2,527	2,303
Currency transactions awaiting settlement	2,159	3,229
Management fee rebates	-	3
Overseas withholding tax reclaimable	365	323
Sales awaiting settlement	801	1,647
	<u>9,475</u>	<u>15,365</u>
Total debtors	9,475	15,365

9 Cash and bank balances

	2021	2020
	£000	£000
Amounts held at derivative clearing houses and brokers	25,831	43,984
Cash and bank balances	76,019	74,267
Deposit accounts	53,476	52,960
	<u>155,326</u>	<u>171,211</u>
Total cash and bank balances	155,326	171,211

Notes to the financial statements (continued)

10 Other creditors

	2021 £000	2020 £000
Accrued annual management charge	2,181	1,172
Accrued Depository's fee	12	6
Accrued other expenses	158	88
Accrued performance fee payable to ACD	10,520	2,850
Amounts payable for cancellation of shares	8,008	9,306
Amounts payable to counterparty regarding CFD contracts	3,434	1,314
Currency transactions awaiting settlement	2,163	3,228
Purchases awaiting settlement	8,788	61,439
Total other creditors	35,264	79,403

11 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the current or prior year end.

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 185 and 186 and notes 4, 7, 8 and 10 on pages 187 to 190 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2020: nil).

13 Shareholders' funds

The fund currently has 4 share classes available: Class A (Retail), Class E (Retail), Class G (Institutional) and Class I (Institutional). The annual management charge on each share class is as follows:

	2021 %	2020 %
Class A	1.50	1.50
Class E	1.00	1.00
Class G	0.75	0.75
Class I	1.00	1.00

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 165 to 168. The distribution per share class is given in the Distribution tables on page 199. All share classes have the same rights on winding up.

Shares reconciliation as at 31 May 2021

	Class A accumulation	Class E accumulation	Class G accumulation	Class I accumulation
Opening number of shares	29,409,502	563,016	363,293,539	601,109,150
Issues during the year	5,704,450	89,954	57,581,953	188,240,237
Cancellations during the year	(9,078,712)	(163,566)	(109,569,102)	(245,494,644)
Shares converted during the year	315,073	11,055	18,974,871	(11,792,275)
Closing shares in issue	26,350,313	500,459	330,281,261	532,062,468

Notes to the financial statements (continued)

14 Financial derivatives

The fund may use financial derivatives for the purposes of efficient portfolio management and for meeting the investment objectives of the fund.

Eligible collateral types are approved by the Investment Manager and are agreed with the relevant counterparty.

There was no collateral pledged or collateral held in respect of contracts for difference and forward foreign exchange contracts as at 31 May 2021 (2020: nil). The fund had cash assets of £25,831,020 (2020: £43,989,721) and cash liabilities of £5,870,019 (2020: £728,815) held in margin accounts at derivative clearing houses and brokers at 31 May 2021.

The tables below, provide further details of the counterparty exposure for the derivative positions held on the fund at 31 May 2021 (2020).

2021

At 31 May 2021 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	-	7,023	7,023
JPMorgan	10,406	-	10,406
	10,406	7,023	17,429

2020

At 31 May 2020 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	-	2,745	-	2,745
Merrill Lynch	321	-	-	321
UBS	17,684	-	408	18,092
	18,005	2,745	408	21,158

2021

At 31 May 2021 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	-	655,665	-	655,665
JPMorgan	66,853	-	-	66,853
Merrill Lynch	(35,696)	-	-	(35,696)
UBS	-	-	(132,101)	(132,101)
	31,157	655,665	(132,101)	554,721

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2020

At 31 May 2020 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	-	900,402	-	900,402
Merrill Lynch	(8,293)	-	-	(8,293)
UBS	3,499	-	(123,136)	(119,637)
	(4,794)	900,402	(123,136)	772,472

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

Stock lending revenue is disclosed under 'Revenue' in the Statement of total return.

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.

2021 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of Nova Scotia	1,193	1,268	Government Bond
Morgan Stanley	5,356	5,740	Government Bond
	6,549	7,008	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas ¹	Stock lending agent	11	2	9
JPMorgan ²	Stock lending agent	1	-	1

¹ Until 9 March 2021 BNP Paribas was the securities lending agent

² From 10 March 2021 JPMorgan was the securities lending agent

Notes to the financial statements (continued)

15 Stock lending (continued)

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Société Générale	6,569	7,299	Equity
	<u>6,569</u>	<u>7,299</u>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	39	6	33

16 Risk

Currency risk

The fund's net exposure to currency risk (including any instruments used to hedge foreign currencies) is considered insignificant. This is consistent with the exposure during the prior year.

Interest rate risk

The fund's exposure to interest rate risk is considered significant. The interest rate risk profile of the fund's financial assets and financial liabilities at the year end is set out in the following table:

2021	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Canadian dollar	-	-	374	374
Danish krone	-	-	14,341	14,341
Euro	14,823	-	220,822	235,645
Norwegian krone	-	-	4,487	4,487
Swedish krona	-	-	8,496	8,496
Swiss franc	1	-	11,330	11,331
UK sterling	136,639	604,112	181,738	922,489
US dollar	3,863	-	213,113	216,976
Total	<u>155,326</u>	<u>604,112</u>	<u>654,701</u>	<u>1,414,139</u>

2020	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Canadian dollar	1	-	739	740
Danish krone	1	-	28,912	28,913
Euro	12,504	-	176,798	189,302
Swedish krona	1	-	50	51
Swiss franc	-	-	17,448	17,448
UK sterling	160,657	942,307	112,983	1,215,947
US dollar	14,547	-	106,984	121,531
Total	<u>187,711</u>	<u>942,307</u>	<u>443,914</u>	<u>1,573,932</u>

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk (continued)

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2021				
Canadian dollar	757	-	50	807
Danish krone	308	-	14	322
Euro	2,879	-	4,182	7,061
Swedish krona	745	-	45	790
Swiss franc	576	-	54	630
UK sterling	19	-	41,638	41,657
US dollar	1,511	-	5,878	7,389
Total	6,795	-	51,861	58,656

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2020				
Canadian dollar	-	-	103	103
Danish krone	-	-	192	192
Euro	408	-	9,131	9,539
Swedish krona	-	-	170	170
Swiss franc	83	-	1,881	1,964
UK sterling	3,794	-	96,289	100,083
US dollar	238	-	15,011	15,249
Total	4,523	-	122,777	127,300

Credit ratings

	Market value £000	Percentage of total net assets %
2021		
Investments		
Investment grade (AAA - BBB)*	618,110	45.60
Total debt securities	618,110	45.60
Collective investment schemes	64,362	4.75
Derivatives	832	0.06
Equities	549,437	40.53
Investment assets including investment liabilities	1,232,741	90.94
Other net assets	122,742	9.06
Total net assets	1,355,483	100.00

Notes to the financial statements (continued)

16 Risk (continued)

Credit ratings (continued)

	Market value £000	Percentage of total net assets %
2020		
Investments		
Investment grade (AAA - BBB)*	958,806	66.28
Total debt securities	958,806	66.28
Collective investment schemes	66,292	4.58
Derivatives	(22,217)	(1.54)
Equities	341,100	23.58
Investment assets including investment liabilities	1,343,981	92.90
Other net assets	102,651	7.10
Total net assets	1,446,632	100.00

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

Sensitivity analysis

The actual VaR results, limits and utilisation of limits are summarised in the table below:

VaR Results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2021	1.33	5.16	2.82	20	6.64	25.78	14.12
2020	0.84	4.02	1.50	20	4.20	20.09	7.49

Leverage

	Minimum	Maximum	Average
	%	%	%
2021	95	166	120
2020	96	156	122

Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities showing the remaining contractual maturities on an undiscounted basis:

	On demand	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
2021				
Amounts held at derivatives clearing houses and brokers	5,870	-	-	-
Bank overdrafts	925	-	-	-
Derivative financial liabilities	-	4,649	11,948	-
Other creditors	-	35,264	-	-
Total	6,795	39,913	11,948	-

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk (continued)

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Amounts held at derivatives clearing houses and brokers	729	-	-	-
Bank overdrafts	3,793	-	-	-
Derivative financial liabilities	-	26,077	17,298	-
Other creditors	-	79,403	-	-
Total	4,522	105,480	17,298	-

17 Fair value disclosure

Fair value measurement

The intention of a fair value measurement is to estimate the price at which an asset or a liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS 102 the fund classifies fair value measurement under the following levels:

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 either 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.

Fair value hierarchy

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	563,435*	3,443	358,008	18,625
Level 2	685,903	13,154	1,029,348	24,750
Level 3	-	-	-	-
	1,249,338	16,597	1,387,356	43,375

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £13,998,429 as at 31 May 2021 (2020: nil).

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2021 £000	2020 £000	2021 £000	2020 £000
Trades in the year				
Certificates of Deposit	1,612,286	2,884,784	1,949,753	3,284,717
Debt securities	13,998	122,165	16,500	105,878
Equities	733,018	570,863	597,608	615,707
Trades in the year before transaction costs	2,359,302	3,577,812	2,563,861	4,006,302
Transaction costs				
Commissions				
Certificates of Deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	151	128	148	128
Total commissions	151	128	148	128
Taxes				
Certificates of Deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	73	-	-	-
Total taxes	73	-	-	-
Other expenses				
Certificates of Deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	2	4	5	9
Total other expenses	2	4	5	9
Total transaction costs	226	132	153	137
Total net trades in the year after transaction costs	2,359,528	3,577,944	2,563,708	4,006,165

	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Certificates of Deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	0.02	0.02	0.02	0.02
Taxes				
Certificates of Deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	0.01	-	-	-
Other expenses				
Certificates of Deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	-	-	-	-
	2021 %	2020 %		

Total transaction costs expressed as a percentage of net asset value

Commissions	0.02	0.02
Taxes	0.01	-
Other expenses	-	-
Total costs	0.03	0.02

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

There were no in specie transfers during the year (2020: nil). There were no corporate actions during the year (2020: nil).

There were direct transaction costs associated with derivatives in the year of £1,021,105 (2020: £1,836,087) which is 0.07% of the average net asset value of the fund (2020: 0.11%).

Direct transaction costs are fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the fund. These exclude any differences between quoted bid and offer prices or internal administrative or holding costs.

Direct transaction costs related to bonds are not separately identifiable as with other financial instruments as the costs form part of the dealing spread and therefore are inherent within the purchase and sale prices of the trade.

The portfolio dealing spread as at 28 May 2021 was 0.27% (2020: 0.29%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

With effect from 1 June 2021 a new Performance Fee Calculation Methodology was implemented on the fund, to comply with the ESMA guidelines published last year.

Distribution tables for the year ended 31 May 2021 (in pence per share)

Interim dividend distribution (accounting date 30 November 2020, paid on 29 January 2021)

Group 1: shares purchased prior to 1 June 2020

Group 2: shares purchased on or after 1 June 2020

	Distribution per share	Equalisation	Total distribution per share 29/01/21	Total distribution per share 31/01/20
Class A accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class E accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class G accumulation				
Group 1	-	-	-	0.0898
Group 2	-	-	-	0.0898
Class I accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

Final dividend distribution (accounting date 31 May 2021, paid on 30 July 2021)

Group 1: shares purchased prior to 1 December 2020

Group 2: shares purchased on or after 1 December 2020

	Distribution per share	Equalisation	Total distribution per share 30/07/21	Total distribution per share 31/07/20
Class A accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class E accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class G accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

Janus Henderson European Absolute Return Fund

Authorised Corporate Director's report

Investment Fund Managers

John Bennett and Robert Schramm-Fruchs

Investment objective and policy

The fund aims to provide a positive (absolute) return, regardless of market conditions, over any 12 month period. A positive return is not guaranteed over this or any other time period, and particularly over the shorter term the fund may experience periods of negative returns. Consequently your capital is at risk.

Performance target: To outperform the UK Base Interest Rate, after the deduction of charges, over any 3 year period.

The fund invests in shares and makes extensive use of derivatives (complex financial instruments) to take both 'long' and 'short' positions in companies the Investment Manager believes will either rise in value (long positions) or fall in value (short positions) meaning that the fund may benefit from either scenario.

The fund will hold a significant proportion of its assets in cash and money market instruments as a result of holding derivatives and for when the Investment Manager wishes to take a defensive stance. Conversely, the fund may also employ 'leverage' (so that the fund can invest a greater amount than its actual value) when the Investment Manager has greater confidence in the opportunities available.

Typically, at least 80% of the exposure to the long and short positions (in aggregate) will be to companies of any size, in any industry, in Europe (including UK). Companies may be located or do most of their business in this region. The balance of the long and short exposure may be to companies outside this region.

The fund is actively managed with reference to the UK Base Interest Rate as this forms the basis of the fund's performance target and the level above which performance fees may be charged (if applicable). The Investment Manager has complete discretion to choose investments for the fund and is not constrained by a benchmark.

Performance summary

Cumulative performance	One year	Three years	Five years	Since inception	
	31 May 20 - 31 May 21 %	31 May 18 - 31 May 21 %	31 May 16 - 31 May 21 %	29 Jan 09 - 31 May 21 %	
Class I accumulation (Net)	16.9	21.4	31.2	110.7	
UK Base Interest Rate	0.1	1.4	2.1	6.0	
Discrete performance	31 May 20 - 31 May 21 %	31 May 19 - 31 May 20 %	31 May 18 - 31 May 19 %	31 May 17 - 31 May 18 %	31 May 16 - 31 May 17 %
Class I accumulation (Net)	16.9	8.5	(4.3)	0.0	8.1
UK Base Interest Rate	0.1	0.6	0.7	0.4	0.3

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

Source: Morningstar

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

Benchmark values are as at close of business.

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

Benchmark usage:

Index: UK Base Interest Rate

Index usage: Target

Index description: The UK Base Interest Rate is the interest rate set by the Bank of England. It is the performance target of the fund.

Authorised Corporate Director's report (continued)

Performance summary (continued)

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

Significant portfolio changes for the year ended 31 May 2021

Largest purchases	£000	Largest sales/maturities	£000
UK Treasury 0.00% 19/10/2020	1,791	UK Treasury 0.00% 01/06/2020	2,000
UK Treasury 0.00% 16/08/2021	1,000	UK Treasury 0.00% 19/10/2020	1,791
Credit Suisse 0.96% 08/10/2020	901	Volvo 'B'	1,436
UBS	778	Orsted	1,214
Volvo 'B'	774	UK Treasury 0.00% 27/07/2020	1,158
Lloyds Bank 0.05% 03/12/2020	750	UPM-Kymmene	1,042
Barclays Bank 0.07% 01/12/2020	750	Barry Callebaut	982
MUFG Bank 0.04% 15/03/2021	750	Credit Suisse 0.96% 08/10/2020	900
Lloyds Bank 0.01% 03/03/2021	750	Enel	793
Nordea Bank 0.01% 04/03/2021	750	Holcim	786
Total purchases	45,176	Total sales/maturities	54,079

Investment review

The fund returned 16.9% based on Class I accumulation (Net) over the year under review, compared with a return of 0.1% in the UK Base Interest Rate.

The team's key work over the reporting year was determining what shape any recovery might look like. The macroeconomic conclusion that we came to was that, as with COVID-19 itself, economic recovery would spread from east to west, which has largely been the case. Underwriting such a recovery was the extraordinary monetary and fiscal response by governments worldwide. Further stimulus came via the fact that, in managing their businesses for cash, companies flushed their inventory channels. Thus, the scene was set for inevitable goods demand recovery to meet the 'dry tinder' of lean inventories.

Consistent with the above, we used the early summer months in 2020 to increase the fund's net market exposure, causing it to average 36% over the reporting year. This was matched by an increase in deployed capital (gross exposure) from approximately 114% to a peak of 161% in December 2020, before being reduced in 2021 to the low end of the fund's typical exposure range (102%). This involved buying selected industrial and so-called reopening names, giving the portfolio a more cyclical tilt. This led to purchases such as Ashtead, Daimler and MTU Aero Engines. We bought equipment rental company Ashtead as a good play on US fiscal stimulus, with 90% of group revenues derived in US dollars. The company has also been supported by increased rental penetration, a broadening of its product offering and a very long tail for market consolidation. Daimler's new management team has embarked on the biggest cost-cutting and refocusing project in the company's modern history in order to significantly lower breakeven points and successfully transition to the electric vehicle world. We also had a good meeting with the chief executive of its trucks division, which has not only benefited from a sharp market recovery but has also had a major restructuring of its own. We were attracted to MTU Aero Engines as we viewed it as a very high-quality business given more than 80% after-market revenues while the original equipment division has been positioned to benefit from opportunities in narrow body planes and freight. Continuing a shift towards lowly valued stocks, we added to the fund's financial weighting through Erste Group Bank, KBC Bank, UBS and NatWest. Our clients will be well aware that we view banks as 'for renting, not owning'. Whether we still have positions in the sector in six months' time may well hinge on the prospects for inflation.

Given the improved market sentiment, returns were predominantly driven by the long book. The top contributors were EDP Renovaveis (EDPR) and freight forwarder DSV Panalpina. EDPR is one of the largest global renewable energy developers and is planning to nearly double its installed base by 2025, and nearly quadruple it by 2030. We participated in a capital raising to help accelerate the company's growth plans but ended up taking profit before year end. We viewed DSV Panalpina as a steady, all-weather, asset-light compounder, which took market share from lower-quality, lower technology peers during the sharp rebound in global trade over the past year. We also had good returns from BioNTech, which has been boosted by the production of its COVID-19 vaccine and we were excited by the further application of its mRNA technology capabilities. On the short side, the rising markets acted as drag, although we had a 110 basis point contribution from a position in a UK aerospace and defence company, where operational problems combined with a weak balance sheet and market downturn. The biggest detractor came from a short in the semiconductor space, where we were surprised to see the stock become the subject of a bid.

While the jury on the next big macroeconomic development is still out and the market appears pinned and liable to low-conviction rotation impulses, we have continued to reduce the fund's gross exposure. Our fundamental views are little altered, but from a risk management standpoint, we prefer not to double up with investors' money when the warning signs have been building. At this stage, the recent resurgence of the Reddit retail 'meme stocks' and violent short squeezes should not go unmentioned, which first occurred at the end of January and proved to be quite painful – albeit short-lived – at the time. In low liquidity markets, and going into a summer lull, it seems like there is a risk for it to grow into an even bigger upset to consensual positioning this time. It is another contributing factor to the fund running towards the lower end of its usual gross exposure range.

Comparative tables for the year ended 31 May 2021

	Class A accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	168.49	155.97	163.86
Return before operating charges*	36.35	16.13	(5.15)
Operating charges	(3.23)	(2.84)	(2.74)
Operating charges - performance fees	(6.63)	(0.77)	-
Return after operating charges*	26.49	12.52	(7.89)
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	194.98	168.49	155.97
* after direct transaction costs of:	0.77	0.36	0.29
Performance			
Return after charges	15.72%	8.03%	(4.82%)
Other information			
Closing net asset value (£000s)	1,352	1,314	3,029
Closing number of shares	693,315	779,969	1,942,244
Operating charges	1.79%	1.73%	1.71%
Operating charges - performance fees	3.67%	0.47%	0.00%
Direct transaction costs	0.43%	0.22%	0.18%
Prices			
Highest share price (pence)	195.70	174.20	165.20
Lowest share price (pence)	162.80	155.00	153.70

Comparative tables (continued)

	Class E accumulation	
	2021	24/06/19 - 31/05/20
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	169.24	159.15 ¹
Return before operating charges*	36.64	12.76
Operating charges	(2.35)	(1.88)
Operating charges - performance fees	(6.90)	(0.79)
Return after operating charges*	27.39	10.09
Distributions on accumulation shares	-	-
Retained distributions on accumulation shares	-	-
Closing net asset value per share	196.63	169.24
* after direct transaction costs of:	0.77	0.36
Performance		
Return after charges	16.18%	6.34%
Other information		
Closing net asset value (£000s)	1,426	1,256
Closing number of shares	725,040	741,990
Operating charges	1.29%	1.23%
Operating charges - performance fees	3.79%	0.52%
Direct transaction costs	0.43%	0.22%
Prices		
Highest share price (pence)	197.30	174.80
Lowest share price (pence)	163.60	155.40

¹ Class E accumulation launched on 24 June 2019 and this is the first published price.

Comparative tables (continued)

	Class I accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	180.29	166.33	173.25
Return before operating charges*	38.99	17.21	(5.46)
Operating charges	(1.76)	(1.52)	(1.46)
Operating charges - performance fees	(7.42)	(1.73)	-
Return after operating charges*	29.81	13.96	(6.92)
Distributions on accumulation shares	-	(0.33)	(0.54)
Retained distributions on accumulation shares	-	0.33	0.54
Closing net asset value per share	210.10	180.29	166.33
* after direct transaction costs of:	0.82	0.39	0.31
Performance			
Return after charges	16.53%	8.39%	(3.99%)
Other information			
Closing net asset value (£000s)	16,887	22,454	40,452
Closing number of shares	8,037,634	12,454,231	24,320,549
Operating charges	0.91%	0.87%	0.86%
Operating charges - performance fees	3.84%	0.99%	0.00%
Direct transaction costs	0.43%	0.22%	0.18%
Prices			
Highest share price (pence)	210.70	186.00	174.50
Lowest share price (pence)	174.30	165.70	163.30

Comparative tables (continued)

	Class I EUR Hedged accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	151.25	137.97	144.54
Return before operating charges*	24.01	15.81	(5.33)
Operating charges	(1.49)	(1.25)	(1.24)
Operating charges - performance fees	(6.07)	(1.28)	-
Return after operating charges*	16.45	13.28	(6.57)
Distributions on accumulation shares	-	(0.23)	-
Retained distributions on accumulation shares	-	0.23	-
Closing net asset value per share	167.70	151.25	137.97
* after direct transaction costs of:	0.69	0.32	0.26
Performance			
Return after charges (Share class base currency)	10.88%	9.63%	(4.55%)
Return after charges (Share class currency hedged)	15.97%	7.73%	(5.29%)
Other information			
Closing net asset value (£000s)	354	228	318
Closing number of shares	211,216	150,967	230,260
Operating charges	0.92%	0.87%	0.86%
Operating charges - performance fees	3.76%	0.89%	0.18%
Direct transaction costs	0.43%	0.22%	0.00%
Prices			
Highest share price (Euro cents)	195.60	173.60	166.10
Lowest share price (Euro cents)	162.50	154.70	154.10

Comparative tables (continued)

	Class I USD Hedged accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	146.98	131.27	127.40
Return before operating charges*	9.44	19.78	5.10
Operating charges	(1.34)	(1.20)	(1.11)
Operating charges - performance fees	(5.62)	(2.87)	(0.12)
Return after operating charges*	2.48	15.71	3.87
Distributions on accumulation shares	-	(0.03)	(0.36)
Retained distributions on accumulation shares	-	0.03	0.36
Closing net asset value per share	149.46	146.98	131.27
* after direct transaction costs of:	0.63	0.30	0.23
Performance			
Return after charges (Share class base currency)	1.69%	11.97%	3.04%
Return after charges (Share class currency hedged)	16.92%	9.82%	(2.40%)
Other information			
Closing net asset value (£000s)	14	14	319
Closing number of shares	9,694	9,694	243,470
Operating charges	0.91%	0.87%	0.86%
Operating charges - performance fees	3.82%	2.08%	0.09%
Direct transaction costs	0.43%	0.22%	0.18%
Prices			
Highest share price (USD cents)	213.10	186.50	171.00
Lowest share price (USD cents)	175.60	165.20	161.20

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

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

Operating charges

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

Share class launches and closures

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

Hedged share classes

Class I EUR Hedged accumulation and Class I USD Hedged accumulation are hedged share classes. Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes and sterling which is the base currency of the fund.

Ongoing charge figure

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

	2021 OCF¹ %	2021 Performance fees %	2020 OCF¹ %	2020 Performance fees %
Class A accumulation	1.79	3.67	1.73 ²	0.47
Class E accumulation³	1.29	3.79	1.23 ²	0.52
Class I accumulation	0.91	3.84	0.87 ²	0.99
Class I EUR Hedged accumulation	0.92	3.76	0.87 ²	0.89
Class I USD Hedged accumulation	0.91	3.82	0.87 ²	2.08

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

¹ The OCF excludes performance fees.

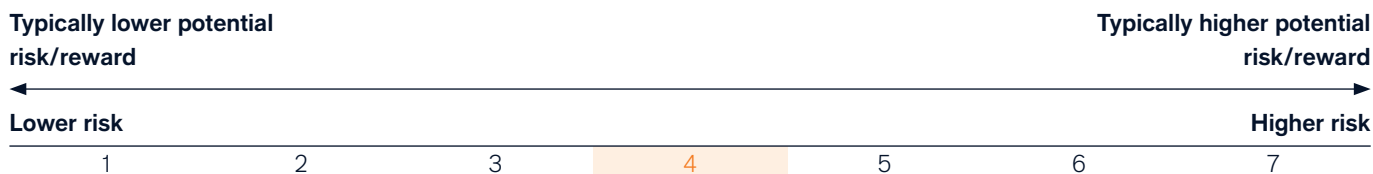
² The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

³ Class E accumulation launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

Risk and reward profile

The fund currently has 5 types of share class in issue: A accumulation, E accumulation, I accumulation, I EUR Hedged accumulation and I USD Hedged accumulation.

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



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

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

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

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

There has been no changes to the risk ratings in the year.

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

* Class E accumulation was launched on 24 June 2019 and as it does not have a 5 year history, a synthetic history has been created using the A accumulation share class.

Portfolio statement as at 31 May 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 30.86% (2020: 40.81%)		
	Belgium 0.00% (2020: 0.86%)		
	Materials 0.00% (2020: 0.86%)		
	Chile 1.09% (2020: 0.00%)		
	Materials 1.09% (2020: 0.00%)		
28,957	Lundin Mining	219	1.09
	Denmark 3.94% (2020: 7.27%)		
	Consumer Discretionary 2.56% (2020: 0.00%)		
5,376	Pandora	513	2.56
	Consumer Staples 0.00% (2020: 2.13%)		
	Health Care 0.00% (2020: 2.10%)		
	Industrials 1.38% (2020: 0.79%)		
1,613	DSV Panalpina	276	1.38
	Utilities 0.00% (2020: 2.25%)		
	Finland 4.23% (2020: 4.57%)		
	Consumer Discretionary 0.00% (2020: 1.88%)		
	Financials 1.41% (2020: 0.00%)		
37,287	Nordea Bank	282	1.41
	Industrials 0.69% (2020: 0.00%)		
4,310	Konecranes	138	0.69
	Materials 2.13% (2020: 2.69%)		
15,968	UPM-Kymmene	428	2.13
	France 0.00% (2020: 1.66%)		
	Consumer Discretionary 0.00% (2020: 1.66%)		
	Germany 6.41% (2020: 7.17%)		
	Consumer Discretionary 1.78% (2020: 2.39%)		
8,936	Hugo Boss	357	1.78
	Financials 0.00% (2020: 0.91%)		
	Health Care 1.11% (2020: 1.27%)		
1,536	BioNTech	222	1.11
	Industrials 3.52% (2020: 1.43%)		
4,022	KION	302	1.51
641	Rational	405	2.01
		707	3.52

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Information Technology 0.00% (2020: 1.17%)		
	Ireland 0.00% (2020: 1.58%)		
	Materials 0.00% (2020: 1.58%)		
	Italy 1.47% (2020: 3.45%)		
	Financials 1.47% (2020: 0.94%)		
24,950	FinecoBank	294	1.47
	Utilities 0.00% (2020: 2.51%)		
	Luxembourg 0.93% (2020: 0.00%)		
	Materials 0.93% (2020: 0.00%)		
8,017	ArcelorMittal	185	0.93
	Netherlands 0.97% (2020: 1.76%)		
	Financials 0.97% (2020: 0.00%)		
58,350	Aegon	193	0.97
	Health Care 0.00% (2020: 1.76%)		
	Norway 2.11% (2020: 1.67%)		
	Consumer Staples 1.24% (2020: 1.67%)		
13,552	Mowi	248	1.24
	Information Technology 0.87% (2020: 0.00%)		
8,912	Nordic Semiconductor	175	0.87
	Sweden 1.56% (2020: 6.02%)		
	Consumer Discretionary 0.00% (2020: 1.65%)		
	Industrials 1.56% (2020: 4.37%)		
11,765	Alfa Laval	312	1.56
	Switzerland 1.51% (2020: 4.80%)		
	Consumer Staples 0.00% (2020: 1.27%)		
	Financials 1.51% (2020: 0.00%)		
26,570	UBS	303	1.51
	Health Care 0.00% (2020: 1.46%)		
	Materials 0.00% (2020: 2.07%)		
	United Kingdom 6.64% (2020: 0.00%)		
	Consumer Discretionary 2.27% (2020: 0.00%)		
48,031	JD Sports Fashion	454	2.27
	Financials 1.52% (2020: 0.00%)		
146,681	NatWest	304	1.52

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 0.59% (2020: 0.00%)		
10,906	Ceres Power	119	0.59
	Materials 2.26% (2020: 0.00%)		
14,439	Anglo American	453	2.26
	Bonds 4.99% (2020: 12.50%)		
	Treasury Bill 4.99% (2020: 12.50%)		
	United Kingdom 4.99% (2020: 12.50%)		
GBP 1,000,000	UK Treasury 0.00% 16/08/2021	1,000	4.99
	Certificates of Deposit 41.19% (2020: 33.66%)		
	Australia 4.99% (2020: 1.98%)		
GBP 500,000	Australia & New Zealand Banking 0.10% 14/10/2021	500	2.49
GBP 500,000	Commonwealth Bank of Australia 0.05% 03/08/2021	500	2.50
		1,000	4.99
	Canada 6.24% (2020: 5.94%)		
GBP 500,000	Bank of Nova Scotia 0.06% 22/06/2021	500	2.50
GBP 250,000	Toronto-Dominion Bank 0.09% 06/12/2021	250	1.25
GBP 500,000	Toronto-Dominion Bank 0.10% 06/09/2021	500	2.49
		1,250	6.24
	Denmark 0.00% (2020: 1.98%)		
	Finland 0.00% (2020: 1.98%)		
	France 4.99% (2020: 5.94%)		
GBP 500,000	Crédit Industriel et Commercial 0.08% 08/06/2021	500	2.50
GBP 500,000	Société Générale 0.095% 01/09/2021	500	2.49
		1,000	4.99
	Japan 0.00% (2020: 1.98%)		
	Netherlands 4.99% (2020: 3.96%)		
GBP 500,000	ING Bank 0.02% 21/06/2021	500	2.49
GBP 500,000	Rabobank 0.03% 07/06/2021	500	2.50
		1,000	4.99
	Singapore 2.50% (2020: 0.00%)		
GBP 500,000	United Overseas Bank 0.10% 22/09/2021	500	2.50
	Sweden 4.99% (2020: 1.98%)		
GBP 500,000	Handelsbanken 0.06% 04/06/2021	500	2.50
GBP 500,000	SEB 0.07% 09/08/2021	500	2.49
		1,000	4.99
	Switzerland 6.24% (2020: 0.00%)		
GBP 500,000	Credit Suisse 0.10% 09/11/2021	501	2.49
GBP 500,000	UBS 0.10% 31/08/2021	500	2.50
GBP 250,000	UBS 0.11% 07/12/2021	250	1.25
		1,251	6.24

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	United Arab Emirates 2.50% (2020: 1.98%)		
GBP 500,000	First Abu Dhabi Bank 0.08% 01/07/2021	500	2.50
	United Kingdom 1.25% (2020: 5.94%)		
GBP 250,000	Barclays Bank 0.71% 14/07/2021	250	1.25
	United States 2.50% (2020: 0.00%)		
GBP 500,000	Citibank 0.00% 03/09/2021	500	2.50
	Derivatives (0.75%) (2020: (1.90%))		
	Contracts for Difference 0.03% (2020: (0.54%))¹		
	Equity Short Contracts for Difference (0.15%) (2020: (0.74%))¹		
(10,548)	ABB	(6)	(0.03)
(17,966)	Allegro.eu	(2)	(0.01)
(6,667)	Alstom	(12)	(0.06)
(11,386)	British American Tobacco	8	0.04
(9,837)	Embracer	(6)	(0.03)
(52,806)	E.ON	13	0.06
(2,417)	Ferrari	(7)	(0.03)
(18,547)	Imperial Brands	7	0.04
(8,032)	JDE Peet's	1	0.01
(2,278)	Knorr-Bremse	4	0.02
(859)	Kuehne + Nagel	(7)	(0.04)
(2,494)	Logitech International	(21)	(0.12)
(5,925)	Nemetschek	(16)	(0.09)
(3,687)	Prosus 'B' ²	-	-
(21,993)	Red Eléctrica	(2)	(0.01)
(7,057)	RWE	10	0.05
(1,276)	Siemens	2	0.01
(3,036)	Stroeer	4	0.02
(23,672)	Svenska Cellulosa	17	0.08
(8,773)	Valeo	(9)	(0.04)
(934)	VAT	(4)	(0.02)
(3,769)	Zalando ²	-	-
		(26)	(0.15)
	Equity Long Contracts for Difference 0.18% (2020: 0.40%)¹		
19,168	AIB ²	-	-
4,373	Ashtead	3	0.02
7,540	Daimler	5	0.03
7,038	Danone	(9)	(0.04)
18,661	Erste Group Bank	(13)	(0.07)
2,598	EssilorLuxottica	2	0.01
13,693	Industria de Diseno Textil	(3)	(0.01)
7,160	Infineon Technologies	8	0.04
5,694	KBC Bank ²	-	-
67,789	Kingfisher	(9)	(0.05)
60	Lindt & Sprüngli	7	0.03
1,210	L'Oréal	9	0.05
2,223	MTU Aero Engines	5	0.02
8,291	Persimmon	8	0.04
21,149	Ryanair	5	0.03

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Equity Long Contracts for Difference (continued)			
5,833	Siemens Healthineers	(2)	(0.01)
9,434	Smurfit Kappa	(1)	-
5,746	STMicroelectronics	5	0.03
234	Straumann	11	0.06
		31	0.18
Index Contracts for Difference 0.00% (2020: (0.20%))			
Futures 0.00% (2020: 0.03%)			
Options (0.86%) (2020: (0.55%))			
125	Aareal Bank Call 22 March 2022	22	0.11
(300)	Aareal Bank Call 32 March 2022	(10)	(0.05)
(120)	Aareal Bank Put 18 March 2022	(20)	(0.10)
(151)	Airbus Put 65 June 2021 ²	-	-
(165)	Deutsche Boerse Put 11200 December 2021	(88)	(0.43)
(100)	Deutsche Boerse Put 12000 December 2021	(76)	(0.38)
(28)	Deutsche Boerse Put 13900 September 2021	(27)	(0.14)
28	Deutsche Boerse Put 15200 September 2021	61	0.30
(77)	Hellofresh Call 88 September 2021	(18)	(0.09)
(122)	Hugo Boss Put 22 December 2021	(1)	(0.01)
(88)	Safran Put 90 December 2021	(15)	(0.07)
		(172)	(0.86)
Forward Foreign Exchange Contracts 0.08% (2020: (0.85%))¹			
	Buy CHF 104,374 : Sell GBP 82,344 June 2021	(1)	-
	Buy CHF 137,175 : Sell GBP 108,501 July 2021	(1)	(0.01)
	Buy CHF 143,187 : Sell GBP 112,964 July 2021	(1)	-
	Buy CHF 2,174 : Sell GBP 1,703 June 2021 ²	-	-
	Buy CHF 2,934 : Sell GBP 2,306 July 2021 ²	-	-
	Buy CHF 380,864 : Sell GBP 299,281 July 2021	(1)	(0.01)
	Buy EUR 100,200 : Sell GBP 86,933 June 2021	(1)	-
	Buy EUR 106,400 : Sell GBP 92,570 June 2021	(1)	(0.01)
	Buy EUR 1,106,399 : Sell GBP 957,946 July 2021	(6)	(0.03)
	Buy EUR 112,324 : Sell GBP 97,460 June 2021	(1)	-
	Buy EUR 135,097 : Sell GBP 116,203 June 2021 ²	-	-
	Buy EUR 1,374 : Sell GBP 1,183 July 2021 ²	-	-
	Buy EUR 14,494 : Sell GBP 12,602 June 2021 ²	-	-
	Buy EUR 14,835 : Sell GBP 12,906 June 2021 ²	-	-
	Buy EUR 1,526 : Sell GBP 1,319 July 2021 ²	-	-
	Buy EUR 159,300 : Sell GBP 137,234 July 2021 ²	-	-
	Buy EUR 171,329 : Sell GBP 147,993 July 2021	(1)	-
	Buy EUR 172,200 : Sell GBP 149,696 July 2021	(1)	(0.01)
	Buy EUR 193,102 : Sell GBP 167,790 June 2021	(2)	(0.01)
	Buy EUR 20,009 : Sell GBP 17,282 July 2021 ²	-	-
	Buy EUR 20,138 : Sell GBP 17,463 July 2021 ²	-	-
	Buy EUR 23,829 : Sell GBP 20,530 July 2021 ²	-	-
	Buy EUR 244,049 : Sell GBP 210,572 June 2021	(1)	-
	Buy EUR 247,800 : Sell GBP 213,228 July 2021 ²	-	-
	Buy EUR 2,696 : Sell GBP 2,344 July 2021 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy EUR 27,402 : Sell GBP 23,841 June 2021 ²	-	-
	Buy EUR 289,216 : Sell GBP 248,765 June 2021 ²	-	-
	Buy EUR 30,419 : Sell GBP 26,441 July 2021 ²	-	-
	Buy EUR 30,648 : Sell GBP 26,587 June 2021 ²	-	-
	Buy EUR 307,743 : Sell GBP 264,936 July 2021 ²	-	-
	Buy EUR 435,718 : Sell GBP 378,704 June 2021	(4)	(0.02)
	Buy EUR 59,808 : Sell GBP 51,883 June 2021 ²	-	-
	Buy EUR 61,192 : Sell GBP 52,876 July 2021 ²	-	-
	Buy EUR 61,393 : Sell GBP 53,233 June 2021 ²	-	-
	Buy EUR 66,790 : Sell GBP 57,727 June 2021 ²	-	-
	Buy EUR 68,954 : Sell GBP 59,133 July 2021 ²	-	-
	Buy EUR 74,303 : Sell GBP 63,899 July 2021 ²	-	-
	Buy EUR 83,747 : Sell GBP 72,893 June 2021	(1)	-
	Buy EUR 84,495 : Sell GBP 73,031 June 2021 ²	-	-
	Buy EUR 86,900 : Sell GBP 74,805 July 2021 ²	-	-
	Buy GBP 101,108 : Sell EUR 116,587 June 2021	1	-
	Buy GBP 10,183 : Sell NOK 118,956 June 2021 ²	-	-
	Buy GBP 10,643 : Sell CHF 13,464 June 2021 ²	-	-
	Buy GBP 109,081 : Sell EUR 125,471 June 2021	1	0.01
	Buy GBP 139,300 : Sell USD 192,326 June 2021	4	0.02
	Buy GBP 146,524 : Sell USD 203,900 June 2021	3	0.02
	Buy GBP 155,561 : Sell NOK 1,799,182 July 2021	3	0.02
	Buy GBP 164,917 : Sell EUR 190,940 July 2021	1	-
	Buy GBP 166,063 : Sell EUR 190,590 June 2021	2	0.01
	Buy GBP 17,088 : Sell EUR 19,858 July 2021 ²	-	-
	Buy GBP 17,880 : Sell SEK 211,956 June 2021 ²	-	-
	Buy GBP 197,829 : Sell EUR 227,396 June 2021	2	0.01
	Buy GBP 20,064 : Sell SEK 233,842 June 2021 ²	-	-
	Buy GBP 20,613 : Sell CHF 26,095 June 2021 ²	-	-
	Buy GBP 2,076,004 : Sell EUR 2,403,022 July 2021	6	0.05
	Buy GBP 207,867 : Sell USD 288,882 July 2021	5	0.02
	Buy GBP 2,117,570 : Sell EUR 2,459,165 June 2021	2	0.01
	Buy GBP 212,555 : Sell EUR 246,112 July 2021	1	-
	Buy GBP 221,621 : Sell CHF 284,250 June 2021	(1)	-
	Buy GBP 229,340 : Sell EUR 264,575 June 2021	2	0.01
	Buy GBP 233,547 : Sell EUR 268,776 June 2021	2	0.01
	Buy GBP 257,323 : Sell SEK 3,028,361 July 2021 ²	-	-
	Buy GBP 259,976 : Sell SEK 3,092,036 June 2021	(2)	(0.01)
	Buy GBP 266,973 : Sell EUR 308,359 July 2021	2	0.01
	Buy GBP 273,371 : Sell EUR 314,500 June 2021	3	0.01
	Buy GBP 286,765 : Sell EUR 330,700 June 2021	2	0.01
	Buy GBP 30,199 : Sell EUR 35,217 July 2021 ²	-	-
	Buy GBP 303,621 : Sell SEK 3,583,546 July 2021 ²	-	-
	Buy GBP 32,378 : Sell SEK 381,380 June 2021 ²	-	-
	Buy GBP 32,788 : Sell EUR 38,060 July 2021 ²	-	-
	Buy GBP 33,525 : Sell EUR 38,584 June 2021 ²	-	-
	Buy GBP 34,557 : Sell NOK 395,460 June 2021	1	0.01
	Buy GBP 37,669 : Sell EUR 43,346 June 2021 ²	-	-
	Buy GBP 38,430 : Sell EUR 44,698 July 2021 ²	-	-
	Buy GBP 39,793 : Sell SEK 471,655 July 2021 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 399,521 : Sell CHF 507,994 July 2021	2	0.01
	Buy GBP 44,111 : Sell EUR 50,743 June 2021 ²	-	-
	Buy GBP 44,774 : Sell USD 62,226 July 2021	1	-
	Buy GBP 46,341 : Sell EUR 53,303 June 2021 ²	-	-
	Buy GBP 47,561 : Sell NOK 554,423 July 2021	1	-
	Buy GBP 47,964 : Sell EUR 55,295 June 2021 ²	-	-
	Buy GBP 51,011 : Sell CHF 64,802 June 2021 ²	-	-
	Buy GBP 51,059 : Sell USD 72,300 July 2021 ²	-	-
	Buy GBP 55,214 : Sell NOK 641,954 June 2021	1	-
	Buy GBP 60,642 : Sell EUR 69,935 July 2021 ²	-	-
	Buy GBP 65,463 : Sell EUR 76,345 July 2021 ²	-	-
	Buy GBP 74,580 : Sell EUR 85,790 June 2021	1	-
	Buy GBP 80,089 : Sell NOK 941,627 July 2021 ²	-	-
	Buy GBP 80,336 : Sell NOK 954,114 July 2021 ²	-	-
	Buy GBP 92,842 : Sell EUR 107,230 June 2021	1	-
	Buy GBP 98,027 : Sell CHF 124,389 June 2021	1	-
	Buy NOK 720,797 : Sell GBP 62,914 June 2021	(2)	(0.01)
	Buy PLN 444 : Sell GBP 84 July 2021 ²	-	-
	Buy SEK 17,854 : Sell GBP 1,522 July 2021 ²	-	-
	Buy SEK 2,421,789 : Sell GBP 206,596 June 2021	(1)	(0.01)
	Buy SEK 2,687,241 : Sell GBP 229,112 July 2021	(1)	(0.01)
	Buy SEK 60,333 : Sell GBP 5,112 July 2021 ²	-	-
	Buy SEK 719,830 : Sell GBP 61,235 July 2021 ²	-	-
	Buy USD 140,500 : Sell GBP 101,021 June 2021	(2)	(0.01)
	Buy USD 41,700 : Sell GBP 29,684 July 2021 ²	-	-
	Buy USD 43,000 : Sell GBP 30,445 July 2021 ²	-	-
	Buy USD 483,700 : Sell GBP 343,065 July 2021	(3)	(0.01)
	Buy USD 97,429 : Sell GBP 68,816 July 2021 ²	-	-
		<u>16</u>	<u>0.08</u>
Forward Foreign Exchange Contracts (Hedged share classes) 0.00% (2020: 0.01%)¹			
	Buy EUR 417,840 : Sell GBP 359,685 June 2021 ²	-	-
	Buy GBP 2,667 : Sell EUR 3,099 June 2021 ²	-	-
	Buy GBP 390 : Sell USD 551 June 2021 ²	-	-
	Buy USD 21,308 : Sell GBP 15,093 June 2021 ²	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
	Investment assets including investment liabilities	15,282	76.29
	Other net assets	4,751	23.71
	Total net assets	<u>20,033</u>	<u>100.00</u>

¹ Not listed on an official stock exchange

² Due to rounding to nearest £1,000

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

The classification is based on the country of risk and a relevant industry classification standard.

Statement of total return for the year ended 31 May 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains	2		4,126		3,216
Revenue	3	306		623	
Expenses	4	(991)		(623)	
Interest payable and similar charges	5	(347)		(295)	
Net expense before taxation		(1,032)		(295)	
Taxation	6	(6)		8	
Net expense after taxation			(1,038)		(287)
Total return before distributions			3,088		2,929
Distributions	7		-		(45)
Change in net assets attributable to shareholders from investment activities			3,088		2,884

Statement of change in net assets attributable to shareholders for the year ended 31 May 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		25,266		44,118
Amounts receivable on issue of shares	3,405		3,737	
Amounts payable on cancellation of shares	(11,729)		(25,519)	
		(8,324)		(21,782)
Dilution adjustment		3		4
Change in net assets attributable to shareholders from investment activities		3,088		2,884
Retained distributions on accumulation shares		-		42
Closing net assets attributable to shareholders		20,033		25,266

Balance sheet as at 31 May 2021

	Note	2021 £000	2020 £000
Assets:			
Investments		15,701	22,721
Current assets:			
Debtors	8	525	375
Cash and bank balances	9	5,296	4,524
Total assets		21,522	27,620
Liabilities:			
Investment liabilities		419	1,227
Creditors:			
Amounts held at derivative clearing houses and brokers		307	66
Bank overdrafts		-	109
Other creditors	10	763	952
Total liabilities		1,489	2,354
Net assets attributable to shareholders		20,033	25,266

1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the funds' aggregated notes to the financial statements.

2 Net capital gains

Net capital gains on investments during the year comprise:

	2021	2020
	£000	£000
Derivative securities	1,693	1,904
Forward currency contracts	185	102
Forward currency contracts on hedged share classes	(19)	(5)
Non-derivative securities	2,367	1,162
Other currency (losses)/gains	(95)	64
Transaction costs	(5)	(11)
Net capital gains	4,126	3,216

3 Revenue

	2021	2020
	£000	£000
Bank interest	2	25
Derivative revenue	171	219
Interest on debt securities	14	65
Overseas dividends	116	309
Stock lending revenue	-	1
UK dividends	3	4
Total revenue	306	623

4 Expenses

	2021	2020
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	168	269
GAC*	22	29
Performance fee	792	321
	<u>982</u>	<u>619</u>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary fees	2	3
Safe custody fees	1	1
	<u>3</u>	<u>4</u>

Other expenses:

Professional fees**	6	-
	<u>6</u>	<u>-</u>

Total expenses

	<u>991</u>	<u>623</u>
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Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £11,556 (2020: £12,798).

** Included with professional fees are non-audit fees paid to the auditors of £683 in relation to withholding tax reclaims (2020: nil).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2021 £000	2020 £000
Interest payable*	82	107
Interest on margin	46	35
Dividends payable on CFD contracts	219	153
Total interest payable and similar charges	347	295

* Includes negative interest on credit balances held with the broker.

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2021 £000	2020 £000
Current tax		
Overseas withholding tax	6	(8)
Total tax (note 6b)	6	(8)

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2020: 20%). The differences are explained below:

	2021 £000	2020 £000
Net expense before taxation	(1,032)	(295)
Corporation tax at 20% (2020: 20%)	(206)	(59)
Effects of:		
Overseas dividends	(21)	(61)
Overseas withholding tax	6	(8)
UK dividends*	(1)	(1)
Unused management expenses	228	121
Tax charge for the year (note 6a)	6	(8)

* As an OEIC this item is not subject to corporation tax.

OEICs are exempt from tax on capital gains made in the UK. Therefore, any capital return is not included within the reconciliation above.

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2020: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £2,609,753 (2020: £2,382,174) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

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

	2021	2020
	£000	£000
Interim accumulation	-	3
Final accumulation	-	39
	-	42
Amounts deducted on cancellation of shares	-	3
Amounts received on issue of shares	-	-
Total distributions	-	45
Net expense after taxation	(1,038)	(287)
Performance fee borne by the capital account	792	321
Revenue shortfall	246	14
Withholding tax taken to capital	-	(3)
Total distributions	-	45

Details of the distribution per share are set out in the Distribution tables on pages 233 to 234.

8 Debtors

	2021	2020
	£000	£000
Accrued revenue	4	13
Amounts receivable for issue of shares	334	1
Amounts receivable from counterparty regarding CFD contracts	17	9
Currency transactions awaiting settlement	64	54
Overseas withholding tax reclaimable	95	96
Sales awaiting settlement	11	202
Total debtors	525	375

9 Cash and bank balances

	2021	2020
	£000	£000
Amounts held at derivative clearing houses and brokers	1,418	1,263
Cash and bank balances	3,125	2,510
Deposit accounts	753	751
Total cash and bank balances	5,296	4,524

Notes to the financial statements (continued)

10 Other creditors

	2021	2020
	£000	£000
Accrued annual management charge	27	17
Accrued other expenses	205	47
Amounts payable for cancellation of shares	95	301
Amounts payable to counterparty regarding CFD contracts	11	22
Currency transactions awaiting settlement	64	54
Purchases awaiting settlement	361	511
Total other creditors	763	952

11 Contingent assets, liabilities and commitments

The fund has filed a claim with HM Revenue & Customs ('HMRC') (on the basis of the principles set out in FII GLO) for corporation tax unduly paid in respect of periods prior to 1 July 2009. The claim has been filed on the basis that the relevant UK tax legislation was in breach of EU law for these periods. A successful outcome may result in a refund of corporation tax. A contingent asset has not been recognised as the amount receivable is not certain.

There were no contingent liabilities or outstanding commitments at the current or prior year end.

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 217 and 218 and notes 4, 7, 8 and 10 on pages 219 to 222 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2020: nil).

13 Shareholders' funds

The fund currently has 5 share classes available: Class A (Retail), Class E (Retail), Class I (Institutional), Class I EUR Hedged (Institutional) and Class I USD Hedged (Institutional). The annual management charge on each share class is as follows:

	2021	2020
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class I	0.75	0.75
Class I EUR Hedged	0.75	0.75
Class I USD Hedged	0.75	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 203 to 207. The distribution per share class is given in the Distribution tables on pages 233 to 234. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 31 May 2021

	Class A accumulation	Class E accumulation	Class I accumulation	Class I EUR Hedged accumulation
Opening number of shares	779,969	741,990	12,454,231	150,967
Issues during the year	42,067	11,721	1,580,634	71,124
Cancellations during the year	(128,445)	(33,884)	(5,992,592)	(10,875)
Shares converted during the year	(276)	5,213	(4,639)	-
Closing shares in issue	693,315	725,040	8,037,634	211,216
	Class I USD Hedged accumulation			
Opening number of shares	9,694			
Issues during the year	-			
Cancellations during the year	-			
Shares converted during the year	-			
Closing shares in issue	9,694			

14 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

Eligible collateral types are approved by the Investment Manager and are agreed with the relevant counterparty.

There was no collateral pledged or collateral held in respect of forward foreign exchange contracts and options contracts as at 31 May 2021 (2020: nil). The fund had cash assets of £1,417,905 (2020: 1,263,478) and cash liabilities of £307,008 (2020: £66,269) held in margin accounts at derivative clearing houses and brokers at 31 May 2021.

The tables below, provide further details of the counterparty exposure for the derivative positions held on the fund at 31 May 2021 (2020).

2021

At 31 May 2021 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Options contracts £000	Total by counterparty £000
BNP Paribas	-	51	-	51
UBS	134	-	83	217
	134	51	83	268

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2020

At 31 May 2020 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Forward foreign exchange contracts (hedged share classes) £000
BNP Paribas	-	409	-
JPMorgan	-	-	2
UBS	213	-	-
	<u>213</u>	<u>409</u>	<u>2</u>

Counterparty	Futures £000	Options contracts £000	Total by counterparty £000
BNP Paribas	-	-	409
JPMorgan	-	-	2
UBS	8	114	335
	<u>8</u>	<u>114</u>	<u>746</u>

2021

At 31 May 2021 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Forward foreign exchange contracts (hedged share classes) £000	Options contracts £000	Total by counterparty £000
Barclays	-	-	-	144	144
BNP Paribas	-	15,497	-	-	15,497
Citigroup	-	-	-	3	3
Goldman Sachs	-	-	-	1,035	1,035
JPMorgan	-	-	378	1,709	2,087
UBS	339	-	-	-	339
	<u>339</u>	<u>15,497</u>	<u>378</u>	<u>2,891</u>	<u>19,105</u>

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2020

At 31 May 2020 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Forward foreign exchange contracts (hedged share classes) £000
Barclays	-	-	-
BNP Paribas	-	46,974	-
Citigroup	-	-	-
Goldman Sachs	-	-	-
HSBC	-	-	-
JPMorgan	-	-	262
UBS	(2,484)	-	-
	(2,484)	46,974	262

2020

Counterparty	Futures £000	Options contracts £000	Total by counterparty £000
Barclays	-	227	227
BNP Paribas	-	-	46,974
Citigroup	-	606	606
Goldman Sachs	-	2,074	2,074
HSBC	-	1,931	1,931
JPMorgan	-	-	262
UBS	(1,261)	-	(3,745)
	(1,261)	4,838	48,329

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

Stock lending revenue is disclosed under 'Revenue' in the Statement of total return.

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.

2021

There was no stock on loan as at 31 May 2021 and no stock lending revenue received in the year to 31 May 2021.

Notes to the financial statements (continued)

15 Stock lending (continued)

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Natixis	675	750	Equity
Société Générale	356	396	Equity
	1,031	1,146	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	1	-	1

16 Risk

Currency risk

The exposure to currency risk is considered significant. The following table details the net exposure of the principal foreign currencies the fund is exposed to including any instruments used to hedge foreign currencies:

2021 Currency	Investment assets including (investment liabilities) £000	Other net assets/(liabilities) £000	Total net assets £000
Danish krone	789	(138)	651
Euro	(63)	402	339
Norwegian krone	27	(21)	6
Polish zloty	(1)	95	94
Swedish krona	109	(20)	89
Swiss franc	87	(53)	34
UK sterling	14,329	4,444	18,773
US dollar	5	42	47
Total	15,282	4,751	20,033

Notes to the financial statements (continued)

16 Risk (continued)

Currency risk (continued)

2020

2021	Investment assets including (investment liabilities) £000	Other net assets £000	Total net assets/(liabilities) £000
Currency			
Danish krone	1,795	30	1,825
Euro	(326)	720	394
Norwegian krone	109	12	121
Swedish krona	(144)	143	(1)
Swiss franc	148	-	148
UK sterling	20,105	2,866	22,971
US dollar	(193)	1	(192)
Total	21,494	3,772	25,266

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £1,260,382 (2020: £2,295,087). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 May 2021 and the net assets as at 31 May 2021 by £126,038 (2020: £229,509).

Interest rate risk

The fund's exposure to interest rate risk is considered significant. The interest rate risk profile of the fund's financial assets and financial liabilities at the year end is set out in the following table:

2021	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Danish krone	-	-	854	854
Euro	479	-	3,063	3,542
Norwegian krone	-	-	440	440
Polish zloty	95	-	-	95
Swedish krona	-	-	548	548
Swiss franc	-	-	321	321
UK sterling	4,680	8,251	2,748	15,679
US dollar	42	-	1	43
Total	5,296	8,251	7,975	21,522

2020	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Danish krone	-	-	1,879	1,879
Euro	751	-	5,838	6,589
Norwegian krone	-	-	468	468
Polish zloty	-	-	3	3
Swedish krona	-	-	1,759	1,759
Swiss franc	-	-	1,262	1,262
UK sterling	3,772	8,504	3,373	15,649
US dollar	-	-	11	11
Total	4,523	8,504	14,593	27,620

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk (continued)

2021	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
Danish krone	177	-	26	203
Euro	87	-	440	527
Norwegian krone	38	-	2	40
Polish zloty	-	-	2	2
Swedish krona	-	-	29	29
Swiss franc	5	-	89	94
UK sterling	-	-	588	588
US dollar	-	-	6	6
Total	307	-	1,182	1,489

2020	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
Danish krone	-	-	55	55
Euro	66	-	340	406
Swedish krona	-	-	70	70
Swiss franc	-	-	33	33
UK sterling	109	-	1,673	1,782
US dollar	-	-	8	8
Total	175	-	2,179	2,354

Credit Ratings

2021	Market value £000	Percentage of total net assets %
Investments		
Investment grade (AAA - BBB)*	9,251	46.18
Total debt securities	9,251	46.18
Derivatives	(151)	(0.75)
Equities	6,182	30.86
Investment assets including investment liabilities	15,282	76.29
Other net assets	4,751	23.71
Total net assets	20,033	100.00

Notes to the financial statements (continued)

16 Risk (continued)

Credit Ratings (continued)

	Market value	Percentage of total net assets
	£000	%
2020		
Investments		
Investment grade (AAA - BBB)*	11,663	46.16
Total debt securities	11,663	46.16
Derivatives	(481)	(1.90)
Equities	10,312	40.81
Investment assets including investment liabilities	21,494	85.07
Other net assets	3,772	14.93
Total net assets	25,266	100.00

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

Sensitivity analysis

The actual VaR results, limits and utilisation of limits are summarised in the table below:

VaR Results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%	%	%	%	%
2021	3.46	15.17	7.92	20	17.29	75.83	39.59
2020	2.37	8.47	5.28	20	11.84	42.36	26.38

Leverage

	Minimum	Maximum	Average
	%	%	%
2021	194	408	270
2020	134	486	304

Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities showing the remaining contractual maturities on an undiscounted basis:

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2021				
Amounts held at derivatives clearing houses and brokers	307	-	-	-
Derivative financial liabilities	-	290	129	-
Other creditors	-	763	-	-
Total	307	1,053	129	-

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk (continued)

2020	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
Amounts held at derivatives clearing houses and brokers	66	-	-	-
Bank overdrafts	109	-	-	-
Derivative financial liabilities	-	879	348	-
Other creditors	-	952	-	-
Total	175	1,831	348	-

17 Fair value disclosure

Fair value measurement

The intention of a fair value measurement is to estimate the price at which an asset or a liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS 102 the fund classifies fair value measurement under the following levels:

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 either 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.

Fair value hierarchy

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	7,265*	255	13,596*	256
Level 2	8,436	164	9,125	971
Level 3	-	-	-	-
	15,701	419	22,721	1,227

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £999,888 as at 31 May 2021 (2020: £3,157,803).

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2021 £000	2020 £000	2021 £000	2020 £000
Trades in the year				
Certificates of deposit	26,156	28,001	26,400	32,000
Debt securities	2,791	5,198	4,949	2,048
Equities	16,216	19,218	22,738	37,635
Trades in the year before transaction costs	45,163	52,417	54,087	71,683
Transaction costs				
Commissions				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	6	8	8	13
Total commissions	6	8	8	13
Taxes				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	6	5	-	-
Total taxes	6	5	-	-
Other expenses				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	1	5	-	-
Total other expenses	1	5	-	-
Total transaction costs	13	18	8	13
Total net trades in the year after transaction costs	45,176	52,435	54,079	71,670

	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	0.04	0.04	0.04	0.03
Taxes				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	0.04	0.03	-	-
Other expenses				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Equities	0.01	0.03	-	-
Total costs	0.07	0.06	0.04	0.03
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.07	0.06	-	-
Taxes	0.03	0.01	-	-
Other expenses	-	0.01	-	-
Total costs	0.10	0.08	-	-

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

There were no in specie transfers during the year (2020: nil). There were no corporate actions during the year (2020: £75,260).

There were direct transaction costs associated with derivatives in the year of £70,171 (2020: £47,293) which is 0.34% of the average net asset value of the fund (2020: 0.14%).

Direct transaction costs are fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the fund. These exclude any differences between quoted bid and offer prices or internal administrative or holding costs.

The portfolio dealing spread as at 28 May 2021 was 0.05% (2020: 0.06%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

Please note that as of 1 June 2021 the reference benchmark and the performance target changed from the UK Base Interest Rate to the Sterling Overnight Index Average + 1% (SONIA + 1%).

With effect from 1 June 2021 a new Performance Fee Calculation Methodology was implemented on the fund, to comply with the ESMA guidelines published last year.

As at 23 August 2021, the Net Asset Value of the fund is £24,018,033 which is an increase of 19.9% from the balance sheet date. The increase in NAV is due to the increase in value of the underlying investments and net inflows to the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 31 May 2021 (in pence per share)

Interim dividend distribution (accounting date 30 November 2020, paid on 29 January 2021)

Group 1: shares purchased prior to 1 June 2020

Group 2: shares purchased on or after 1 June 2020

	Distribution per share	Equalisation	Total distribution per share 29/01/21	Total distribution per share 31/01/20
Class A accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class E accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I accumulation				
Group 1	-	-	-	0.0184
Group 2	-	-	-	0.0184
Class I EUR Hedged accumulation¹				
Group 1	-	-	-	0.0432
Group 2	-	-	-	0.0432
Class I USD Hedged accumulation²				
Group 1	-	-	-	0.0420
Group 2	-	-	-	0.0420

¹ in Euro cents per share

² in USD cents per share

Distribution tables (continued)

Final dividend distribution (accounting date 31 May 2021, paid on 30 July 2021)

Group 1: shares purchased prior to 1 December 2020

Group 2: shares purchased on or after 1 December 2020

	Distribution per share	Equalisation	Total distribution per share 30/07/21	Total distribution per share 31/07/20
Class A accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class E accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I accumulation				
Group 1	-	-	-	0.3115
Group 2	-	-	-	0.3115
Class I EUR Hedged accumulation¹				
Group 1	-	-	-	0.2126
Group 2	-	-	-	0.2126
Class I USD Hedged accumulation²				
Group 1	-	-	-	-
Group 2	-	-	-	-

¹ in Euro cents per share

² in USD cents per share

Appendix - additional information (unaudited)

Securities financing transactions

The funds engage in securities financing transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EU Exit) Regulations 2019, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation (EU) 2015/2365, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EU Exit) Regulations 2019, the funds' involvement in and exposures related to securities lending for the year ended 31 May 2021 are detailed below.

Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the funds' AUM as at 31 May 2021:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson Emerging Markets Opportunities Fund	2,233	1.68%	1.62%
Janus Henderson European Focus Fund	5,713	2.50%	2.47%
Janus Henderson European Selected Opportunities Fund	56,351	2.64%	2.61%
Janus Henderson Absolute Return Fund	6,549	0.53%	0.48%

Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for each fund as at 31 May 2021:

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
Janus Henderson Emerging Markets Opportunities Fund		Janus Henderson European Focus Fund	
US Treasury	2,306	Government of Belgium	2,127
Kingdom of Netherlands	98	Government of France	1,485
		Government of Austria	976
		UK Treasury	841
		Government of Germany	573
		Republic of Finland	244
		Kingdom of Netherlands	135
		US Treasury	87
Janus Henderson European Selected Opportunities Fund		Janus Henderson Absolute Return Fund	
Government of Belgium	20,484	UK Treasury	2,799
Government of France	17,262	Government of France	1,759
UK Treasury	8,459	Government of Belgium	1,011
US Treasury	7,308	US Treasury	559
Government of Germany	3,436	Kingdom of Netherlands	484
Kingdom of Netherlands	1,521	Government of Germany	396
Government of Austria	1,332		
Republic of Finland	1,108		

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Concentration data (continued)

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for each fund as at 31 May 2021:

Counterparty	Market value of securities on loan £000	Settlement basis	Counterparty	Market value of securities on loan £000	Settlement basis
Janus Henderson Emerging Markets Opportunities Fund			Janus Henderson European Focus Fund		
UBS	1,731	Triparty	JPMorgan	5,159	Triparty
Bank of America	502	Triparty	Credit Suisse	554	Triparty
	<u>2,233</u>			<u>5,713</u>	
Janus Henderson European Selected Opportunities Fund			Janus Henderson Absolute Return Fund		
JPMorgan	23,384	Triparty	Morgan Stanley	5,356	Triparty
Bank of America	22,933	Triparty	Bank of Nova Scotia	1,193	Triparty
Morgan Stanley	10,034	Triparty		<u>6,549</u>	
	<u>56,351</u>				

All counterparties have been included

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data

The following tables provide an analysis of the collateral received by each fund in respect of each type of SFTs as at 31 May 2021:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Janus Henderson Emerging Markets Opportunities Fund							
Bank of America	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	98
Bank of America	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan	429
UBS	Switzerland	Government Bond	Investment grade	USD	Triparty	JPMorgan	1,877
							2,404
Janus Henderson European Focus Fund							
Credit Suisse	Switzerland	Government Bond	Investment grade	EUR	Triparty	JPMorgan	814
JPMorgan	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	4,726
JPMorgan	United States	Government Bond	Investment grade	GBP	Triparty	JPMorgan	841
JPMorgan	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan	87
							6,468
Janus Henderson European Selected Opportunities Fund							
Bank of America	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	18,507
Bank of America	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan	6,004
JPMorgan	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	21,424
JPMorgan	United States	Government Bond	Investment grade	GBP	Triparty	JPMorgan	3,815
JPMorgan	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan	393
Morgan Stanley	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	5,212
Morgan Stanley	United States	Government Bond	Investment grade	GBP	Triparty	JPMorgan	4,644
Morgan Stanley	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan	911
							60,910
Janus Henderson Absolute Return Fund							
Morgan Stanley	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	2,608
Morgan Stanley	United States	Government Bond	Investment grade	GBP	Triparty	JPMorgan	2,586
Morgan Stanley	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan	546
Bank of Nova Scotia	Canada	Government Bond	Investment grade	EUR	Triparty	JPMorgan	1,042
Bank of Nova Scotia	Canada	Government Bond	Investment grade	GBP	Triparty	JPMorgan	213
Bank of Nova Scotia	Canada	Government Bond	Investment grade	USD	Triparty	JPMorgan	13
							7,008

All collateral is held in segregated accounts.

The lending and collateral transactions are on an open basis and can be recalled on demand.

Re-use of collateral

Cash collateral may be reinvested during the loan transaction to generate additional returns for the benefit of the fund.

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Return and cost on securities lending activities

The following table details the funds' return and costs for each type of SFTs for the year ended 31 May 2021:

Fund	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return retained by the securities lending agent ¹	% return retained by the fund
Janus Henderson China Opportunities Fund	6	1	5	15%	85%
Janus Henderson Emerging Markets Opportunities Fund	9	1	8	15%	85%
Janus Henderson European Focus Fund	12	2	10	15%	85%
Janus Henderson European Selected Opportunities Fund	99	15	84	15%	85%
Janus Henderson Absolute Return Fund	11	2	9	15%	85%

Fund	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return retained by the securities lending agent ²	% return retained by the fund
Janus Henderson European Selected Opportunities Fund	60	5	55	8%	92%
Janus Henderson Absolute Return Fund	1	-	1	8%	92%

¹ Until 9 March 2021 BNP Paribas was the securities lending agent.

² From 10 March 2021 JPMorgan was the securities lending agent.

Due to rounding to the nearest thousand, only Janus Henderson European Selected Opportunities Fund and Janus Henderson Absolute Return Fund had reportable stocklending income earned with JPMorgan in the year to 31 May 2021.

Appendix - additional information (unaudited) (continued)

Remuneration policy

Following the implementation of the UCITS V in the UK from 18 March 2016, all authorised UCITS Management Companies are required to comply with the UCITS Remuneration Code (SYSC 19E). Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of HIFL must make relevant remuneration disclosures.

The disclosures must split remuneration between fixed and variable remuneration and must break down remuneration for categories of UCITS Code Staff (defined as all staff whose professional activities have a material impact on the risk profiles of the funds it manages). The Janus Henderson Group plc Compensation Committee approves the list of UCITS Code Staff annually. In addition, identified UCITS Code Staff are notified of their status and the associated implications annually.

Janus Henderson Investment Funds Series I is managed by HIFL which is a subsidiary of Janus Henderson Group plc.

The Compensation Committee of Janus Henderson Group plc has established a Remuneration policy, one of the guiding principles of which is to ensure that the remuneration of its employees is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is consistent with risk profiles, rules or instruments of incorporation of each ACD and the funds they manage. This policy applies to HIFL and Janus Henderson Investment Funds Series I.

Further information with respect to Janus Henderson Group plc's Remuneration policy is available in Janus Henderson Group plc's annual report as at 31 December 2020.

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson China Opportunities Fund	2,015	1,097
of which		
Fixed Remuneration	2,015	481
Variable Remuneration	2,003	616
Janus Henderson China Opportunities Fund Remuneration Code Staff	52	261
of which		
Senior Management (4)	25	102
Other Code Staff (5)	27	160
Janus Henderson Emerging Markets Opportunities Fund	2,014	169
of which		
Fixed Remuneration	2,014	74
Variable Remuneration	2,002	94
Janus Henderson Emerging Markets Opportunities Fund Remuneration Code Staff	53	40
of which		
Senior Management (4)	25	16
Other Code Staff (5)	28	25
Janus Henderson European Focus Fund	2,014	295
of which		
Fixed Remuneration	2,014	131
Variable Remuneration	2,002	163
Janus Henderson European Focus Fund Remuneration Code Staff	53	71
of which		
Senior Management (4)	25	28
Other Code Staff (5)	28	44
Janus Henderson European Selected Opportunities Fund	2,014	2,472
of which		
Fixed Remuneration	2,014	1,100
Variable Remuneration	2,002	1,372
Janus Henderson European Selected Opportunities Fund Remuneration Code Staff	53	598
of which		
Senior Management (4)	25	232
Other Code Staff (5)	28	366

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson UK & Irish Smaller Companies Fund	2,014	114
of which		
Fixed Remuneration	2,014	50
Variable Remuneration	2,002	64
Janus Henderson UK & Irish Smaller Companies Fund Remuneration Code Staff	53	27
of which		
Senior Management (4)	25	11
Other Code Staff (5)	28	17
Janus Henderson US Growth Fund	2,014	445
of which		
Fixed Remuneration	2,014	197
Variable Remuneration	2,002	248
Janus Henderson US Growth Fund Remuneration Code Staff	53	107
of which		
Senior Management (4)	25	42
Other Code Staff (5)	28	66
Janus Henderson Absolute Return Fund	2,014	1,776
of which		
Fixed Remuneration	2,014	811
Variable Remuneration	2,002	964
Janus Henderson Absolute Return Fund Remuneration Code Staff	53	441
of which		
Senior Management (4)	25	171
Other Code Staff (5)	28	270
Janus Henderson European Absolute Return Fund	2,014	27
of which		
Fixed Remuneration	2,014	12
Variable Remuneration	2,002	15
Janus Henderson European Absolute Return Fund Remuneration Code Staff	53	6
of which		
Senior Management (4)	25	3
Other Code Staff (5)	28	4

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

- 1 This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson Investment Funds Series I
 - no attempt has been made to apportion the time spent specifically in support of Janus Henderson Investment Funds Series I as this data is not captured as part of Janus Henderson Group plc's normal processes.
- 2 Please note that due to the employment structure and resourcing of the Janus Henderson Group plc, the staff indicated in this table may provide services to other companies in Janus Henderson Group plc.
- 3 The remuneration disclosed is only in respect of the provision of services to the funds of Janus Henderson Investment Funds Series I for the year, rather than the total remuneration for the year – for this purpose, remuneration has been apportioned between the provision of services to the funds of Janus Henderson Investment Funds Series I and to other entities in Janus Henderson Group plc, as follows:
 - in respect of performance fee incentives, 100% of any direct allocations of performance fees generated within Janus Henderson Investment Funds Series I;
 - in respect of fixed pay and annual/long term incentive bonuses:
 - for Fund Managers, pro-rated using the average AUM of the funds of Janus Henderson Investment Funds Series I managed by the relevant Fund Manager (as a proportion of the total AUM managed by that individual) as a proxy.
 - for other individuals, pro-rated using the average AUM of the funds of Janus Henderson Investment Funds Series I (as a proportion of the aggregate average AUM of Janus Henderson Group plc) as a proxy.
- 4 Senior Management includes the Janus Henderson Executive Committee and other Group Board members and the Board of HIFL.
- 5 Other Code Staff includes all other UCITS Code Staff not covered by the above, including Investment Fund Managers who manage AUM within the funds of Janus Henderson Investment Funds Series I.
- 6 Please note that rounding off of values could lead to a mismatch of individual numbers and their sum.

Further information

Shareholder enquiries

If you have any queries about your fund holding, either contact your professional adviser or telephone us on one of the numbers below:

For dealing enquiries including buying and selling shares please telephone at local rate: **0845 608 8703**

The following line is also available:

Client Services: **0800 832 832**

or you can contact us via e-mail at **support@janushenderson.com**

We may record telephone calls for our mutual protection and to improve customer service.

Important Information

Janus Henderson Investors is the name under which investment products and services are provided by Janus Capital International Limited (reg no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), AlphaGen Capital Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no.2606646), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Henderson Management S.A. (reg no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

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