



ANNUAL REPORT & ACCOUNTS

For the year ended
30 September 2019

Janus Henderson
— INVESTORS —

Janus Henderson OEIC

Who are Janus Henderson Investors?

Janus Henderson Investors exists to help clients achieve their long-term financial goals.

Our active management offers clients the opportunity to outperform passive portfolios over the course of market cycles. With more than 360 investment professionals, we provide access to some of the industry's most talented and innovative thinkers, spanning equities, fixed income, multi-asset, and alternatives, globally. Our investment teams blend insight, originality, and precision with rigorous analysis, structured processes, and robust risk management. We build client partnerships on openness and trust, channelling expertise from across the business and communicating the views of our experts in a timely and relevant way. As at 30 September 2019, we had £289.0bn assets under management, more than 2,000 employees and 28 offices worldwide. Headquartered in London, we are an independent asset manager that is dual-listed on the New York Stock Exchange and the Australian Securities Exchange.

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Authorised Corporate Director's (ACD) report for the year ended 30 September 2019

We are pleased to present the Annual Report and Accounts for Janus Henderson OEIC (the 'Company') for the year ended 30 September 2019.

Authorised status

The Company is an open-ended investment company (OEIC) with variable capital incorporated in Scotland under registered number SI3 and authorised by the Financial Conduct Authority (FCA) with effect from 26 May 1998. It is a UCITS scheme structured as an umbrella company, comprising of two 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.

Fund liabilities

The assets of each fund will be treated as separate from those of every other fund and will be invested in accordance with the investment objective and investment policy applicable to that fund. Shareholders are not liable for the debts of the Company.

Brexit update

Janus Henderson Investors has a well-established project underway looking at all possible Brexit impacts including distribution, regulatory permissions and licences, Human Resources, Information Technology and operations. Janus Henderson Investors is seeking to minimise the potential impact on investors, and like all firms, is operating in an environment that is uncertain and subject to change. We are proud of our long history in both the UK and continental Europe, and are in a strong position to continue to serve our investors after the UK leaves the European Union.

Other information

On 4 June 2015, the ACD transferred the assets and liabilities of Henderson European Special Situations Fund by a Scheme of Arrangement into FP CRUX European Special Situations Fund.

On 28 September 2019 the ACD changed from FP CRUX to Thesis Unit Trust Management (TUTMAN). The funds name changed to TM CRUX European Special Situations Fund.

On 8 July 2019, some of the shareholders in the Global Financials Fund A income and A accumulation share classes were converted to the newly launched E income and E accumulation share classes respectively.

As there are no commission payments for financial advice bundled within the E share classes, these are available for direct investment from individual investors only. The conversion of A share classes to the E share classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged.

Value Assessment

The FCA, the UK financial regulator, recently introduced requirements for Authorised Corporate Directors to conduct a Value Assessment for each fund they manage. Janus Henderson is carrying out its first assessment for all funds as at 31 December 2019 and a summary of the findings will be made available on our website www.janushenderson.com no later than 30 April 2020.

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 review and financial statements on behalf of the Directors of Henderson Investment Funds Limited.



G Foggin
(Director)

13 January 2020

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

Service providers

	Name	Address	Regulator
Authorised Corporate Director (ACD)	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 (to 07.03.19) A Crooke G Foggin G Fogo (from 04.02.19) S Hillenbrand (from 04.01.19) H J de Sausmarez P Shea (from 07.06.19)* F Smith (from 28.03.19)* R Thompson (from 17.01.19) *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	DST Financial Services International Limited and DST Financial Services Europe Limited	DST 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 Advisers	Eversheds Sutherland (International) LLP	One Wood Street London EC2V 7WS	The Law Society

Global equity markets rose over the year to 30 September 2019 (MSCI World Index +2.4% in total return US dollar terms and +9.1% in euro terms). Geopolitics, trade tensions and active central banks drove headlines and influenced investor sentiment.

European equities ended the year stronger (FTSE World Europe ex UK Index +6.4% in euro terms). Markets plummeted along with most of their global peers in December but recovered in the first quarter of 2019, before experiencing volatility related to US/China trade tensions and Brexit in the summer months. The German economy, the largest in Europe, experienced negative quarterly growth in the third quarter of 2018 and second quarter of 2019, and Italy suffered a short-lived recession. Eurozone economic data was largely disappointing; the annual growth rate sank to 1.2% in the second quarter of 2019, and inflation fell sharply to -0.5% in July (though it recovered to 0.1% in August). September's meeting of the European Central Bank (ECB) yielded a spate of downgrades and stimulus measures: the deposit interest rate was lowered to -0.5% from -0.4%, and it was announced that a new bond-purchasing scheme would commence on 1 November. GDP forecasts were lowered to 1.1% in 2019 (from a previous 1.2%) and inflation expectations were cut as well.

In the UK, the FTSE All Share Index rose by +2.7% in sterling terms despite ongoing political turmoil. The UK's exit from the EU dominated headlines. The original 29 March deadline was delayed until 31 October, and the country saw a change in leadership when Prime Minister Theresa May was replaced by Boris Johnson in July. Uncertainty ramped up late in the year under review on the possibility of Parliament being shut down for five weeks from mid-September, an attempt by the government to prevent any more delays to Brexit. This had a negative effect on both sterling and equities; the FTSE 100 posted its worst monthly performance in four years in the month to 31 August. A further factor dampening sentiment was disappointing second quarter GDP growth, which came in significantly below expectations at -0.2%; this represented the first contraction in nearly seven years. The Bank of England (BoE) held rates steady but gave clear guidance that looser monetary policy was a possibility going forward.

US equities advanced (S&P 500 Index +4.3% in US dollars) over the year under review, and were particularly strong in July and September. Trade relations with China were vitriolic throughout 2019, with any apparent progress between the two countries proving to be short-lived. In May, US President Trump roiled markets by unexpectedly going ahead with tariff increases that saw US\$200 billion worth of Chinese goods hit with tariffs of 25%. China retaliated in June, slapping 25% tariffs on US\$60 billion worth of American imports. Elsewhere, despite a persistently buoyant stock market, US growth showed signs of a slowdown; GDP expansion dipped significantly, from 3.1% in the first quarter to 2.0% (annualised) in the second. The Treasury yield curve inverted, often considered the first sign of an impending recession. The Federal Reserve (Fed) took swift action, lowering interest rates by 25 basis points on 31 July and again on 18 September to reach a target rate of 1.75%-2.00%.

Japanese equities declined (Topix Index -10.4% in yen). In early October 2018, the Nikkei index hit its highest level in 27 years, but Japanese equities plummeted with their peers in December. 2019 brought disappointing economic data: exports declined for nine consecutive months, and September marked the seventh month since the year began in which the Nikkei Japan Manufacturing Purchasing Managers' Index gave a reading below 50 (anything below 50 signals a contraction). The yen's rise against other major currencies was a persistent cause for concern; in August, Japan's vice finance minister announced that measures might be taken to curb the currency's strength, as a continuously rising yen could have adverse effects on the export-dependent domestic economy. At its September meeting, the Bank of Japan kept rates unchanged at -0.1% but promised a thorough review of the economic situation at its October meeting.

Asian equities were down in the year (MSCI AC Asia Pacific ex Japan Index -1.5% in US dollars). Like most of their global peers, Asian indices fell sharply in May, when the US increased the size and scope of its tariffs on Chinese goods, and again in August, when additional increases were threatened. Many countries in the region are heavily dependent on US and Chinese trade. Central banks in the region were particularly active in August; the Philippines, Thailand and New Zealand all lowered rates, and the Reserve Bank of Australia slashed rates to a record low in September. South Korea's GDP growth for the second quarter was encouraging following a contraction in the three months to 31 March, but inflation plummeted: a -0.4% decline in the year to 30 September marked the first time deflation had been logged since records began in 1965. China exceeded expectations with promising GDP growth of 1.6% in the three months to 30 June, though the annualised rate remained lacklustre.

Emerging markets were down in US dollar terms (MSCI Emerging Markets Index -1.6%). Trade friction between the US and China was a major influence on emerging markets, as was the relative strength of the US dollar. On an individual basis, the Reserve Bank of India lowered rates four times in an effort to combat flailing inflation. Latin American markets rose in aggregate; but Argentina experienced dismal returns (MSCI Argentina -32.2% in US dollars) after an August election upset led to the second-worst stock market crash for any country since 1950. Brazil was strong, rising 25.8% in US dollar terms. Mexico fell 14.5%, despite accommodative action from its central bank, which enacted two rate cuts in the third quarter. In Asia, Chinese growth slowed to 6.2% quarter on quarter, a rate not seen since 1992.

Within fixed income, core government bond markets were up. Yields fell in the US, UK and Germany (and so prices rose) amid a lack of clarity on Brexit proceedings, sell-offs in global equity markets and trade war worries (JP Morgan Global Government Bond Index +8.7% US dollar terms). Global concerns regarding trade tensions between the US and China kept these perceived 'safe-haven' assets in favour, though all three regions experienced a spike in yields in mid-September upon President Trump's announcement that October tariff increases would be postponed. Dual interest rate cuts from the Fed and accommodative rhetoric from the BoE and ECB also supported bond prices. The corporate debt market experienced a large number of new issues at the end of the year under review, with US\$434 billion worth of bonds sold globally in September, a record figure. (Barclays Global Aggregate Corporate Bond Index +8.7% in US dollar terms).

Market review (continued)

The price of oil (West Texas Intermediate) fell over the year, swinging from highs of near US\$75 per barrel early in the year to lows of near US\$42 per barrel at the end of 2018. The Organization of the Petroleum Exporting Countries (OPEC) production cuts coincided with the imposition of US sanctions on Iran and Venezuela to lift the commodity, while trade war concerns caused deep dives. An attack on two Saudi production facilities saw the price of oil experience its biggest spike in more than a decade on 16 September. Gold boomed, reaching a peak of US\$1,560 in early September. Dovish central banks and aggressive trade rhetoric from the Trump administration pushed the precious metal up from May. Copper suffered a different fate, waxing and waning with the thawing and re-freezing of trade relations, and hit a two-year low in the final month of the year under review.

Statement of Authorised Corporate Director's (ACD) responsibilities

for the year ended 30 September 2019

The Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook (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 FRS 102 The Financial Reporting Standard 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 Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (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 Henderson Investment Funds Limited, comply with the above requirements;
- make best judgements and estimates that are reasonable; and
- prepare the financial statements on the 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.

The ACD confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 September 2019. The ACD also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis with the exception of the one sub-fund listed on the Basis of preparation note on page 9. The Henderson European Special Situations Fund has been prepared on a basis other than going concern as it merged with TM CRUX European Special Situations Fund on 4 June 2015.

Statement of Depositary's responsibilities and report of the Depositary to the shareholders of Janus Henderson OEIC (the 'Company') for the year ended 30 September 2019

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 are carried out in accordance with the Regulations;
- the value of shares of the Company are 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 Authorised Corporate Director ('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
13 January 2020

Independent Auditors' report to the shareholders of Janus Henderson OEIC (the 'Company')

for the year ended 30 September 2019

Report on the audit of the financial statements

Opinion

In our opinion, Janus Henderson OEIC's (the 'Company') financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 September 2019 and of the net revenue 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 OEIC (the 'company') is an Open Ended Investment Company (OEIC) with two 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 30 September 2019; the statement of total return and the statement of change in net assets attributable to shareholders for the year then ended; the distribution tables; aggregated notes to the financial statements and the notes to the financial statements.

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 Authorised Corporate Directors' reasons why the financial statements of the Henderson European Special Situations Fund have been prepared on a basis other than going concern.

Conclusions relating to going concern

With the exception of the circumstances described in the Emphasis of Matter paragraph above regarding the sub-fund, Henderson European Special Situations Fund, we have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the sub-funds' ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the fund's business and the wider economy.

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 OEIC (the 'Company')

(continued)

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's (ACD) 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 (ACD) responsibilities set out on page 5, 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.

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.

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
Chartered Accountants and Statutory Auditors
Glasgow
13 January 2020

1 Accounting policies

(a) Basis of preparation

The financial statements of Janus Henderson OEIC (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 Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Management Association (IMA) in May 2014, the Financial Reporting Standard 102 (FRS 102), the Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook (COLL) and the Company's Instrument of Incorporation and Prospectus.

The financial statements for Janus Henderson Global Financials Fund have been prepared on a going concern basis which is consistent with the prior year financial statements.

On 4 June 2015 the Authorised Corporate Director (ACD) transferred the assets and liabilities of Henderson European Special Situations Fund by a Scheme of Arrangement to TM CRUX European Special Situations Fund. The fund has remained open to recover outstanding withholding tax claims which will be paid to TM CRUX European Special Situations Fund. The fund will be wound up when these have been recovered and paid to TM CRUX European Special Situations Fund. Accordingly the going concern basis of preparation is no longer appropriate for the fund and its financial statements have been prepared on a basis other than going concern. Accruals have been recorded for costs of keeping the fund open until termination. Termination costs have already been accrued in the fund prior to merger and form part of Accrued expenses. Costs in relation to the ongoing Fokus reclaims have also been accrued. No adjustments have been required to bring assets and liabilities to their realisable value or to reclassify long-term assets and liabilities as current assets and liabilities. The prior year comparative figures for this fund have been prepared on a basis other than going concern.

(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 (30 September 2019) in accordance with the provisions of the scheme particulars.

The ACD has assigned the responsibility to review and approve fair value pricing decisions on a regular basis to the Janus Henderson UK & EMEA Fair Value Pricing Committee. The Committee report 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.

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.

(c) Revenue recognition

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.

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

Bank interest and any revenue earned on derivatives are recognised on an accruals basis.

Interest on debt securities, including secured loans, 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 REIT income is disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the tax note.

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.

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

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. The revenue forms part of any distribution.

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

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(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 (AMC)

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 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 ACD and Depositary have agreed that 100% of the AMC for this fund 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, safe custody fees and dividend collection charges 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.

Allocation of revenue and expenses to multiple share classes

With the exception of the AMC, and the GAC 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.

(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.

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

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.

(g) Cash flow statement

The Global Financials fund is not required to produce a cash flow statement as it meets the exemption criteria set out in FRS 102 7.1A as the funds' assets and investments are highly liquid, are carried at market value and a Statement of change in net assets attributable to shareholders is provided for the fund. A cash flow statement has not been included for the European Special Situations Fund as it does not hold any investments.

(h) 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.

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(h) Treatment of derivatives (continued)

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.

(i) 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 Janus Henderson Global Financials Fund is to distribute/accumulate all available revenue, after the deduction of expenses properly chargeable against revenue, subject to any of the AMC or other 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.

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.

Marginal tax relief is no longer taken into account when determining the amount available for distribution on Janus Henderson Global Financials Fund.

Janus Henderson Global Financials Fund makes both annual for all share classes (31 January) and semi-annual for income only share classes (30 November and 31 May) distributions to shareholders.

Henderson European Special Situations Fund distributed its final dividend distribution on 31 July 2015 following its merger with TM CRUX European Special Situations Fund on 4 June 2015.

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 only applies to Class A income of Janus Henderson Global Financials Fund.

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 its investment objective the funds hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the funds' operations. The funds may also enter into derivatives for the purpose of efficient portfolio management (EPM) only.

The risk management policy and process for the funds is designed to satisfy the regulatory requirements for UCITS; associated regulatory technical standards and guidelines; and local regulations. The framework for risk controls and limits for the funds is 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.

Aggregated notes to the financial statements (continued)

3 Risk (continued)

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, collective investment schemes, money market instruments, cash and deposits and derivatives in pursuance of the investment objectives and policies. Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high. Additionally, the Janus Henderson Global Financials Fund invests in stocks from specialist sector which can increase volatility.

The funds may use derivatives instruments solely for the purpose of efficient portfolio management, and they are not intended to increase the risk profile of a fund. Efficient portfolio management (EPM) is used by the funds to reduce risk and/or costs in the funds and to produce additional capital or income in the funds. The funds may use derivatives (including options, futures, forward transactions and contracts for difference), borrowing, cash holding and stock lending for efficient portfolio management. It is not intended that using derivatives for efficient portfolio management will increase the volatility of the funds and indeed EPM is intended to reduce volatility. In adverse situations, however, a fund's use of derivatives may become ineffective in EPM and a fund may suffer significant loss as a result.

Please refer to the individual funds' accounts for details of global exposure, leverage and sensitivity analysis, where applicable.

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. Where a proportion of a fund's assets and income may be denominated in currencies other than sterling (the fund's functional currency in which results are reported), the fund's total return and balance sheet can be significantly affected by currency fluctuations. This risk may be managed by the Investment Manager using hedging transactions in line with each fund's investment objective, powers and limits, though this will not eliminate the relevant fund's currency risk.

Please refer to the individual funds' accounts for details of currency risk exposure.

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.

Please refer to the individual funds' account 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 increase or decrease in market values will have a direct effect on the value of the investment assets in a funds portfolio and therefore a proportionate effect on the value of the relevant fund.

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(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 cashflow.

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 broker's financial ratings are periodically reviewed by the Janus Henderson Credit Risk Forum along with set limits and new counterparty approval.

The fund's 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 Credit Risk Forum are used for derivative transactions and stock lending, as detailed in the individual funds accounts.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

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

(c) 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 thereby 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. When investments cannot be realised in time to meet any potential liability, the funds may borrow up to 10% of their value to ensure settlement.

Please refer to the individual funds' accounts for details of liquidity risk exposure.

Brexit Risk

In a referendum held on 23 June 2016, the electorate of the United Kingdom resolved to leave the European Union. The result has led to political and economic uncertainty, volatility in the financial markets of the United Kingdom and more broadly across Europe. Consumer, corporate and financial confidence in these markets may decrease as the Brexit negotiations progress. The implementation process of the political, economic and legal framework between the United Kingdom and the European Union is likely to lead to continuing uncertainty and periods of increased volatility in both the United Kingdom and in wider European markets.

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 mid to long term uncertainty may have an adverse effect on the economy generally and on the ability of the 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

There were no cross-holdings within the funds of Janus Henderson OEIC at the year-end (2018: nil).

Henderson European Special Situations Fund

Authorised Corporate Director's (ACD) report

On 4 June 2015, the ACD transferred the assets and liabilities of Henderson European Special Situations Fund by a Scheme of Arrangement into TM CRUX European Special Situations Fund (formerly FP CRUX European Special Situations Fund).

The fund has remained open to recover outstanding withholding tax reclaims which will be paid to TM CRUX European Special Situations Fund. The Danish tax authorities have advised that the processing time of reclaims will be extended up to 18 months. The processing delays are due to the authorities carrying out more comprehensive reviews of the applications. The fund will be wound up when these are recovered.

As there has been no significant activity in the year, standard disclosure relating to the Risk and reward profile, Significant purchases and sales, Comparative tables and Distribution table have not been presented within the financial statements.

Investment objective and policy up to 4 June 2015

The fund aims to achieve long term capital growth by investing in European (excluding the UK) equities of companies in special situations.

The fund aims to achieve its objective primarily through investment in equity securities of European (excluding the UK) companies in special situations where it is believed the company is considered undervalued as well as in other European (excluding the UK) equities to mitigate the volatility of the Fund. The Fund will be able to invest without restriction by market cap or sector.

The fund may also invest in other transferable securities, units or shares in collective investment schemes, money market instruments, cash and near cash, and deposits. Derivatives and forward transactions will be invested in by the Fund for the purposes of efficient portfolio management only.

Investors should note that while the investment objective of the fund is to achieve long term capital growth there may be situations in which an income return is also achieved.

Statement of total return for the year ended 30 September 2019

		2019		2018	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		1		-
Revenue	3	(1)		(8)	
Expenses	4	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net expense before taxation		(1)		(8)	
Taxation	5	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net revenue/(expense) after taxation			<u>19</u>		<u>(8)</u>
Total return before distributions			20		(8)
Distributions			-		-
Change in net assets attributable to shareholders from investment activities			<u>20</u>		<u>(8)</u>

Statement of change in net assets attributable to shareholders for the year ended 30 September 2019

		2019		2018	
		£000	£000	£000	£000
Opening net assets attributable to shareholders			-		.*
Movement in balance payable to TM CRUX European Special Situations Fund		<u>(20)</u>	<u>(20)</u>	<u>8</u>	<u>8</u>
Change in net assets attributable to shareholders from investment activities			20		(8)
Closing net assets attributable to shareholders		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

* The fund closed following its merger with TM CRUX European Special Situations Fund (formerly FP CRUX European Special Situations Fund) on 4 June 2015.

Balance sheet as at 30 September 2019

	Note	2019 £000	2018 £000
Assets:			
Current assets:			
Debtors	6	152	151
Cash and bank balances	7	1,641	1,732
Total assets		1,793	1,883
Liabilities:			
Creditors:			
Bank overdrafts		1,504	1,471
Other creditors	8	289	412
Total liabilities		1,793	1,883
Net assets attributable to shareholders		-	-

Notes to the financial statements for the year ended 30 September 2019

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:

	2019 £000	2018 £000
Other currency gains	1	-
Net capital gains	<u>1</u>	<u>-</u>

3 Revenue

	2019 £000	2018 £000
Bank interest	1	1
Overseas withholding tax revaluation	(2)	(9)
Total revenue	<u>(1)</u>	<u>(8)</u>

4 Expenses

There were no unaccrued expenses in the current year (2018: nil).

The current audit fee is £4,052 (2018: £3,934). Provisions for audit and third party administration expenses in relation to the winding up of Henderson European Special Situations Fund following the fund's merger with TM CRUX European Special Situations Fund on 4 June 2015 were accrued in the year to 30 September 2015.

5 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2019 £000	2018 £000
Current tax		
Overseas withholding tax	(20)	-
Total tax (note 5b)	<u>(20)</u>	<u>-</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 open ended investment companies (OEICS) of 20% (2018: 20%). The differences are explained below:

	2019 £000	2018 £000
Net expense before taxation	(1)	(8)
Corporation tax at 20% (2018: 20%)	-	(2)
Effects of:		
Irrecoverable overseas withholding tax	(20)	-
Overseas withholding tax	-	2
Tax credit for the year (note 5a)	<u>(20)</u>	<u>-</u>

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

Notes to the financial statements (continued)

5 Taxation (continued)

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2018: 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 £7,052,406 (2018: £7,052,697) 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.

The movement in the potential tax asset identified in note (d) may not match the movement shown in 'Unused management expenses' in note (b) due to filing adjustments.

Withholding tax reclaims

The fund filed Fokus claims in respect of withholding tax applied on German dividends during the years 2010 to 2015.

No amounts have been received during the year in relation to these claims (2018: nil) and no interest on reclaims has been received (2018: nil). The legal costs of pursuing these claims has been borne by the fund.

6 Debtors

	2019 £000	2018 £000
Overseas withholding tax reclaimable	152	151
Total debtors	152	151

7 Cash and bank balances

	2019 £000	2018 £000
Cash and bank balances	1,641	1,732
Total cash and bank balances	1,641	1,732

8 Other creditors

	2019 £000	2018 £000
Amounts due to TM CRUX European Special Situations Fund - unfunded*	170	260
Accrued other expenses	119	152
Total other creditors	289	412

* The amount payable to TM CRUX European Special Situations Fund includes an accrued balance for withholding tax reclaimable, which has been translated into sterling at the year end exchange rate. The ACD will pay out these amounts to TM CRUX European Special Situations Fund when they have been received from the tax authorities.

9 Contingent liabilities and commitments

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

10 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. There were no transactions with the ACD in the current or prior year and there were no balances with the ACD held at the end of the current or the prior year.

11 Shareholders' funds

The fund is in the process of terminating and has no shareholders at the year end (2018: nil).

Notes to the financial statements (continued)

12 Risk

Currency risk

The overseas WHT reclaimable amounts is offset by a creditor to the merger host fund and therefore any risk on foreign exchange movements is to the host fund. The fund's exposure to currency risk is therefore 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 as a large proportion of the fund's net assets is cash at bank. However floating rate interest on these balances is received on the net of the cash assets and liabilities and is immaterial. This is consistent with the exposure during the 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
2019				
Bank overdrafts	1,504	-	-	-
Other creditors	-	4	285	-
Total	1,504	4	285	-

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2018				
Bank overdrafts	1,471	-	-	-
Other creditors	-	4	408	-
Total	1,471	4	408	-

13 Events after the Balance sheet date

There were no material post Balance sheet events which require disclosure within these financial statements and no distributions have been made since the closure of the fund.

Janus Henderson Global Financials Fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

John Jordan and Barrington Pitt-Miller

Investment objective and policy

To achieve long term capital growth.

The fund will invest principally in the securities of financial services companies both in the UK and internationally. In addition to ordinary shares, the fund may also invest in fixed interest securities, preference shares, debt securities convertible into ordinary stock, money-market instruments and deposits.

Performance summary

	30 Sep 18 - 30 Sep 19	30 Sep 17 - 30 Sep 18	30 Sep 16 - 30 Sep 17	30 Sep 15 - 30 Sep 16	30 Sep 14 - 30 Sep 15
	%	%	%	%	%
Class I accumulation	9.5	10.6	21.4	16.7	(2.1)
FTSE World Financial Index	8.8	7.3	24.4	21.5	0.4

Source: Morningstar, Class I accumulation, NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point. Benchmark values are at close of business.

Index: FTSE World Financial Index

Index Usage: Comparator

Index description: The FTSE World Financial Index is a measure of the combined performance of large and medium sized financial companies from developed and advanced emerging stock markets. It provides a useful comparison against which the Fund's performance can be assessed over time.

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

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 30 September 2019

Largest purchases	£000	Largest sales	£000
Bank Rakyat	1,161	Wells Fargo	2,314
NN	1,105	Sony Financial	1,524
Blackstone	999	Bank of America	965
Hong Kong Exchanges & Clearing	823	Mitsubishi UFJ Financial	946
Crown Castle International	770	Swedbank	892
State Bank of India	760	Aroundtown	825
Nexi	603	JPMorgan Chase	759
Apollo Global Management	558	Synchrony Financial	686
AssetMark Financial	500	Charles Schwab	680
Progressive	467	NN	661
Total purchases	15,453	Total sales	19,523

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

Investment review

The fund returned 9.5% based on Class I accumulation over the year under review, compared with a return of 8.8% in the FTSE World Financial Index.

Over the year, global growth slowed. In the US, business sentiment softened, while consumer confidence remained high and unemployment levels low. In part reflecting slowing economic growth, the 10-year Treasury yield fell from about 3.06% in September 2018 to about 1.67% by the end of September 2019. The Fed funds rate, which is set by the Federal Reserve and represents the overnight borrowing rate between US banks, increased during the first part of the year and declined in the second part, ending September 2019 at about the same level as September 2018.

Internationally, the year was characterised by widespread geopolitical uncertainty, with the US/China trade war evolving from a trade and tariff debate towards ideological defence, security and technology wars that risk fuelling a wave of de-globalisation, with broad implications for investment. The UK's plans to leave the European Union was a concern for UK and European risk assets and growth. More recently, Hong Kong unrest negatively impacted market sentiment and business activity. The uncertainty weighed on business sentiment and manufacturing indicators in particular. Germany's trade-oriented economy weighed on European growth, driving down interest rate expectations and pushing the European Central Bank into more negative interest rate policy territory. Lower rates have become a clear theme around the world, as central banks are on a co-ordinated monetary policy easing cycle.

In the US, global payment network providers MasterCard and Visa were significant positive contributors, helped in part by strong earnings growth, robust business models, and their important role in moving consumer and commercial payments to digital systems and cards from cash and cheques – an opportunity we believe has a long runway. CME and Intercontinental Exchange, both global futures exchanges and clearinghouses, were also significant contributors. Their earnings continued to benefit from secular tailwinds – such as the electrification of markets, a regulatory push towards more transparent and centrally cleared venues, the increasing importance of data and analytics, and the globalisation of hedging via key benchmarks – as well as higher volatility in some markets over the year. MarketAxess, another positive contributor, benefited from its role in facilitating electronic trading of fixed income instruments, including corporate bonds. Synchrony Financial, a US consumer lender, was also a significant contributor, as it addressed fears about partner losses by renewing agreements with several key partners, including Amazon and Sam's Club. It also benefited from solid growth and credit performance, as well as substantial capital return via a share buyback and dividends.

The biggest contributors in the international portfolio were HDFC Bank in India and the London Stock Exchange (LSE). In late July, the LSE announced an agreement to acquire Refinitiv in an all-share transaction, which we see as both strategically and financially attractive, given the material earnings accretion buoyed by the targeted synergies. In September, Hong Kong Exchanges and Clearing (HKEX) proposed a preliminary offer for the LSE. Although HKEX subsequently walked away, declining to make a firm offer, its interest further underpinned our conviction in the value case for LSE. HDFC Bank continued to deliver strong growth and franchise expansion, as it increasingly leverages its leading digital capabilities to penetrate semi-rural and rural parts of India. Digital investments are driving powerful operating leverage. The Indian non-bank financial sector witnessed significant dislocation, owing to liquidity stress and exposures to the troubled real estate sector. HDFC Bank has little direct exposure to the troubled sector, the longer-term growth runway remains firmly intact, and in the nearer term, the bank is well poised to take advantage of the travails of others.

We remain constructive on the investment opportunities in global financial services, with our holdings continuing to offer an attractive mix of solid growth prospects, reasonable valuations, and strong capital return. While we acknowledge that interest rates have declined globally, and are likely to remain at relatively low levels, we believe our holdings can continue to grow and create significant shareholder value in this environment. A significant portion of the portfolio is invested in stocks whose earnings are not significantly impacted by the level of interest rates.

We continue to find significant opportunities to invest in secular growth and innovation. These include the electrification of consumer and commercial payments; digitisation of significant parts of financial services, including retail banking and trading; and the increased importance of data and analytics. In addition, we are keenly focused on the opportunities arising in Asian and emerging markets, from the deepening of banking, insurance and financial services within the economy, as well as the growing sophistication of financial needs, as wealth accumulates from low levels, notably in India, Indonesia, Mexico and China.

Comparative tables for the year ended 30 September 2019

	Class A accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	439.17	401.41	334.42
Return before operating charges*	46.68	45.00	73.48
Operating charges	(7.36)	(7.24)	(6.49)
Return after operating charges*	39.32	37.76	66.99
Distributions on accumulation shares	(3.12)	(2.44)	(1.85)
Retained distributions on accumulation shares	3.12	2.44	1.85
Closing net asset value per share	478.49	439.17	401.41
* after direct transaction costs of:	0.09	0.23	0.71
Performance			
Return after charges	8.95%	9.41%	20.03%
Other information			
Closing net asset value (£000s)	15,152	41,696	41,371
Closing number of shares	3,166,607	9,494,322	10,306,317
Operating charges	1.70%	1.71%	1.71%
Direct transaction costs	0.02%	0.05%	0.19%
Prices			
Highest share price (pence)	497.90	448.60	410.40
Lowest share price (pence)	383.60	397.30	338.00
	Class A income		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	75.78	70.73	60.07
Return before operating charges*	7.98	7.85	13.14
Operating charges	(1.28)	(1.27)	(1.16)
Return after operating charges*	6.70	6.58	11.98
Distributions on income shares	(1.65)	(1.53)	(1.32)
Closing net asset value per share	80.83	75.78	70.73
* after direct transaction costs of:	0.02	0.04	0.13
Performance			
Return after charges	8.84%	9.30%	19.94%
Other information			
Closing net asset value (£000s)	374	594	504
Closing number of shares	462,407	783,152	712,638
Operating charges	1.70%	1.71%	1.71%
Direct transaction costs	0.02%	0.05%	0.19%
Prices			
Highest share price (pence)	85.16	78.40	73.07
Lowest share price (pence)	66.19	69.99	60.71

Comparative tables (continued)

	Class E accumulation 08/07/19 - 30/09/19 (pence per share)
Change in net assets per share	
Opening net asset value share	484.45 ¹
Return before operating charges*	(4.05)
Operating charges	(1.35)
Return after operating charges*	(5.40)
Distributions on accumulation shares	(3.66)
Retained distributions on accumulation shares	3.66
Closing net asset value per share	479.05
* after direct transaction costs of:	0.10
Performance	
Return after charges	(1.11%)
Other information	
Closing net asset value (£000s)	26,815
Closing number of shares	5,597,668
Operating charges	1.20%
Direct transaction costs	0.02%
Prices	
Highest share price (pence)	498.00
Lowest share price (pence)	469.10

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

	Class E income 08/07/19 - 30/09/19 (pence per share)
Change in net assets per share	
Opening net asset value share	82.86 ²
Return before operating charges*	(0.69)
Operating charges	(0.23)
Return after operating charges*	(0.92)
Distributions on income shares	(1.01)
Closing net asset value per share	80.93
* after direct transaction costs of:	0.02
Performance	
Return after charges	(1.12%)
Other information	
Closing net asset value (£000s)	170
Closing number of shares	210,120
Operating charges	1.20%
Direct transaction costs	0.02%
Prices	
Highest share price (pence)	85.18
Lowest share price (pence)	80.24

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

Comparative tables (continued)

	Class I accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	505.78	459.37	380.29
Return before operating charges*	54.24	51.66	83.71
Operating charges	(5.44)	(5.25)	(4.63)
Return after operating charges*	48.80	46.41	79.08
Distributions on accumulation shares	(6.73)	(5.93)	(5.23)
Retained distributions on accumulation shares	6.73	5.93	5.23
Closing net asset value per share	554.58	505.78	459.37
* after direct transaction costs of:	0.11	0.26	0.81

Performance

Return after charges	9.65%	10.10%	20.79%
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Other information

Closing net asset value (£000s)	21,923	20,322	18,970
Closing number of shares	3,953,128	4,017,931	4,129,546
Operating charges	1.07%	1.08%	1.07%
Direct transaction costs	0.02%	0.05%	0.19%

Prices

Highest share price (pence)	576.40	516.40	469.30
Lowest share price (pence)	442.40	456.10	384.30

	Class A Euro accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	624.47	570.77	475.57
Return before operating charges*	66.57	64.00	104.43
Operating charges	(10.65)	(10.30)	(9.23)
Return after operating charges*	55.92	53.70	95.20
Distributions on accumulation shares	(4.30)	(3.36)	(4.82)
Retained distributions on accumulation shares	4.30	3.36	4.82
Closing net asset value per share	680.39	624.47	570.77
* after direct transaction costs of:	0.13	0.32	1.01

Performance

Return after charges	8.95%	9.41%	20.02%
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Other information

Closing net asset value (£000s)	113	104	91
Closing number of shares	16,670	16,670	15,928
Operating charges	1.70%	1.71%	1.71%
Direct transaction costs	0.02%	0.05%	0.19%

Prices

Highest share price (Euro cents)	778.51	710.13	655.89
Lowest share price (Euro cents)	605.34	644.73	547.80

Comparative tables (continued)

	Class A US Dollar accumulation		
	2019	2018	2017
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	498.69	455.89	379.84
Return before operating charges*	52.83	51.05	83.15
Operating charges	(8.26)	(8.25)	(7.10)
Return after operating charges*	44.57	42.80	76.05
Distributions on accumulation shares	(7.55)	(8.70)	-
Retained distributions on accumulation shares	7.55	8.70	-
Closing net asset value per share	543.26	498.69	455.89
* after direct transaction costs of:	0.10	0.26	0.77
Performance			
Return after charges	8.94%	9.39%	20.02%
Other information			
Closing net asset value (£000s)	36	143	58
Closing number of shares	6,537	28,632	12,772
Operating charges	1.70%	1.71%	1.71%
Direct transaction costs	0.02%	0.05%	0.19%
Prices			
Highest share price (USD cents)	694.21	697.11	609.51
Lowest share price (USD cents)	550.94	610.01	485.80

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

The following share classes launched in the year:

Share class	Launch date
Class E accumulation	8 July 2019
Class E income	8 July 2019

There were no share classes closed in 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.

	2019 %	2018 %	Estimated OCF from 8 July 2019 ¹ %
Class A	1.70	1.71	n/a
Class E²	1.20	n/a	1.20
Class I	1.07	1.08	n/a
Class A Euro	1.70	1.71	n/a
Class A US Dollar	1.70	1.71	n/a

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

¹ The estimated ongoing charge is based on the annual fee rates on launch date as at 8 July 2019.

² Class E accumulation and E income launched on 8 July 2019.

Risk and reward profile

The fund currently has 7 types of shares in issue; A accumulation, A income, E accumulation, E income, I accumulation, A Euro accumulation and A US Dollar accumulation. Each share class has the same risk and reward profile which is as follows:

The risk and reward profile for all share classes is as follows:



The share classes appear at 5 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in share price 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 in the fund 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 Warnings' 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 and Class E income were launched on 8 July 2019. As these share classes do not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

Portfolio statement as at 30 September 2019

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.14% (2018: 99.61%)		
	Austria 0.57% (2018: 0.88%)		
	Financials 0.57% (2018: 0.88%)		
	Banks 0.57% (2018: 0.88%)		
13,614	Erste Bank	366	0.57
	Belgium 0.53% (2018: 1.00%)		
	Financials 0.53% (2018: 1.00%)		
	Banks 0.53% (2018: 1.00%)		
6,488	KBC	342	0.53
	Brazil 0.62% (2018: 0.52%)		
	Financials 0.62% (2018: 0.52%)		
	Banks 0.62% (2018: 0.52%)		
58,461	Itau Unibanco	399	0.62
	Canada 5.06% (2018: 4.44%)		
	Financials 5.06% (2018: 4.44%)		
	Banks 3.36% (2018: 3.70%)		
5,617	Bank of Nova Scotia	259	0.40
3,778	Canadian Imperial Bank of Commerce	253	0.39
35,066	Toronto-Dominion Bank	1,658	2.57
		2,170	3.36
	Nonlife Insurance 1.70% (2018: 0.74%)		
13,473	Intact Financial	1,098	1.70
	China 2.06% (2018: 2.08%)		
	Financials 2.06% (2018: 2.08%)		
	Banks 1.49% (2018: 2.08%)		
1,561,766	China Construction Bank	965	1.49
	Financial Services 0.57% (2018: 0.00%)		
17,360	AssetMark Financial	367	0.57
	France 1.48% (2018: 2.09%)		
	Financials 1.48% (2018: 2.09%)		
	Banks 0.65% (2018: 1.24%)		
10,584	BNP Paribas	418	0.65
	Nonlife Insurance 0.83% (2018: 0.85%)		
25,850	AXA	536	0.83
	Germany 1.63% (2018: 2.79%)		
	Financials 1.63% (2018: 2.79%)		
	Nonlife Insurance 1.32% (2018: 1.24%)		
4,537	Allianz	856	1.32
	Real Estate Investment & Services 0.31% (2018: 1.55%)		
29,858	Aroundtown	198	0.31

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Hong Kong 4.40% (2018: 3.81%) Financials 4.40% (2018: 3.81%) Banks 0.42% (2018: 1.55%)		
99,000	BOC Hong Kong	272	0.42
	Financial Services 0.99% (2018: 0.00%)		
27,000	Hong Kong Exchanges & Clearing	642	0.99
	Life Insurance 2.99% (2018: 2.26%)		
251,800	AIA	1,929	2.99
	India 4.22% (2018: 2.82%) Financials 4.22% (2018: 2.82%) Banks 4.22% (2018: 2.31%)		
40,142	HDFC Bank ADS	1,858	2.88
278,701	State Bank of India	864	1.34
		2,722	4.22
	Financial Services 0.00% (2018: 0.51%)		
	Indonesia 2.17% (2018: 1.05%) Financials 2.17% (2018: 1.05%) Banks 2.17% (2018: 1.05%)		
5,963,505	Bank Rakyat	1,405	2.17
	Italy 0.00% (2018: 0.45%) Financials 0.00% (2018: 0.45%) Banks 0.00% (2018: 0.45%)		
	Japan 1.73% (2018: 6.04%) Financials 1.73% (2018: 6.04%) Banks 0.82% (2018: 2.93%)		
129,316	Mitsubishi UFJ Financial	532	0.82
	Life Insurance 0.91% (2018: 3.11%)		
33,449	Sony Financial	587	0.91
	Mexico 0.63% (2018: 0.98%) Financials 0.63% (2018: 0.98%) Banks 0.63% (2018: 0.98%)		
92,940	Grupo Financiero Banorte	405	0.63
	Netherlands 0.79% (2018: 0.92%) Financials 0.70% (2018: 0.81%) Banks 0.21% (2018: 0.81%)		
16,125	ING	137	0.21
	Life Insurance 0.49% (2018: 0.00%)		
10,938	NN	315	0.49

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 0.09% (2018: 0.11%)		
	Software & Computer Services 0.09% (2018: 0.11%)		
114	Adyen	61	0.09
	Peru 0.62% (2018: 0.65%)		
	Financials 0.62% (2018: 0.65%)		
	Banks 0.62% (2018: 0.65%)		
2,376	Credicorp	402	0.62
	Russian Federation 0.23% (2018: 0.20%)		
	Financials 0.23% (2018: 0.20%)		
	Banks 0.23% (2018: 0.20%)		
12,784	Sberbank of Russia	147	0.23
	Singapore 1.62% (2018: 1.78%)		
	Financials 1.62% (2018: 1.78%)		
	Banks 1.62% (2018: 1.78%)		
71,500	DBS	1,048	1.62
	Spain 0.50% (2018: 1.65%)		
	Financials 0.50% (2018: 1.65%)		
	Banks 0.50% (2018: 1.65%)		
97,554	Banco Santander	322	0.50
	Sweden 0.00% (2018: 2.14%)		
	Financials 0.00% (2018: 2.14%)		
	Banks 0.00% (2018: 2.14%)		
	Switzerland 0.00% (2018: 1.11%)		
	Financials 0.00% (2018: 1.11%)		
	Banks 0.00% (2018: 1.11%)		
	Thailand 0.45% (2018: 0.58%)		
	Financials 0.45% (2018: 0.58%)		
	Banks 0.45% (2018: 0.58%)		
62,933	Bangkok Bank	290	0.45
	United Kingdom 8.04% (2018: 7.38%)		
	Financials 7.07% (2018: 7.38%)		
	Banks 1.27% (2018: 1.49%)		
120,147	Standard Chartered	822	1.27
	Financial Services 2.28% (2018: 1.78%)		
20,097	London Stock Exchange	1,468	2.28
	Life Insurance 1.77% (2018: 2.82%)		
28,177	Prudential	416	0.64
74,089	St James's Place	725	1.13
		1,141	1.77

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Nonlife Insurance 1.75% (2018: 1.29%)		
181,627	Beazley	1,130	1.75
	Industrials 0.97% (2018: 0.00%)		
	Support Services 0.97% (2018: 0.00%)		
76,068	Nexi	630	0.97
	United States 60.79% (2018: 54.25%)		
	Financials 57.16% (2018: 53.61%)		
	Banks 10.12% (2018: 15.39%)		
108,009	Bank of America	2,557	3.96
38,269	JPMorgan Chase	3,654	5.65
1,933	SVB Financial	328	0.51
		<u>6,539</u>	<u>10.12</u>
	Financial Services 33.88% (2018: 29.07%)		
4,322	Affiliated Managers	292	0.45
17,000	Apollo Global Management	522	0.81
24,500	Blackstone	971	1.50
20,118	Charles Schwab	683	1.06
12,504	CME 'A'	2,144	3.32
3,326	Equifax	379	0.59
17,663	Focus Financial Partners	341	0.53
21,452	Intercontinental Exchange	1,605	2.49
1,469	MarketAxess	390	0.60
22,726	MasterCard	5,002	7.75
21,765	Morgan Stanley	754	1.17
2,100	MSCI	371	0.57
5,803	S&P Global	1,153	1.79
76,591	Synchrony Financial	2,118	3.28
10,469	TD Ameritrade	397	0.61
33,915	Visa	4,755	7.36
		<u>21,877</u>	<u>33.88</u>
	Nonlife Insurance 6.97% (2018: 5.27%)		
6,568	AON	1,032	1.60
12,761	Marsh & McLennan	1,036	1.60
38,790	Progressive	2,431	3.77
		<u>4,499</u>	<u>6.97</u>
	Real Estate Investment & Services 1.29% (2018: 0.96%)		
19,357	CBRE 'A'	832	1.29
	Real Estate Investment Trusts 4.90% (2018: 2.92%)		
7,961	American Tower	1,429	2.21
6,900	Crown Castle International	778	1.20
2,051	Equinix	959	1.49
		<u>3,166</u>	<u>4.90</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 3.09% (2018: 0.64%)		
	Support Services 3.09% (2018: 0.64%)		
800	CoStar	385	0.60
6,629	Fidelity National Information Services	714	1.10
3,300	Global Payments	426	0.66
952	Tradeweb Markets 'A'	29	0.04
2,700	Wex	442	0.69
		<u>1,996</u>	<u>3.09</u>
	Technology 0.54% (2018: 0.00%)		
	Software & Computer Services 0.54% (2018: 0.00%)		
8,400	SS&C Technologies	352	0.54
		<u>352</u>	<u>0.54</u>
	Investment assets	63,383	98.14
	Other net assets	1,200	1.86
	Total net assets	64,583	100.00

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

Statement of total return for the year ended 30 September 2019

	Note	2019		2018	
		£000	£000	£000	£000
Income					
Net capital gains	2		4,871		5,352
Revenue	3	1,595		1,589	
Expenses	4	(875)		(946)	
Interest payable and similar charges	5	(4)		-	
Net revenue before taxation		716		643	
Taxation	6	(141)		(166)	
Net revenue after taxation			<u>575</u>		<u>477</u>
Total return before distributions			5,446		5,829
Distributions	7		(583)		(485)
Change in net assets attributable to shareholders from investment activities			<u>4,863</u>		<u>5,344</u>

Statement of change in net assets attributable to shareholders

for the year ended 30 September 2019

	2019		2018	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		62,859		60,994
Amounts receivable on issue of shares	3,301		4,380	
Amounts payable on cancellation of shares	<u>(7,011)</u>		<u>(8,332)</u>	
		(3,710)		(3,952)
Change in net assets attributable to shareholders from investment activities		4,863		5,344
Retained distributions on accumulation shares		571		473
Closing net assets attributable to shareholders		<u>64,583</u>		<u>62,859</u>

Balance sheet as at 30 September 2019

	Note	2019 £000	2018 £000
Assets:			
Investments		63,383	62,612
Current assets:			
Debtors	8	76	213
Cash and bank balances	9	2,012	331
Total assets		65,471	63,156
Liabilities:			
Creditors:			
Bank overdrafts		750	35
Distributions payable		7	7
Other creditors	10	131	255
Total liabilities		888	297
Net assets attributable to shareholders		64,583	62,859

Notes to the financial statements for the year ended 30 September 2019

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:

	2019	2018
	£000	£000
Derivative securities	17	-
Forward currency contracts	(9)	(7)
Non-derivative securities	4,889	5,403
Other currency losses	(23)	(36)
Transaction costs	(3)	(8)
Net capital gains	4,871	5,352

3 Revenue

	2019	2018
	£000	£000
Bank interest	3	2
Derivative revenue	2	-
Interest on debt securities	9	-
Overseas dividends	1,400	1,435
Overseas REIT revenue	47	37
Stock dividends	6	-
Stock lending revenue	5	5
UK dividends	123	110
Total revenue	1,595	1,589

4 Expenses

	2019	2018
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	782	846
GAC*	83	86
	<u>865</u>	<u>932</u>

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

Depositary fees	5	5
Safe custody fees	3	7
	<u>8</u>	<u>12</u>

Other expenses:

Dividend collection charges	2	2
	<u>2</u>	<u>2</u>

Total expenses	875	946
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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 £10,317 (2018: £7,681).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2019 £000	2018 £000
Interest payable on CFD contracts	4	-
Total interest payable and similar charges	4	-

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2019 £000	2018 £000
Current tax		
Irrecoverable overseas tax	141	166
Total tax (note 6b)	141	166

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 open ended investment companies (OEICS) of 20% (2018: 20%). The differences are explained below:

	2019 £000	2018 £000
Net revenue before taxation	716	643
Corporation tax at 20% (2018: 20%)	143	129
Effects of:		
Irrecoverable overseas tax	141	166
Overseas dividends	(279)	(278)
Tax effect of expensed double taxation relief	(2)	(3)
UK dividends*	(25)	(22)
Unused management expenses	163	174
Tax charge for the year (note 6a)	141	166

* 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 (2018: 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 £1,939,661 (2018: £1,777,077) 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:

	2019 £000	2018 £000
Interim income	5	5
Final income	7	7
Final accumulation	571	473
Total distributions	583	485
Net revenue after taxation	575	477
Annual management charge borne by the capital account	8	8
Total distributions	583	485

Details of the distribution per share are set out in the Distribution tables on pages 44 to 45.

8 Debtors

	2019 £000	2018 £000
Accrued revenue	35	59
Amounts receivable for issue of shares	1	106
Overseas withholding tax reclaimable	40	48
Total debtors	76	213

9 Cash and bank balances

	2019 £000	2018 £000
Amounts held at derivative clearing houses and brokers	17	-
Cash and bank balances	1,995	331
Total cash and bank balances	2,012	331

10 Other creditors

	2019 £000	2018 £000
Accrued annual management charge	60	70
Accrued other expenses	9	14
Amounts payable for cancellation of shares	62	171
Total other creditors	131	255

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 the Franked Investment Income Group Litigation Order (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

Henderson Investment Funds Limited 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 33 and 34 and notes 4, 7, 8 and 10 on pages 35 to 37 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 (2018: nil).

13 Shareholders' funds

The fund currently has 5 share classes available; Class A, Class E, Class I, Class A Euro and Class A US Dollar. The annual management charge on each share class is as follows:

	2019	2018
	%	%
Class A	1.50	1.50
Class E ¹	1.00	n/a
Class I	1.00	1.00
Class A Euro	1.50	1.50
Class A US Dollar	1.50	1.50

¹ Class E accumulation and E income launched on 8 July 2019.

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 25. The distribution per share class is given in the Distribution tables on pages 44 to 45. All share classes have the same rights on winding up.

Shares reconciliation as at 30 September 2019

	Class A accumulation	Class A income	Class E accumulation	Class E income
Opening number of shares	9,494,322	783,152	-	-
Issues during the year	80,229	18,562	2,913	302
Cancellations during the year	(643,832)	(189,355)	(99,249)	-
Shares converted during the year	(5,764,112)	(149,952)	5,694,004	209,818
Closing shares in issue	3,166,607	462,407	5,597,668	210,120
	Class I accumulation	Class A Euro accumulation	Class A US Dollar accumulation	
Opening number of shares	4,017,931	16,670	28,632	
Issues during the year	554,559	-	1,473	
Cancellations during the year	(671,054)	-	(23,568)	
Shares converted during the year	51,692	-	-	
Closing shares in issue	3,953,128	16,670	6,537	

Notes to the financial statements (continued)

14 Financial derivatives

The fund may use financial derivatives for the purposes of efficient portfolio management.

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 30 September 2019 (2018: nil).

The fund had no exposure to derivatives as at 30 September 2019 with a positive market value (2018 : nil).

15 Stock lending

The fund and the Investment Manager have entered into 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 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, generally subject to a minimum long term credit rating of at least A- by one or more major credit rating agency or listed equities on eligible markets. 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 102.50% to 110.00% of the value of the stock on loan.

2019		Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Counterparty				
	Credit Suisse	309	357	Equity
	Société Générale	3,774	4,194	Equity
		4,083	4,551	
			Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
Recipient	Relationship	Total gross amount of stock lending revenue £000		
	BNP Paribas	6	1	5
	Stock lending agent			

Notes to the financial statements (continued)

15 Stock lending (continued)

2018 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of Nova Scotia	231	256	Equity
Credit Suisse	323	380	Equity
JP Morgan	770	856	Equity
Natixis	1,131	1,257	Equity
Société Générale	3,490	3,878	Equity
	5,945	6,627	

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	6	1	5

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.

	Investment assets £000	Other net assets £000	Total net assets £000
2019			
Currency			
Canadian dollar	3,268	11	3,279
Euro	4,180	35	4,215
Hong Kong dollar	3,808	5	3,813
Indonesian rupiah	1,405	-	1,405
Indian rupee	864	-	864
Japanese yen	1,119	11	1,130
Mexican nuevo peso	405	-	405
Polish zloty	-	3	3
Singapore dollar	1,048	-	1,048
Thai baht	290	-	290
UK sterling	4,562	1,104	5,666
US dollar	42,434	31	42,465
Total	63,383	1,200	64,583

Notes to the financial statements (continued)

16 Risk (continued)

Currency risk (continued)

	Investment assets £000	Other net assets £000	Total net assets £000
2018			
Currency			
Canadian dollar	2,793	6	2,799
Euro	6,152	41	6,193
Hong Kong dollar	3,702	14	3,716
Indonesian rupiah	659	-	659
Indian rupee	533	-	533
Japanese yen	3,794	24	3,818
Mexican nuevo peso	614	-	614
Polish zloty	-	3	3
Singapore dollar	1,118	-	1,118
Swedish krona	1,345	-	1,345
Swiss franc	699	-	699
Thai baht	362	3	365
UK sterling	3,704	139	3,843
US dollar	37,137	17	37,154
Total	62,612	247	62,859

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £58,916,501 (2018: £59,015,634). 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 30 September 2019 and the net assets as at 30 September 2019 by £5,891,650 (2018: £5,901,563).

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
2019				
Bank overdrafts	750	-	-	-
Distribution payable	-	7	-	-
Other creditors	-	131	-	-
Total	750	138	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2018				
Bank overdrafts	35	-	-	-
Distribution payable	-	7	-	-
Other creditors	-	255	-	-
Total	35	262	-	-

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

	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	63,383	-	62,612	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	63,383	-	62,612	-

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2019 £000	2018 £000	2019 £000	2018 £000
Trades in the year				
Equities	15,444	15,755	19,531	19,047
Trades in the year before transaction costs	15,444	15,755	19,531	19,047
Transaction costs				
Commissions				
Equities	4	5	6	8
Total commissions	4	5	6	8
Taxes				
Equities	4	15	1	2
Total taxes	4	15	1	2
Other expenses				
Equities	1	2	1	1
Total other expenses	1	2	1	1
Total transaction costs	9	22	8	11
Total net trades in the year after transaction costs	15,453	15,777	19,523	19,036

	Purchases		Sales	
	2019 %	2018 %	2019 %	2018 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.03	0.03	0.04
Taxes				
Equities	0.03	0.10	0.01	0.01
Other expenses				
Equities	0.01	0.01	0.01	0.01
	2019 %	2018 %		

Total transaction costs expressed as a percentage of net asset value

Commissions	0.01	0.02
Taxes	0.01	0.03
Total costs	0.02	0.05

There were no in specie transfers during the year (2018: nil). There were corporate actions during the year of £59,292 (2018: £2,275).

There were direct transaction costs associated with derivatives in the year of £656 (2018: 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 30 September 2019 was 0.05% (2018: 0.10%). 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 30 September 2019 (in pence per share)

Interim dividend distribution (accounting date 31 March 2019, paid on 31 May 2019)

Group 1: shares purchased prior to 1 October 2018

Group 2: shares purchased on or after 1 October 2018

	Distribution per share	Equalisation	Total distribution per share 31/05/19	Total distribution per share 31/05/18
Class A income				
Group 1	0.6398	-	0.6398	0.5605
Group 2	0.4297	0.2101	0.6398	0.5605

Final dividend distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1 : shares purchased prior to 1 April 2019

Group 2 : shares purchased on or after 1 April 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
Class A income				
Group 1	1.0127	-	1.0127	0.9670
Group 2	0.9155	0.0972	1.0127	0.9670
Class E income¹				
Group 1	1.0123	-	1.0123	n/a
Group 2	0.2820	0.7303	1.0123	n/a

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Final dividend distribution (accounting date 30 September 2019, paid on 31 January 2020)

Group 1: shares purchased prior to 1 October 2018

Group 2: shares purchased on or after 1 October 2018

	Distribution per share	Total distribution per share 31/01/20	Total distribution per share 31/01/19
Class A accumulation			
Group 1	3.1173	3.1173	2.4415
Group 2	3.1173	3.1173	2.4415
Class E accumulation¹			
Group 1	3.6617	3.6617	n/a
Group 2	3.6617	3.6617	n/a
Class I accumulation			
Group 1	6.7296	6.7296	5.9305
Group 2	6.7296	6.7296	5.9305
Class A Euro accumulation²			
Group 1	4.8641	4.8641	3.7696
Group 2	4.8641	4.8641	3.7696
Class A US Dollar accumulation³			
Group 1	9.3073	9.3073	11.3481
Group 2	9.3073	9.3073	11.3481

¹ Class E accumulation launched on 8 July 2019.

² in Euro cents per share

³ in USD cents per share

Appendix - additional information (unaudited)

Securities financing transactions

The fund engages in securities financing transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions 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, the fund's involvement in and exposures related to securities lending for the year ended 30 September 2019 are detailed below.

Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the fund's assets under management (AUM) as at 30 September 2019:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson Global Financials Fund	4,083	6.44%	6.32%

Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for the fund as at 30 September 2019:

Issuer	Market value of collateral received £000
Keyence	438
Canon	298
Merlin Entertainments	235
Japan Tobacco	231
Greene King	219
Seven & I	192
Lloyds Banking	165
Intermediate Capital	125
Diageo	117
Intesa Sanpaolo	115

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for the fund as at 30 September 2019:

Counterparty	Market value of securities on loan £000	Settlement basis
Société Générale	3,774	Triparty
Credit Suisse	309	Triparty
	4,083	

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 the fund in respect of each type of SFTs as at 30 September 2019:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Credit Suisse	Switzerland	Equity	Main market listing	CHF	Triparty	BNP Paribas	16
Credit Suisse	Switzerland	Equity	Main market listing	EUR	Triparty	BNP Paribas	147
Credit Suisse	Switzerland	Equity	Main market listing	GBP	Triparty	BNP Paribas	31
Credit Suisse	Switzerland	Equity	Main market listing	HKD	Triparty	BNP Paribas	106
Credit Suisse	Switzerland	Equity	Main market listing	JPY	Triparty	BNP Paribas	3
Credit Suisse	Switzerland	Equity	Main market listing	USD	Triparty	BNP Paribas	54
Société Générale	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	128
Société Générale	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	391
Société Générale	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	2,304
Société Générale	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	1,195
Société Générale	France	Equity	Main market listing	USD	Triparty	BNP Paribas	176
							4,551

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

The fund does not engage in any re-use of collateral.

Return and cost on securities lending activities

The following table details the fund's return and costs for each type of SFTs for the year ended 30 September 2019:

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 of the securities lending agent	% return of the fund
Janus Henderson Global Financials Fund	6	1	5	15%	85%

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. Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of Henderson Investment Funds Limited (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 Global Financials Fund 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 inconsistent with the risk profiles, rules or instruments of incorporation of each ACD and the funds they manage. This policy applies to HIFL and Janus Henderson Global Financials Fund.

Further information with respect to Janus Henderson Group plc Remuneration Policy is available in Janus Henderson Group plc's annual report as at 31 December 2018.

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Global Financials Fund	1,949	734
of which		
Fixed Remuneration	1,949	230
Variable Remuneration	1,936	504
Janus Henderson Global Financials Fund Remuneration Code Staff	121	693
of which		
Senior Management (4)	34	9
Other Code Staff (5)	87	684

1. This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson Global Financials Fund – no attempt has been made to apportion the time spent specifically in support of Janus Henderson Global Financials Fund 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 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 Janus Henderson Global Financials Fund for the year, rather than the total remuneration for the year – for this purpose, remuneration has been apportioned between the provision of services to Janus Henderson Global Financials Fund and to other entities in Janus Henderson Group plc, as follows:
 - in respect of fixed pay and annual/long term incentive bonuses:
 - where fixed pay is directly attributable to Janus Henderson Global Financials Fund (for example, fees for HIFL board members), 100% of those fees;
 - for Investment Fund Managers, pro-rated using the average assets under management (AUM) of Janus Henderson Global Financials Fund managed by the relevant Investment 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 Janus Henderson Global Financials Fund (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 Janus Henderson Global Financials Fund.

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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