



# ANNUAL REPORT & ACCOUNTS

For the year ended  
30 September 2020

Janus Henderson  
— INVESTORS —

Janus Henderson Investment Funds Series IV



# Who are Janus Henderson Investors?



Source: Janus Henderson Investors. Staff and assets under management (AUM) data as at 30 September 2020. AUM data excludes exchange-traded note (ETN) assets.

## Who we are

The notion of “connecting” is powerful – it has shaped our evolution and our world today. At Janus Henderson Investors (Janus Henderson), we seek to benefit clients through the connections we make.

Connections enable strong relationships with clients based on trust and insight as well as the flow of ideas among our investment teams and our engagement with companies, all of which allow us to make a positive difference. These connections are central to our values as a firm, to what active management stands for and to the outperformance we seek to deliver.

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

## Why Janus Henderson Investors?

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

### Active because active matters

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

### Global strength to deliver local solutions

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

### Empowering clients through knowledge shared

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

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## **Authorised Corporate Director's (ACD) report** for the year ended 30 September 2020

We are pleased to present the Annual Report and Accounts for Janus Henderson Investment Funds Series IV (the 'Company') for the year ended 30 September 2020.

### **Authorised status**

The Company is an open-ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC000217 and authorised by the Financial Conduct Authority (FCA) with effect from 14 March 2003. It is a non-Undertakings for Collective Investment in Transferrable Securities (non-UCITS) retail scheme structured as an umbrella company, comprising of one sub-fund ('fund') being the Janus Henderson Multi-Asset Absolute Return Fund, complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the Company is governed by the OEIC regulations, COLL, its Instrument of Incorporation and Prospectus.

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

The ACD is the Alternative Investment Fund Manager (AIFM) for the purposes of the AIFM Directive (AIFMD) and the AIFM Regulations.

### **Brexit update**

Janus Henderson Investors established a Brexit project following the 2016 referendum to look at all possible Brexit impacts including distribution, regulatory permissions and licences, Human Resources, Information Technology and Operations. Through this project, Janus Henderson Investors sought to minimise the potential impact on investors regardless of the end outcome of Brexit.

The project is actively involved in discussions with regulators, industry groups and clients to remain abreast of developments that may impact on our preparations.

The project team is supported by a number of law firms both in the UK and across multiple European countries.

We have a long history in both the UK and continental Europe, and the planned build out of our existing office in Luxembourg was completed in 2019. We are well placed to continue to support our clients globally after Brexit.

### **Value Assessment**

The board of Henderson Investment Funds Limited (HIFL) present the value assessment report for the period to 31 December 2019, made available on our website [www.janushenderson.com](http://www.janushenderson.com). Access by this link (<https://www.janushenderson.com/en-gb/adviser/notice/value-assessment-report>).

Over the period 2015 to 2019, the UK's financial services regulator, the FCA, carried out a study of the asset management industry to understand how asset managers compete to deliver value to investors. The findings of this study have given rise to a range of FCA initiatives, one being for the Board of the ACD (the body responsible for an investment fund) in the UK to perform detailed assessments of whether funds are providing value to investors, and publish an annual statement summarising the outcome of this process, known as the value assessment.

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

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

### **COVID-19**

The outbreak of the novel coronavirus ('COVID-19') and subsequent global pandemic has impacted the global financial markets and economies during the year to 30 September 2020. The worldwide spread of COVID-19 has created significant uncertainty in the global economy. The impact of COVID-19 during the year has been taken into account in the recognition and measurement of the fund's primary statements at 30 September 2020.

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

### Director's statement

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



G Foggin  
(Director)

17 December 2020

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

### Service providers

	Name	Address	Regulator
<b>Authorised Corporate Director and Alternative Investment Fund Manager</b>	<b>Henderson Investment Funds Limited</b> Member of the Investment Association  The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Dealing – 0845 608 8703 Enquiries – 0800 832 832	Authorised and regulated by the Financial Conduct Authority
<b>Directors of the ACD</b>	R Chaudhuri (from 17.03.20) A Crooke G Foggin G Fogo S Hillenbrand H J de Sausmarez P Shea* F Smith* R Thompson (to 31.12.19) *Independent		
<b>Investment Manager</b>	<b>Henderson Global Investors Limited</b> The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
<b>Shareholder Administrator</b>	<b>SS&amp;C Financial Services International Limited and SS&amp;C Financial Services Europe Limited</b>	SS&C House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	<b>NatWest Trustee and Depository Services Limited</b> The ultimate holding company is 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
<b>Independent Auditors</b>	<b>PricewaterhouseCoopers LLP</b>	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
<b>Legal Adviser</b>	<b>Eversheds Sutherland (International) LLP</b>	One Wood Street London EC2V 7WS	The Law Society

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

for the year ended 30 September 2020

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

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the SORP for Authorised Funds issued by the IMA in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared by 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.

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

for the year ended 30 September 2020

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds 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 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 AIFM 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  
17 December 2020

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

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the financial position of the Company and its sub-fund as at 30 September 2020 and of the net revenue and the net capital losses on the scheme property of the Company and its sub-fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson Investment Funds Series IV is an Open Ended Investment Company ('OEIC') with a single sub-fund. The financial statements of the company comprise the financial statements of its sub-fund. We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the balance sheet as at 30 September 2020; the statement of total return, the statement of change in net assets attributable to shareholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the Authorised Corporate Director's 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 its sub-fund's 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 the sub-fund's ability to continue as a going concern.

### 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.

### Authorised Corporate Director's Report

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

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

## Responsibilities for the financial statements and the audit

### Responsibilities of the Authorised Corporate Director's for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's (ACD) responsibilities set out on page 4, 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 its sub-fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the company or its 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](http://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  
17 December 2020

## 1 Accounting policies

### (a) Basis of preparation

The financial statements of Janus Henderson Investment Funds Series IV (the 'Company') comprise the financial statements of Janus Henderson Multi-Asset Absolute Return Fund (the 'fund'). They have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the SORP for UK Authorised Funds issued by the IMA in May 2014, the Financial Reporting Standard 102 (FRS 102), the FCA's COLL, the Company's Instrument of Incorporation and Prospectus.

The financial statements have been prepared on a going concern basis.

### (b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last working day of the accounting year (30 September 2020) in accordance with the provisions of the scheme particulars.

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

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

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

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

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

Bank interest, interest on margins and revenue earned as derivatives is recognised on an accruals basis.

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

Distributions from offshore funds on accumulation shares are recognised as revenue and added to the bookcost of the holding when they are declared.

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

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

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

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

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

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

## Aggregated notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (d) Treatment of expenses (including ACD expenses)

All expenses (other than 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 the 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.

#### General Administration Charge

All fees with the exception of the AMC, Depositary and safe custody fees have been replaced by a single ad valorem charge, the General Administration Charge (GAC). The ACD believes that this creates more efficiency around the charging process than more traditional methods. The GAC is calculated as a percentage of the scheme property and the amount each share class in the 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, the GAC and revenue derived from the gains/losses on hedged class forward currency contracts, which are directly attributable to individual share classes, all revenue and expenses are allocated to share classes pro rata to the value of the net assets of the relevant share class on the day that the revenue or expense is incurred.

#### (e) Exchange rates

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

#### (f) Taxation

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

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

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

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

#### (g) Cash flow statement

The 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 fund's 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.

#### (h) Cash equivalents

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

#### (i) Hedged share classes

The following hedged share classes are available in the fund:

- Class A Euro Hedged accumulation
- Class A USD Hedged accumulation
- Class K Euro Hedged accumulation
- Class K USD Hedged accumulation

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

Any benefits or losses of the hedging transactions accrue to shareholders in that hedged share class only.

## Aggregated notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (i) Hedged share classes (continued)

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

#### (j) Treatment of derivatives

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

#### Forward foreign currency contracts

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

#### Forward foreign currency contracts on hedged share classes

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

#### Bond and Index future contracts

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

#### (k) Dilution adjustment

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

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

### 2 Distribution policy

The distribution policy of the fund is to accumulate all available revenue, after the deduction of expenses properly chargeable against revenue. 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.

For the purpose of calculating the distribution, interest on debt securities is computed on an effective yield basis, the same basis on which it is reflected in the financial statements.

Stock dividends are not taken into account when determining the amount available for distribution.

Marginal tax relief is in relation to management fee rebates taken to capital, which has been taken into account when determining the amount available for distribution.

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

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

The fund makes semi-annual distributions (31 May, 30 November) to shareholders.

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

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

## Aggregated notes to the financial statements (continued)

### 2 Distribution policy (continued)

#### Equalisation

Income equalisation applies to the 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 fund holds a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors arising from the fund's operations. The fund may also enter into derivatives and forward transactions for the purposes of efficient portfolio management and implementing its investment objective.

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

In the normal course of business, the fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. 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 fund, 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, Cognition 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 fund attributable to changes in market variables such as interest rates, foreign exchange rates or an issuer's creditworthiness.

The investments of the fund are subject to normal market fluctuations and other risks inherent in investing in collective investment schemes, transferable securities, cash deposits, money market instruments and derivatives in pursuance of the investment objective and policy.

The fund may invest in a range of collective investment schemes including property funds, commodity funds and hedge funds. Such schemes may expose investors to increased risk due to restrictions on withdrawals, less strict regulation and use of derivatives.

The fund may invest in derivatives and forward transactions for the purposes of efficient portfolio management and implementing its investment objective. Derivatives are linked in value to an underlying asset and any fall in the value of that asset may result in a loss greater than the original amount invested in the derivative itself. Please refer to note 15 for further details.

#### Currency risk

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

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

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

Please refer to the individual fund's accounts for details of currency exposure.

## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

#### (a) Market risk (continued)

##### Hedged share classes

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

Hedging transactions may be entered into if the euro or US dollar (as appropriate) is declining or increasing in value relative to sterling and so where such hedging is undertaken it may substantially protect investors in the relevant class against a decrease in the value of sterling relative to the US dollar or euro but it may also preclude investors from benefiting from an increase in the value of sterling. The performance of a hedged share class may differ from other share classes of the fund because the return on unhedged share classes is based on both the performance of the fund's investments and the performance of the portfolio currency relative to sterling whereas the return on a hedged share class should only be based on the performance of the fund's investments. However, there is no guarantee that the hedging strategy applied in hedged share classes will entirely eliminate the adverse effects of changes in exchange rates between the base currency and the currency of the relevant share class. Where undertaken, the effect of hedging is reflected in the net asset value and therefore, in the performance of the relevant hedged share class.

##### 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.

The majority of the fund's financial assets are collective investment scheme holdings and other investments which neither pay interest nor have a maturity date.

Please refer to the individual fund's accounts for details of interest rate risk exposure.

##### Other market price risk

Other market price risk is the risk that the value of the fund's 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 fund might hold. It represents the potential loss the fund might suffer through holding market positions in the face of price movements. The fund's investment portfolio is exposed to market price fluctuations, which are monitored by the Investment Manager in pursuance of its investment objective and policy.

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

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

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

##### Leverage

Leverage is considered in terms of the fund's overall exposure and includes any method by which its exposure is increased whether through borrowing of cash or securities, leverage embedded in derivative positions or by any other means. HIFL as the AIFM is required to calculate and monitor the level of leverage of the fund, expressed as the ratio between the total exposure of the fund and its net asset value with exposure values being calculated by both the gross method and commitment method in line with regulatory requirements.

Exposure values under the gross method basis are calculated as the absolute value of all positions of the fund; this includes all eligible assets and liabilities, relevant borrowings, derivatives (converted into their equivalent underlying positions) and all other positions even those held purely for risk reduction purposes, such as forward foreign exchange contracts held for currency hedging.

The gross method of exposure of the fund requires the calculation to:

- include the sum of all non-derivative assets held at market value, plus the absolute value of all such liabilities;
- exclude cash and cash equivalents which are highly liquid investments held in the base currency of the fund, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;
- convert derivative instruments into the equivalent position in their underlying assets;
- exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised and the total amount of cash borrowed; and
- include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

#### (a) Market risk (continued)

##### Leverage (continued)

Exposure values under the commitment method basis are calculated on a similar basis to the above, but may take into account the effect of netting off instruments to reflect eligible netting and hedging arrangements on eligible assets and the different treatment of certain cash and cash equivalent items.

There have been no breaches of the maximum levels during the year, no changes to the maximum level of leverage employed by the fund or to its right of reuse of collateral or any guarantee granted under the leveraging arrangements.

The actual and maximum leverage limits are summarised in the fund's accounts.

#### (b) Credit and counterparty risk

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

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

The fund's assets that are held with the banks could be exposed to credit and counterparty risk. The banks used by the fund and the ACD are subject to regular reviews. Only counterparties that have been approved by Janus Henderson's Counterparty Risk Committee are used for derivative and stock lending transactions.

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

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

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

#### (c) Operational risk

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

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

#### (d) Liquidity risk

Liquidity risk is the risk that a position in the fund's portfolio cannot be sold, liquidated or closed out at limited cost in an adequately short timeframe and that the ability of the fund to meet its settlement obligations is thereby compromised.

The fund is generally able to realise cash quickly to meet its liabilities. The main liquidity requirements of the fund 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 fund's cash position to ensure it can meet its liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the fund's portfolio in order to meet redemption requests. In addition the ACD monitors market liquidity of all securities, with particular focus on collective investment schemes which may contain restrictions on withdrawals, seeking to ensure the fund maintains sufficient liquidity to meet known and potential redemption activity. The fund's cash balances are monitored daily by the ACD. Where investments cannot be realised in time to meet any potential liability, the fund may borrow up to 10% of its value to ensure settlement.

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

A maturity analysis of the fund's financial liabilities is disclosed in the fund's accounts.

## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

#### (d) Liquidity risk (continued)

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

#### (e) Brexit risk

On 31 January 2020, the United Kingdom formally left the EU ('Brexit'). Under the terms of the withdrawal agreement concluded between the United Kingdom and the EU, a transition period will run until 31 December 2020, during which time the United Kingdom will continue to benefit from and be bound by many EU laws.

The terms of the United Kingdom's future relationship with the EU are uncertain and will depend on how the United Kingdom and the EU re-negotiate their relationship following Brexit. Given this, it is difficult to predict how the United Kingdom's withdrawal from the EU will be implemented and what the implications will be for the asset management industry and the broader European and global financial markets more generally.

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

# Janus Henderson Multi-Asset Absolute Return Fund

## Authorised Corporate Director's report

### Investment Fund Managers

James de Bunsen and Peter Webster

### Investment objective and policy

The fund aims to provide a positive (absolute) return, regardless of market conditions, over any 12 month period. A positive return is not guaranteed over this or any other time period, and particularly over the shorter term the fund may experience periods of negative returns. Consequently your capital is at risk.

Performance target: To outperform the UK Base Interest Rate, after the deduction of charges, over any 3 year period.

The fund invests in a range of asset classes including company shares (also known as equities), bonds and other funds (collective investment schemes including exchange traded funds). The underlying investments of the collective investment schemes may include shares (equities) of companies, bonds issued by companies and governments, and alternative assets such as property, infrastructure, commodities, private equity and hedge fund type strategies.

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

The fund is actively managed with reference to the UK Base Interest Rate as this forms the basis of the fund's performance target. The investment manager has complete discretion to choose investments for the fund and is not constrained by a benchmark.

### Performance summary

Cumulative performance	One year	Three years	Five years	Since inception
	30 Sep 19 - 30 Sep 20	30 Sep 17 - 30 Sep 20	30 Sep 15 - 30 Sep 20	1 Oct 04 - 30 Sep 20
	%	%	%	%
<b>Class I accumulation (Net)</b>	1.2	3.4	10.2	50.3
<b>UK Base Interest Rate</b>	0.4	1.7	2.4	30.3

Discrete performance	30 Sep 19 - 30 Sep 20	30 Sep 18 - 30 Sep 19	30 Sep 17 - 30 Sep 18	30 Sep 16 - 30 Sep 17	30 Sep 15 - 30 Sep 16
		%	%	%	%
<b>Class I accumulation (Net)</b>	1.2	1.5	0.7	1.8	4.8
<b>UK Base Interest Rate</b>	0.4	0.7	0.5	0.2	0.5

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

Source: Morningstar

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

Benchmark values are at close of business.

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

### Benchmark usage:

Index: UK Base Interest Rate

Index usage: Target

Index description: The UK Base Interest Rate is the interest rate set by the Bank of England. It is the performance target of the fund.

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

## Authorised Corporate Director's report (continued)

### Significant portfolio changes for the year ended 30 September 2020

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Legg Mason Western Asset Structured Opportunities Fund M Income	3,660	Muzinich Global Short Duration Investment Grade Fund Accumulation	6,132
Muzinich Global Tactical Credit Fund E Accumulation	3,650	Boussard & Gavaudan Absolute Return Fund Z Accumulation	5,448
Janus Henderson Global Multi-Strategy Fund Z Accumulation <sup>1</sup>	3,357	BMO Global Equity Market Neutral Fund	5,137
ATLAS Global Infrastructure Fund	3,175	Wells Fargo (Lux) Worldwide Global Long/Short Equity Fund I Accumulation	5,118
SPDR MSCI World Energy UCITS ETF	3,073	Neuberger Berman Global Bond Absolute Return Fund I4 Accumulation	4,719
HICL Infrastructure	2,915	Helium Selection Fund S Accumulation	3,411
Greencoat UK Wind	2,594	SPDR MSCI World Energy UCITS ETF	3,003
SPDR S&P UK Dividend Aristocrats UCITS ETF	2,420	International Public Partnerships	2,578
Muzinich Global Short Duration Investment Grade Fund Accumulation	2,140	SPDR S&P UK Dividend Aristocrats UCITS ETF	2,386
Amedeo Air Four Plus	1,775	iShares S&P 500 Energy Sector UCITS ETF	2,297
<b>Total purchases</b>	<b>35,609</b>	<b>Total sales</b>	<b>54,052</b>

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

## Authorised Corporate Director's report (continued)

### Investment review

The fund returned 1.2% based on Class I accumulation (Net) over the year under review, compared with a return of 0.4% in the UK Base Interest Rate.

The reporting year can be separated into three distinct parts, as signs of improving late-cycle growth were cut short by the COVID-19 pandemic and related economic shutdown, before reopening economies prompted a recovery.

The fourth quarter of 2019 was characterised by improving expectations of an upswing in global growth after a distinct slowdown across much of the world. Entering 2020, investors were optimistic about the year and accordingly positioned. The pandemic was initially seen as an Asian issue, in the same way that previous virus outbreaks in recent decades were reasonably well contained. However, the spread of COVID-19 to western Europe and the northeastern US resulted in large developed market economies being brought to an effective halt, setting off a financial market slump.

Massive fiscal and monetary intervention, alongside extremely bearish sentiment, saw markets start to rebound late in March. Signs of the situation being brought under control in early April reinforced the move higher. While further outbreaks continued to cause concern in parts of the US and emerging markets into the summer, markets broadly remained in a buoyant mood.

The fund's strong returns in commodities, hedge strategies and property/infrastructure were somewhat offset by negative contributions from specialist equities. The largest contributors to performance included hedge fund BH Macro, which surged at a particularly opportune time in COVID-19-related volatility, the BAML Commodity Alpha strategy and gold. Elsewhere, positive performance from investment grade credit was offset by higher-risk credit areas, as investors worried about economic growth and rising default levels. Holdings in Euro Stoxx 50 Index Dividend Futures also detracted, as markets priced in huge cuts to company payouts, even as far out as 2023.

We were most active after the pandemic-related volatility, adding to high-quality assets such as investment grade bonds and infrastructure, which looked hugely oversold despite the challenging backdrop. Throughout the year under review, we reduced absolute return and hedge fund exposure to focus purely on those strategies with the least correlation to mainstream markets.

New names in the portfolio included the ATLAS Global Infrastructure Fund, a portfolio of stocks with assets that are crucial to the functioning of modern economies, the Janus Henderson Global Multi-Strategy Fund, an in-house fund with a strong, differentiated track record, and the BlackRock Global Unconstrained Equity Fund, a concentrated fund with a focus on high-quality growth companies.

We exited absolute return funds such as the BMO Global Equity Market Neutral Fund, the Boussard & Gavaudan Absolute Return Fund, the Neuberger Berman Global Bond Absolute Return Fund, and the Wells Fargo (LUX) Worldwide Global Long/Short Equity Fund.

Markets remain in a tug-of-war between concerns about the full economic impact and ongoing uncertainty about COVID-19 and confidence stemming from the unprecedented global fiscal and monetary stimulus. While we are now reluctant subscribers to the acronym TINA (there is no alternative – to equities), risks remain acute and confidence fragile. This is borne out by schizophrenic positioning and sentiment data. On the one hand, surveys and equity market levels point to very healthy risk appetite, while gauges such as fund flows and cash levels point to a high degree of bearishness. Put simply, if we had been told at the start of this year that entire countries would enter lockdowns precipitating double-digit GDP contractions and that the pandemic which prompted these extraordinary events would persist into the following year (at least), we would not have conceived of markets reaching new highs.

Central bank actions, combined with very substantial fiscal stimulus, are very powerful factors in determining asset prices. However, history teaches us that fiscal measures have a limited impact on real economic activity. Meanwhile, commentators are more frequently questioning whether the age of central banks is drawing to a close. 'Out of bullets' is a phrase we expect to hear regularly in the near future, because it is very apt.

We do not discount the fact that equity markets can grind higher due to the TINA effect and the still-high levels of cash looking for a home. However, sharp reversals also look likely in the face of increasing unemployment levels, ongoing lockdowns and the removal of certain fiscal remedies. As such, the fund maintains exposure to some risk assets that are relatively well positioned for the challenging outlook, combined with some tried-and-test hedging assets and strategies.

## Comparative tables for the year ended 30 September 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	142.79	141.48	141.35
Return before operating charges*	4.01	3.51	2.42
Operating charges	(2.09)	(2.20)	(2.29)
Return after operating charges*	1.92	1.31	0.13
Distributions on accumulation shares	(2.63)	(1.13)	(1.17)
Retained distributions on accumulation shares	2.63	1.13	1.17
Closing net asset value per share	144.71	142.79	141.48
* after direct transaction costs of:	0.03	0.07	0.02

### Performance

Return after charges	1.34%	0.93%	0.09%
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### Other information

Closing net asset value (£000s)	18,036	24,035	32,660
Closing number of shares	12,463,805	16,832,577	23,084,333
Operating charges	1.47%	1.55%	1.62%
Direct transaction costs	0.02%	0.05%	0.01%

### Prices

Highest share price (pence)	146.20	144.10	143.80
Lowest share price (pence)	127.30	139.50	139.40

### Class E accumulation

	2020 (pence per share)	08/07/19 - 30/09/19 (pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	142.89	144.01 <sup>1</sup>
Return before operating charges*	3.75	(0.78)
Operating charges	(1.39)	(0.34)
Return after operating charges*	2.36	(1.12)
Distributions on accumulation shares	(3.07)	(1.24)
Retained distributions on accumulation shares	3.07	1.24
Closing net asset value per share	145.25	142.89
* after direct transaction costs of:	0.03	0.07

### Performance

Return after charges	1.65%	(0.78%)
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### Other information

Closing net asset value (£000s)	5,615	3,493
Closing number of shares	3,865,870	2,444,626
Operating charges	0.97%	1.05%
Direct transaction costs	0.02%	0.05%

### Prices

Highest share price (pence)	146.60	143.80
Lowest share price (pence)	127.70	142.70

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

## Comparative tables (continued)

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	118.07	116.62	115.75
Return before operating charges*	2.21	2.46	1.95
Operating charges	(0.91)	(1.01)	(1.08)
Return after operating charges*	1.30	1.45	0.87
Distributions on accumulation shares	(1.90)	(1.31)	(1.77)
Retained distributions on accumulation shares	1.90	1.31	1.77
Closing net asset value per share	119.37	118.07	116.62
* after direct transaction costs of:	0.03	0.06	0.01

### Performance

Return after charges	1.10%	1.24%	0.75%
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### Other information

Closing net asset value (£000s)	79,189	90,436	98,525
Closing number of shares	66,336,715	76,598,297	84,483,751
Operating charges	0.77%	0.86%	0.93%
Direct transaction costs	0.02%	0.05%	0.01%

### Prices

Highest share price (pence)	121.20	119.40	118.00
Lowest share price (pence)	105.60	115.20	114.50

	Class K accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,132.77	1,123.08	1,122.34
Return before operating charges*	36.92	27.06	18.83
Operating charges	(16.37)	(17.37)	(18.09)
Return after operating charges*	20.55	9.69	0.74
Distributions on accumulation shares	(25.12)	(8.34)	(9.25)
Retained distributions on accumulation shares	25.12	8.34	9.25
Closing net asset value per share	1,153.32	1,132.77	1,123.08
* after direct transaction costs of:	0.26	0.58	0.13

### Performance

Return after charges	1.81%	0.86%	0.07%
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### Other information

Closing net asset value (£000s)	50	116	127
Closing number of shares	4,374	10,209	11,293
Operating charges	1.45%	1.54%	1.61%
Direct transaction costs	0.02%	0.05%	0.01%

### Prices

Highest share price (pence)	1,161.00	1,144.00	1,142.00
Lowest share price (pence)	1,011.00	1,108.00	1,106.00

## Comparative tables (continued)

	Class A Euro Hedged accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	96.19	97.37	97.31
Return before operating charges*	3.82	0.32	1.64
Operating charges	(1.39)	(1.50)	(1.58)
Return after operating charges*	2.43	(1.18)	0.06
Distributions on accumulation shares	(1.32)	(0.59)	(0.80)
Retained distributions on accumulation shares	1.32	0.59	0.80
Closing net asset value per share	98.62	96.19	97.37
* after direct transaction costs of:	0.02	0.05	0.01
<b>Performance</b>			
Return after charges (Share class base currency)	2.53%	(1.21%)	0.06%
Return after charges (Share class currency hedged)	0.00%	(0.54%)	(1.01%)
<b>Other information</b>			
Closing net asset value (£000s)	711	768	866
Closing number of shares	720,965	798,106	889,627
Operating charges	1.47%	1.55%	1.62%
Direct transaction costs	0.02%	0.05%	0.01%
<b>Prices</b>			
Highest share price (Euro cents)	110.73	110.28	112.02
Lowest share price (Euro cents)	96.44	107.58	108.33
	Class A US Dollar Hedged accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	96.23	88.61	84.84
Return before operating charges*	(0.70)	9.03	5.15
Operating charges	(1.37)	(1.41)	(1.38)
Return after operating charges*	(2.07)	7.62	3.77
Distributions on accumulation shares	(1.81)	(0.67)	(0.68)
Retained distributions on accumulation shares	1.81	0.67	0.68
Closing net asset value per share	94.16	96.23	88.61
* after direct transaction costs of:	0.02	0.05	0.01
<b>Performance</b>			
Return after charges (Share class base currency)	(2.15%)	8.60%	4.44%
Return after charges (Share class currency hedged)	2.65%	2.63%	1.51%
<b>Other information</b>			
Closing net asset value (£000s)	701	1,113	2,518
Closing number of shares	743,913	1,156,533	2,842,011
Operating charges	1.47%	1.55%	1.62%
Direct transaction costs	0.02%	0.05%	0.01%
<b>Prices</b>			
Highest share price (USD cents)	122.20	119.33	116.25
Lowest share price (USD cents)	106.66	114.28	112.97

## Comparative tables (continued)

	Class K Euro Hedged accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	942.28	954.15	953.33
Return before operating charges*	36.79	2.69	16.16
Operating charges	(13.40)	(14.56)	(15.34)
Return after operating charges*	23.39	(11.87)	0.82
Distributions on accumulation shares	(12.33)	(5.52)	(8.30)
Retained distributions on accumulation shares	12.33	5.52	8.30
Closing net asset value per share	965.67	942.28	954.15
* after direct transaction costs of:	0.21	0.49	0.11
<b>Performance</b>			
Return after charges (Share class base currency)	2.48%	(1.24%)	0.09%
Return after charges (Share class currency hedged)	(0.05%)	(0.57%)	(0.99%)
<b>Other information</b>			
Closing net asset value (£000s)	181	310	318
Closing number of shares	18,729	32,956	33,359
Operating charges	1.45%	1.54%	1.61%
Direct transaction costs	0.02%	0.05%	0.01%
<b>Prices</b>			
Highest share price (Euro cents)	1,084.73	1,080.76	1,097.43
Lowest share price (Euro cents)	944.74	1,054.20	1,061.39
	Class K US Dollar Hedged accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	945.71	872.22	835.00
Return before operating charges*	(14.10)	87.56	50.75
Operating charges	(13.26)	(14.07)	(13.53)
Return after operating charges*	(27.36)	73.49	37.22
Distributions on accumulation shares	(10.69)	(5.24)	(7.12)
Retained distributions on accumulation shares	10.69	5.24	7.12
Closing net asset value per share	918.35	945.71	872.22
* after direct transaction costs of:	0.21	0.47	0.10
<b>Performance</b>			
Return after charges (Share class base currency)	(2.89%)	8.43%	4.46%
Return after charges (Share class currency hedged)	1.87%	2.46%	1.53%
<b>Other information</b>			
Closing net asset value (£000s)	1,283	2,171	983
Closing number of shares	139,682	229,542	112,707
Operating charges	1.45%	1.54%	1.61%
Direct transaction costs	0.02%	0.05%	0.01%
<b>Prices</b>			
Highest share price (USD cents)	1,198.67	1,174.83	1,144.19
Lowest share price (USD cents)	1,048.09	1,124.93	1,111.95

## **Comparative tables** (continued)

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

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

### **Operating charges**

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

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

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

### **Hedged share classes**

Class A Euro Hedged accumulation, Class A US Dollar Hedged accumulation, Class K Euro Hedged accumulation and Class K US Dollar Hedged accumulation are hedged share classes. Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes and sterling which is the base currency of the fund.

## Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 <sup>1</sup> %
<b>Class A accumulation</b>	1.47 <sup>2</sup>	1.55	1.49
<b>Class E accumulation<sup>3</sup></b>	0.97 <sup>2</sup>	1.05	0.99
<b>Class I accumulation</b>	0.77 <sup>4</sup>	0.86	0.78
<b>Class K accumulation</b>	1.45 <sup>4</sup>	1.54	1.46
<b>Class A Euro Hedged accumulation</b>	1.47 <sup>2</sup>	1.55	1.49
<b>Class A US Dollar Hedged accumulation</b>	1.47 <sup>2</sup>	1.55	1.49
<b>Class K Euro Hedged accumulation</b>	1.45 <sup>4</sup>	1.54	1.46
<b>Class K US Dollar Hedged accumulation</b>	1.45 <sup>4</sup>	1.54	1.46

The OCF includes a synthetic element of 0.18% (2019: 0.27%) to incorporate the OCF of underlying funds.

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

Although this fund is a non-UCITS, we have used this disclosure to enable comparison across our fund range.

<sup>1</sup> The estimated ongoing charge is based on the new GAC rates to the year ended 30 September 2020.

<sup>2</sup> The GAC on Class A accumulation, Class E accumulation, Class A Euro Hedged accumulation and Class A US Dollar Hedged accumulation increased from 0.14% to 0.17% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

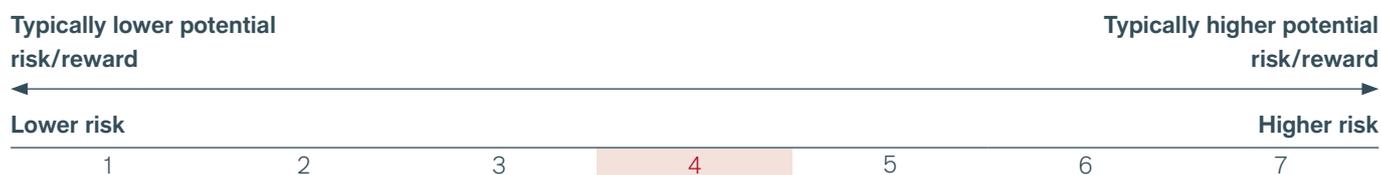
<sup>3</sup> Class E accumulation launched on 8 July 2019. An annualised OCF rate has been disclosed in the prior year comparative.

<sup>4</sup> The GAC on Class I accumulation, Class K accumulation, Class K Euro Hedged accumulation and Class K US Dollar Hedged accumulation increased from 0.075% to 0.09% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

## Risk and reward profile

The fund currently has 8 types of share class in issue: A accumulation, E accumulation, I accumulation, K accumulation, A Euro Hedged accumulation, A US Dollar Hedged accumulation, K Euro Hedged accumulation and K US Dollar Hedged accumulation.

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



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

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

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

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

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

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

The risk rating for all the share classes increased to 4 from 3 during the year. The ratings may change over time as a fund takes on more or less risky investments or where market conditions become more or less volatile. At share class level the ratings may differ dependent on the class currency and may be influenced by currency movements and the impact of inflows and outflows.

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

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

## Portfolio statement as at 30 September 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Absolute Return Equity 3.68% (2019: 13.06%)</b>		
2,536,371	Majedie Tortoise Fund	3,890	3.68
	<b>Absolute Return Fixed Income 5.08% (2019: 8.17%)</b>		
49,547	Brevan Howard Absolute Return Government Bond Fund A Accumulation	5,378	5.08
	<b>Commodities 10.53% (2019: 7.81%)</b>		
159,643	iShares Physical Gold ETC	4,584	4.33
85,000	Merrill Lynch (Warrants)	6,548	6.20
		11,132	10.53
	<b>Fixed Interest 20.39% (2019: 17.54%)</b>		
5,545	CIFC Global Floating Rate Credit Fund B Accumulation	4,089	3.87
37,424	Legg Mason Western Asset Structured Opportunities Fund M Income	3,173	3.00
62,763	Muzinich Global Short Duration Investment Grade Fund Accumulation	6,353	6.01
71,642	Muzinich Global Tactical Credit Fund E Accumulation	7,946	7.51
		21,561	20.39
	<b>Government Bonds 3.74% (2019: 3.06%)</b>		
USD 4,283,100	US Treasury 0.875% Index-Linked 15/01/2029	3,961	3.74
	<b>Hedge Strategies 28.50% (2019: 30.02%)</b>		
135,289	BH Macro	4,931	4.66
55,059	Crabel Gemini UCITS Fund A Accumulation	6,251	5.91
3,778,464	Fortem Capital Alternative Growth Fund C Accumulation	3,889	3.68
2,199	Helium Selection Fund S Accumulation	2,581	2.44
369,931	Janus Henderson Global Multi-Strategy Fund Z Accumulation <sup>1</sup>	3,319	3.14
25,429	Montlake Dunn WMA UCITS Fund	3,406	3.22
49,430	Prosper Global Macro Fund I Accumulation	5,768	5.45
		30,145	28.50
	<b>Property 16.54% (2019: 10.07%)</b>		
30,847	ATLAS Global Infrastructure Fund	3,478	3.29
1,568,000	Greencoat UK Wind	2,101	1.99
3,398,328	HICL Infrastructure	5,634	5.33
2,034,623	International Public Partnerships	3,284	3.10
3,842,312	PRS REIT	2,997	2.83
		17,494	16.54
	<b>Specialist Equity 6.61% (2019: 6.61%)</b>		
1,576,558	Amedeo Air Four Plus	504	0.48
2,352,196	Biopharma Credit	1,829	1.73
1,567,287	BlackRock Global Unconstrained Equity Fund Class Z Accumulation	1,754	1.66
140,177	Burford Capital	876	0.83
332,362	iShares S&P 500 Health Care Sector UCITS ETF	2,029	1.91
		6,992	6.61

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Derivatives 0.68% (2019: 0.07%)</b>			
<b>Futures 0.55% (2019: 0.10%)</b>			
28	CBT US 10 Year Note December 2020	8	0.01
(16)	CME E-mini S&P 500 December 2020	13	0.01
241	EUX Euro Stoxx 50 December 2022	289	0.26
245	EUX Euro Stoxx 50 December 2023	228	0.22
(44)	EUX Euro Stoxx50 December 2020	52	0.05
		590	0.55
<b>Forward Foreign Exchange Contracts 0.15% (2019: (0.06%))<sup>2</sup></b>			
	Buy GBP 10,665,300 : Sell USD 13,683,747 October 2020	82	0.08
	Buy GBP 4,349,567 : Sell EUR 4,714,211 October 2020	72	0.07
		154	0.15
<b>Forward Foreign Exchange Contracts (Hedged share classes) (0.02%) (2019: 0.03%)<sup>2</sup></b>			
	Buy EUR 13,185 : Sell GBP 12,162 October 2020 <sup>3</sup>	-	-
	Buy EUR 244,255 : Sell GBP 225,303 October 2020	(4)	-
	Buy EUR 4,167 : Sell GBP 3,844 October 2020 <sup>3</sup>	-	-
	Buy EUR 774,843 : Sell GBP 714,722 October 2020	(11)	(0.02)
	Buy GBP 14,252 : Sell USD 18,124 October 2020 <sup>3</sup>	-	-
	Buy GBP 1,944 : Sell EUR 2,124 October 2020 <sup>3</sup>	-	-
	Buy GBP 43,814 : Sell EUR 48,020 October 2020 <sup>3</sup>	-	-
	Buy GBP 7,907 : Sell EUR 8,641 October 2020 <sup>3</sup>	-	-
	Buy GBP 7,962 : Sell USD 10,126 October 2020 <sup>3</sup>	-	-
	Buy GBP 9,748 : Sell USD 12,641 October 2020 <sup>3</sup>	-	-
	Buy USD 11,042 : Sell GBP 8,567 October 2020 <sup>3</sup>	-	-
	Buy USD 1,641,829 : Sell GBP 1,273,866 October 2020	(4)	-
	Buy USD 244,297 : Sell GBP 189,166 October 2020 <sup>3</sup>	-	-
	Buy USD 27,253 : Sell GBP 21,145 October 2020 <sup>3</sup>	-	-
	Buy USD 665,229 : Sell GBP 516,139 October 2020	(2)	-
		(21)	(0.02)
<b>Investment assets including investment liabilities</b>		<b>101,276</b>	<b>95.75</b>
	Other net assets	4,490	4.25
<b>Total net assets</b>		<b>105,766</b>	<b>100.00</b>

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

<sup>2</sup> Unquoted securities

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

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules. Exchange traded funds and all other investments are listed on recognised stock exchanges or are 'approved securities' within the meaning of FCA rules unless otherwise stated.

## Portfolio statement (continued)

### Composition of portfolio

	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
<b>2020</b>		
<b>Investments</b>		
Total collective investment schemes	61,275	57.93
Total debt securities	3,961	3.75
Total equities	35,317	33.39
Total derivatives	723	0.68
<b>Investment assets including investment liabilities</b>	<b>101,276</b>	<b>95.75</b>
Other net assets	4,490	4.25
<b>Total net assets</b>	<b>105,766</b>	<b>100.00</b>
	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
<b>2019</b>		
<b>Investments</b>		
Total collective investment schemes	77,024	62.91
Total debt securities	3,745	3.06
Total equities	37,192	30.37
Total derivatives	83	0.07
<b>Investment assets including investment liabilities</b>	<b>118,044</b>	<b>96.41</b>
Other net assets	4,398	3.59
<b>Total net assets</b>	<b>122,442</b>	<b>100.00</b>

## Statement of total return for the year ended 30 September 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(747)		375
Revenue	3	2,639		2,347	
Expenses	4	(863)		(984)	
Interest payable and similar charges	5	(6)		(2)	
Net revenue before taxation		1,770		1,361	
Taxation	6	55		-	
Net revenue after taxation			1,825		1,361
Total return before distributions			1,078		1,736
Distributions	7		(1,818)		(1,290)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(740)</b>		<b>446</b>

## Statement of change in net assets attributable to shareholders

for the year ended 30 September 2020

		2020		2019	
		£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>			<b>122,442</b>		<b>135,997</b>
Amounts receivable on issue of shares		5,742		6,406	
Amounts payable on cancellation of shares		(23,441)		(21,666)	
			(17,699)		(15,260)
Dilution adjustment			3		-
Change in net assets attributable to shareholders from investment activities			(740)		446
Retained distributions on accumulation shares			1,760		1,259
<b>Closing net assets attributable to shareholders</b>			<b>105,766</b>		<b>122,442</b>

**Balance sheet** as at 30 September 2020

	Note	2020 £000	2019 £000
<b>Assets:</b>			
Investments		101,297	118,317
Current assets:			
Debtors	8	2,151	911
Cash and bank balances	9	3,920	2,642
Cash equivalents	10	1,360	1,385
<b>Total assets</b>		<b>108,728</b>	<b>123,255</b>
<b>Liabilities:</b>			
Investment liabilities		21	273
Creditors:			
Amounts held at derivative clearing houses and brokers		590	194
Other creditors	11	2,351	346
<b>Total liabilities</b>		<b>2,962</b>	<b>813</b>
<b>Net assets attributable to shareholders</b>		<b>105,766</b>	<b>122,442</b>

## Notes to the financial statements for the year ended 30 September 2020

### 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 (losses)/gains

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Capital management fee rebates	45	11
Derivative securities*	(1,679)	(148)
Forward currency contracts*	669	(1,593)
Forward currency contracts on hedged share classes*	(79)	246
Non-derivative securities*	382	1,657
Other currency (losses)/gains	(79)	209
Transaction costs	(6)	(7)
<b>Net capital (losses)/gains</b>	<b>(747)</b>	<b>375</b>
<b>*The above includes:</b>		
Realised (losses)/gains	(2,651)	2,427
Unrealised gains/(losses)	1,944	(2,265)
	<b>(707)</b>	<b>162</b>

\* Where realised gains/(losses) include gains/(losses) arising in previous years, a corresponding gain/(loss) is included in unrealised gains/(losses).

### 3 Revenue

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Bank interest	9	52
Derivative revenue	-	2
Distributions from UK regulated collective investment schemes:		
Franked investment revenue	-	63
Interest distribution	(6)	233
Interest on debt securities	192	-
Interest on margin	-	2
Management fee rebates	1	73
Overseas dividends*	2,012	1,531
Stock dividends	19	74
UK dividends	259	124
UK REIT revenue - PID	19	58
UK REIT revenue - non PID	134	135
<b>Total revenue</b>	<b>2,639</b>	<b>2,347</b>

\* includes distributions from overseas funds

## Notes to the financial statements (continued)

### 4 Expenses

	2020 £000	2019 £000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	737	852
GAC*	112	117
	<u>849</u>	<u>969</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	10	11
Safe custody fees	4	4
	<u>14</u>	<u>15</u>
<b>Total expenses</b>	<b><u>863</u></b>	<b><u>984</u></b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £14,335 (2019: £12,799).

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	6	2
<b>Total interest payable and similar charges</b>	<b><u>6</u></b>	<b><u>2</u></b>

### 6 Taxation

#### a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
<b>Current tax</b>		
Overseas withholding tax	(55)	-
<b>Total tax (note 6b)</b>	<b><u>(55)</u></b>	<b><u>-</u></b>

## Notes to the financial statements (continued)

### 6 Taxation (continued)

#### 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% (2019: 20%). The differences are explained below:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Net revenue before taxation	1,770	1,361
Corporation tax at 20% (2019: 20%)	354	272
Effects of:		
Overseas withholding tax	(55)	-
Overseas dividends	(91)	(135)
Tax effect of management fee rebates in capital	9	2
UK dividends*	(79)	(64)
Unused management expenses	(193)	(75)
<b>Tax charge for the year (note 6a)</b>	<b>(55)</b>	<b>-</b>

\* 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 (2019: 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 £58,293 (2019: £251,650) 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.

### 7 Distributions

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Interim accumulation	220	284
Final accumulation	1,540	975
	1,760	1,259
Amounts deducted on cancellation of shares	65	43
Amounts received on issue of shares	(7)	(12)
<b>Total distributions</b>	<b>1,818</b>	<b>1,290</b>
Net revenue after taxation	1,825	1,361
Equalisation on conversions	3	1
Stock dividends	(19)	(74)
Tax relief on management fee rebates in capital	9	2
<b>Total distributions</b>	<b>1,818</b>	<b>1,290</b>

Details of the distribution per share are set out in the Distribution tables on pages 40 to 41.

## Notes to the financial statements (continued)

### 8 Debtors

	2020 £000	2019 £000
Accrued revenue	81	154
Income tax receivable	4	4
Management fee rebates	75	70
Sales awaiting settlement	1,991	683
<b>Total debtors</b>	<b>2,151</b>	<b>911</b>

### 9 Cash and bank balances

	2020 £000	2019 £000
Amounts held at derivative clearing houses and brokers	751	1,004
Cash and bank balances	3,169	1,638
<b>Total cash and bank balances</b>	<b>3,920</b>	<b>2,642</b>

### 10 Cash equivalents

	2020 £000	2019 £000
Short term investments	1,360	1,385
<b>Total cash equivalents</b>	<b>1,360</b>	<b>1,385</b>

### 11 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	55	66
Accrued Depositary's fee	1	1
Accrued other expenses	11	11
Amounts payable for cancellation of shares	230	211
Other creditors	-	57
Purchases awaiting settlement	2,054	-
<b>Total other creditors</b>	<b>2,351</b>	<b>346</b>

### 12 Contingent liabilities and commitments

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

### 13 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 28 and 29 and notes 4, 7, 8 and 11 on pages 31 to 33 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

## Notes to the financial statements (continued)

### 13 Related party transactions (continued)

The ultimate controlling party of HIFL is Janus Henderson Group plc. The transactions associated with Janus Henderson Group plc, its subsidiaries and other funds managed by HIFL are as follows:

- The value of purchase transactions was £3,357,448 (2019: nil) and sales transactions was nil (2019: £8,254,533) and the balance outstanding at the year end was purchases nil (2019: nil) and sales nil (2019: nil).
- Revenue receivable for the year was nil (2019: £63,528) and the balance outstanding at the year end was nil (2019: nil).
- Management fee rebates receivable for the year was nil (2019: £40,890) and the balance outstanding at the year end was £63,526 (2019: £63,526).
- The aggregate value of investments held at the year end was £3,319,266 (2019: nil).

There were no material shareholders at the year end (2019: nil).

### 14 Shareholders' funds

The fund currently has 8 share classes available; Class A (Retail with front-end charges), Class E (Retail), Class A Euro Hedged (Retail), Class A US Dollar Hedged (Retail), Class I (Institutional), Class K (Retail), Class K Euro Hedged (Retail) and Class K US Dollar Hedged (Retail). The annual management charge on each share class is as follows:

	<b>2020</b>	<b>2019</b>
	%	%
Class A	1.125	1.125
Class E	0.625	0.625
Class I	0.50	0.50
Class K	1.175	1.175
Class A Euro Hedged	1.125	1.125
Class A US Dollar Hedged	1.125	1.125
Class K Euro Hedged	1.175	1.175
Class K US Dollar Hedged	1.175	1.175

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 18 to 22. The distribution per share class is given in the Distribution tables on pages 40 to 41. All share classes have the same rights on winding up.

### Shares reconciliation as at 30 September 2020

	<b>Class A accumulation</b>	<b>Class E accumulation</b>	<b>Class I accumulation</b>	<b>Class K accumulation</b>
Opening number of shares	16,832,577	2,444,626	76,598,297	10,209
Issues during the year	135,505	28,033	4,213,157	1,495
Cancellations during the year	(2,804,391)	(199,264)	(14,597,751)	(7,330)
Shares converted during the year	(1,699,886)	1,592,475	123,012	-
<b>Closing shares in issue</b>	<b>12,463,805</b>	<b>3,865,870</b>	<b>66,336,715</b>	<b>4,374</b>
	<b>Class A Euro Hedged accumulation</b>	<b>Class A US Dollar Hedged accumulation</b>	<b>Class K Euro Hedged accumulation</b>	<b>Class K US Dollar Hedged accumulation</b>
Opening number of shares	798,106	1,156,533	32,956	229,542
Issues during the year	13,574	540,879	486	852
Cancellations during the year	(90,715)	(953,499)	(14,713)	(90,712)
Shares converted during the year	-	-	-	-
<b>Closing shares in issue</b>	<b>720,965</b>	<b>743,913</b>	<b>18,729</b>	<b>139,682</b>

## Notes to the financial statements (continued)

### 15 Financial derivatives

The fund may use financial derivatives for the purposes of efficient portfolio management and implementing its investment objective.

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 2020 (2019: nil).

#### 2020

At 30 September 2020 the underlying exposure for each category of derivatives was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	154	-	154
UBS	-	590	590
	<u>154</u>	<u>590</u>	<u>744</u>

#### 2019

At 30 September 2019 the underlying exposure for each category of derivatives was as follows:

Counterparty	Forward foreign exchange contracts £000	Forward foreign exchange contracts (hedged share classes) £000	Futures £000	Total by counterparty £000
BNP Paribas	128	-	-	128
JP Morgan	-	34	-	34
UBS	-	-	194	194
	<u>128</u>	<u>34</u>	<u>194</u>	<u>356</u>

### 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 including investment liabilities £000	Other net assets/(liabilities) £000	Total net assets/(liabilities) £000
<b>2020</b>			
<b>Currency</b>			
Euro	8,847	(59)	8,788
UK sterling	77,982	4,323	82,305
US dollar	14,447	226	14,673
<b>Total</b>	<u>101,276</u>	<u>4,490</u>	<u>105,766</u>

#### 2019

The fund's net exposure to currency risk (including any instruments used to hedge foreign currencies) was considered insignificant during the prior year.

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £23,461,471 (2019: nil). 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 2020 and the net assets as at 30 September 2020 by £2,346,147 (2019: nil).

#### 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

	Leverage as a percentage of net asset value	
	Gross method	Commitment method
	%	%
<b>Maximum level</b>	225	175
<b>Actual level as at 30 September 2020</b>	122	105
<b>Actual level as at 30 September 2019</b>	145	113

#### 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
<b>2020</b>				
Amounts held at derivatives clearing houses and brokers	590	-	-	-
Derivative financial liabilities	-	21	-	-
Other creditors	-	2,351	-	-
<b>Total</b>	<b>590</b>	<b>2,372</b>	<b>-</b>	<b>-</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2019</b>				
Amounts held at derivatives clearing houses and brokers	194	-	-	-
Derivative financial liabilities	-	273	-	-
Other creditors	-	346	-	-
<b>Total</b>	<b>194</b>	<b>619</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements (continued)

### 17 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	33,320*	-	35,159*	72
Level 2	67,977	21	83,158	201
Level 3	-	-	-	-
	<u>101,297</u>	<u>21</u>	<u>118,317</u>	<u>273</u>

\* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £3,960,555 as at 30 September 2020 (2019: £3,745,320).

## Notes to the financial statements (continued)

### 18 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
<b>Trades in the year</b>				
Collective investment schemes	18,529	32,798	33,239	30,304
Debt securities	-	3,739	-	-
Equities	17,065	25,320	20,823	36,811
<b>Trades in the year before transaction costs</b>	<b>35,594</b>	<b>61,857</b>	<b>54,062</b>	<b>67,115</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Equities	5	5	9	14
<b>Total commissions</b>	<b>5</b>	<b>5</b>	<b>9</b>	<b>14</b>
<b>Taxes</b>				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Equities	10	3	-	-
<b>Total taxes</b>	<b>10</b>	<b>3</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Collective investment schemes	-	-	1	37
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Total other expenses</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>37</b>
<b>Total transaction costs</b>	<b>15</b>	<b>8</b>	<b>10</b>	<b>51</b>
<b>Total net trades in the year after transaction costs</b>	<b>35,609</b>	<b>61,865</b>	<b>54,052</b>	<b>67,064</b>

	Purchases		Sales	
	2020 %	2019 %	2020 %	2019 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Equities	0.03	0.02	0.04	0.04
<b>Taxes</b>				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Equities	0.06	0.01	-	-
<b>Other expenses</b>				
Collective investment schemes	-	-	-	0.12
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.01	0.01		
Taxes	0.01	-		
Other expenses	-	0.03		
<b>Total costs</b>	<b>0.02</b>	<b>0.04</b>		

## Notes to the financial statements (continued)

### 18 Direct transaction costs (continued)

There were no in specie transfers during the year (2019: nil). There were corporate actions during the year of £362,608 (2019: nil).

There were direct transaction costs associated with derivatives in the year of £4,789 (2019: £9,581) which is 0.00% of the average net asset value of the fund (2019: 0.01%).

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 costs of acquiring and disposing of units/shares in other collective investment schemes are included within the expense ratio which is an intrinsic part of the NAV price per unit/share of the underlying fund.

The portfolio dealing spread as at 30 September 2020 was 0.17% (2019: 0.19%). The portfolio dealing spread is calculated at a 12 noon valuation point.

### 19 Events after the Balance sheet date

The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a fund from executing advantageous decisions in a timely manner and negatively impact a fund's ability to achieve its investment objective. The COVID-19 pandemic has persisted after the fund's year end and its impact on the fund continues to be monitored by the Investment Manager. As at 15 December 2020, the Net Asset Value of the fund had increased

## Distribution tables for the year ended 30 September 2020 (in pence per share)

### Interim dividend distribution (accounting date 31 March 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
<b>Class A accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Class E accumulation<sup>1</sup></b>				
Group 1	0.2213	-	0.2213	n/a
Group 2	0.0921	0.1292	0.2213	n/a
<b>Class I accumulation</b>				
Group 1	0.2965	-	0.2965	0.3571
Group 2	0.2049	0.0916	0.2965	0.3571
<b>Class K accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Class A Euro Hedged accumulation<sup>2</sup></b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Class A US Dollar Hedged accumulation<sup>3</sup></b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Class K Euro Hedged accumulation<sup>2</sup></b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Class K US Dollar Hedged accumulation<sup>3</sup></b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

<sup>1</sup> Class E accumulation launched on 8 July 2019

<sup>2</sup> in Euro cents per share

<sup>3</sup> in USD cents per share

## Distribution tables (continued)

### Final dividend distribution (accounting date 30 September 2020, paid on 30 November 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 30/11/20	Total distribution per share 29/11/19
<b>Class A accumulation</b>				
Group 1	2.6311	-	2.6311	1.1315
Group 2	1.7585	0.8726	2.6311	1.1315
<b>Class E accumulation</b>				
Group 1	2.8442	-	2.8442	1.2397
Group 2	1.7337	1.1105	2.8442	1.2397
<b>Class I accumulation</b>				
Group 1	1.5992	-	1.5992	0.9491
Group 2	0.9905	0.6087	1.5992	0.9491
<b>Class K accumulation</b>				
Group 1	25.1231	-	25.1231	8.3433
Group 2	25.1231	-	25.1231	8.3433
<b>Class A Euro Hedged accumulation<sup>1</sup></b>				
Group 1	1.4503	-	1.4503	0.6722
Group 2	1.2275	0.2228	1.4503	0.6722
<b>Class A US Dollar Hedged accumulation<sup>2</sup></b>				
Group 1	2.3462	-	2.3462	0.8308
Group 2	1.2450	1.1012	2.3462	0.8308
<b>Class K Euro Hedged accumulation<sup>1</sup></b>				
Group 1	13.5921	-	13.5921	6.2390
Group 2	6.4921	7.1000	13.5921	6.2390
<b>Class K US Dollar Hedged accumulation<sup>2</sup></b>				
Group 1	13.8156	-	13.8156	6.4517
Group 2	13.8156	-	13.8156	6.4517

<sup>1</sup> in Euro cents per share

<sup>2</sup> in USD cents per share

## Appendix - additional information (unaudited)

This unaudited additional information section has been prepared by and is the responsibility of HIFL, as AIFM to the Janus Henderson Investment Funds Series IV (the 'Company'), to meet the periodic disclosure requirements of the AIFMD. This information does not form part of the audited financial statements of the Company, but does reference some sections therein and should be read in conjunction with the audited financial statements and the Prospectus. Please note the reporting period for this section covers the year ended 30 September 2020.

### Risk profile

#### Investment objective and policy

The Investment objective and policy which outlines the investment approach for the fund is stated above within the ACD's report and in more detail in the Prospectus within the Appendix headed 'Fund Details'.

The fund aims to achieve a positive absolute return over the long term regardless of market conditions.

**An absolute return performance is not guaranteed over any time period and consequently capital is in fact at risk.**

#### Permitted instruments

The fund invests in a range of collective investment schemes, transferable securities, cash deposits, money market instruments and derivatives.

The fund may invest in other types of collective investment schemes including property funds, commodity funds and hedge funds. The collective investment schemes in which the fund invests may be based in any EEA State, Guernsey, Jersey, Bermuda, British Virgin Islands, Cayman Islands or the United States.

Hedged share classes allow the use of currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes (the 'Reference Currency') and sterling which is the base currency of the fund (the 'Base Currency'). The ACD may utilise currency forwards, currency futures, currency option transactions, currency swaps, currency hedging with interest rate or equity swap transactions to preserve the Reference Currency against the Base Currency, and the currency in which the fund's underlying assets are denominated.

The eligible markets in which the fund may invest are set out in the Prospectus within the Appendix headed 'Eligible Securities Markets and Eligible Derivatives Markets'

#### Risk types

The investments of the fund are subject to normal market fluctuations and other risks inherent in investing in securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

The value of investments and the income from them may go down as well as up and investors may not get back their original investment.

The main categories of risk to which the fund is or might reasonably be expected to be exposed include:

- a) market risk: being foreign currency risk; interest rate risk; and other market price risk;
- b) liquidity risk; and
- c) credit/ counterparty risk

Whose impact on the fund is detailed in Note 3 to the financial statements covering Risk.

The fund is also subject to operational risk, being the risk of loss resulting from inadequate internal processes and failures in relation to people and systems or from external events; this includes risk resulting from the trading, settlement, safe-keeping and valuation procedures operated on behalf of the fund. The basis of valuation and accounting treatment are detailed in Note 1 to the financial statements covering Accounting policies.

#### Leverage

The fund may achieve leverage by utilising financial gearing, such as bank borrowings and overdrafts; and synthetic gearing through derivatives and/or other non-fully funded instruments or techniques for efficient portfolio management purposes such as stock-lending. Typically leverage will arise through the use of index futures, forward foreign exchange contracts or contracts for difference, where cash is paid to the counterparty as margin against the current mark to market value of the derivative contract; as a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may even result in further loss exceeding any margin deposited. The use of leverage therefore creates additional risks and may significantly increase the market and counterparty risk of the fund through non-fully funded exposure to underlying markets or securities.

## Appendix - additional information (unaudited) (continued)

### Risk profile (continued)

#### Collective investment schemes

The fund may invest in other types of collective investment schemes including property funds, commodity funds and hedge funds. Such schemes may expose investors to increased risk due to restrictions on withdrawals, less strict regulation and use of derivatives.

#### Derivatives

Derivatives may be used for hedging purposes to reduce financial risk for the fund and for the purposes of efficient portfolio management and implementing its investment objective. Derivatives are linked in value to an underlying asset and any fall in the value of that asset may result in a loss greater than the original amount invested in the derivative itself.

#### Hedged share classes

Hedging transactions may be entered into whether the euro or US dollar (as appropriate) is declining or increasing in value relative to sterling and so where such hedging is undertaken it may substantially protect investors in the relevant class against a decrease in the value of sterling relative to the euro or US dollar but it may also preclude investors from benefitting from an increase in the value of sterling.

While the ACD may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of the fund and the relevant hedged share class. As there is no segregation of liabilities between share classes, there is a remote risk that under certain circumstances, currency hedging transactions in relation to a share class could result in liabilities which might affect the Net Asset Value (NAV) of other share classes of the same fund or funds.

Investors in hedged share classes should note that the risk relating to 'Overseas investments' is still applicable to their investment.

#### Overseas investments

Funds investing outside the UK are exposed to and can hold investments in currencies other than pounds sterling, so fluctuations in exchange rates may cause the value of investment to rise or fall.

#### Additional risks

In addition to the above, the Prospectus includes additional risks applicable to the fund within the section headed 'Risk Factors' including:

- Liquidity risk;
- Smaller companies;
- Emerging markets;
- Fixed interest securities;
- High yield bonds;
- Counterparty solvency;
- Concentration risk;
- EMIR and
- Efficient portfolio management.

For a detailed explanation of the above and further risks involved in investing in the fund, reference should be made to the Prospectus; investors and prospective investors are recommended to discuss all potential conflicts of interest and risks with their own legal, tax and financial advisors.

#### Risk controls and limits

The risk management policy and process for the fund is designed to satisfy the requirements of the AIFMD; associated ESMA regulatory technical standards and guidelines; and local regulations. The framework for risk controls and limits for the fund is documented within HIFL'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.

There have been no breaches of risk limits set for the fund in the year under review and there are no such breaches anticipated.

#### Risk management systems

Straight-through processing via a deal Order and Management System (OMS) is utilised for listed securities, exchange-traded derivatives and over the counter (OTC) derivatives contracts with connectivity to third-party affirmation and trade repository services.

Portfolio modelling and investment management functions (including order-raising, dealing and trade execution) are performed using third-party software applications including Charles River Development OMS and/or Imagine.

## Appendix - additional information (unaudited) (continued)

### Risk management systems (continued)

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.

There have been no changes in the main features of the risk management systems for the fund in the year under review.

### Leverage

Leverage is measured in terms of the fund's overall exposure and includes any method by which its exposure is increased whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. HIFL as the AIFM is required to calculate and monitor the level of leverage of the fund, expressed as the ratio between the total exposure of the fund and its net asset value with exposure values being calculated by both the gross method and commitment method in line with regulatory requirements.

Exposure values under the Gross Method basis are calculated as the absolute value of all positions of the fund; this includes all eligible assets and liabilities, relevant borrowings, derivatives (converted into their equivalent underlying positions) and all other positions even those held purely for risk reduction purposes, such as forward foreign exchange contracts held for currency hedging.

The gross method of exposure of the fund requires the calculation to:

- include the sum of all non-derivative assets held at market value, plus the absolute value of all such liabilities;
- exclude cash and cash equivalents which are highly liquid investments held in the base currency of the fund, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;
- convert derivative instruments into the equivalent position in their underlying assets;
- exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and
- include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

Exposure values under the Commitment Method basis are calculated on a similar basis to the above, but may take into account the effect of netting off instruments to reflect eligible netting and hedging arrangements on eligible assets and different treatment of certain cash and cash equivalent items in line with regulatory requirements.

The table below sets out the current maximum limit and actual level of leverage for the fund as at 30 September 2020:

	Leverage as a percentage of net asset value	
	Gross Method	Commitment Method
Maximum level	225%	175%
Actual level as at 30 September 2020	122%	105%
Actual level as at 30 September 2019	145%	113%

There have been no breaches of the maximum level during the year, no changes to the maximum level of leverage employed by the fund or to its right of reuse of collateral or any guarantee granted under the leveraging arrangements.

### Liquidity management

There have been no changes to the arrangements for managing the liquidity of the fund during the year and none of the fund's assets are subject to special arrangements arising from their illiquid nature.

## Appendix - additional information (unaudited) (continued)

### Remuneration policy

The ACD, HIFL, is authorised as an AIFM, and appointed as such, with effect from 22 July 2014.

The disclosures must split remuneration between fixed and variable remuneration and must break down remuneration for categories of AIFMD Code Staff (defined as all staff whose professional activities have a material impact on the risk profiles of the AIFM or of the AIFs it manages). The Janus Henderson Group plc Compensation Committee approves the list of AIFMD Code Staff annually. In addition, identified AIFMD Code Staff are notified of their status and the associated implications annually.

Janus Henderson Investment Funds Series IV 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 AIFM and the AIFs they manage. This policy applies to HIFL and Janus Henderson Investment Funds Series IV.

Further information with respect to Janus Henderson Group plc's Remuneration Policy is available in Janus Henderson Group plc's annual report as at 31 December 2019.

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson Multi-Asset Absolute Return Fund</b>	2,012	263
<b>of which</b>		
Fixed Remuneration	2,012	128
Variable Remuneration	2,000	135
<b>Janus Henderson Multi-Asset Absolute Return Fund Remuneration Code Staff</b>	50	130
<b>of which</b>		
Senior Management (4)	25	12
Other Code Staff (5)	25	118

- This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson Investment Funds Series IV – no attempt has been made to apportion the time spent specifically in support of each fund within Janus Henderson Investment Funds Series IV as this data is not captured as part of Janus Henderson Group plc's normal processes.
- 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.
- The remuneration disclosed is only in respect of the provision of services to Janus Henderson Investment Funds Series IV 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 Investment Funds Series IV 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 each of the funds of Janus Henderson Investment Fund Series IV (for example, fees for HIFL board members), 100% of those fees.
    - for Investment Fund Manager, pro-rated using the AUM of Janus Henderson Investment Funds Series IV 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 each of the funds of Janus Henderson Investment Funds Series IV (as a proportion of the aggregate average AUM of Janus Henderson Group plc) as a proxy.
- Senior Management includes the Janus Henderson Executive Committee and other Group Board members and the Board of HIFL.
- Other Code Staff includes all other AIFMD Code Staff not covered by the above, including Investment Fund Managers who manage AUM within each of the funds of Janus Henderson Investment Funds Series IV.

## Further information

### Shareholder enquiries

If you have any queries about your fund holding, either contact your professional adviser or telephone us on one of the numbers below:

For dealing enquiries including buying and selling shares please telephone at local rate: **0845 608 8703**

The following line is also available:

Client Services: **0800 832 832**

or you can contact us via e-mail at **[support@janushenderson.com](mailto:support@janushenderson.com)**

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.

Unless otherwise stated, all data is sourced by Janus Henderson Investors.

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