



ANNUAL REPORT & ACCOUNTS

For the year ended
31 August 2020

Janus Henderson
— INVESTORS —

Janus Henderson Investment Fund OEIC

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 31 August 2020

We are pleased to present the Annual Report and Accounts for Janus Henderson Investment Fund OEIC (the 'Company') for the year ended 31 August 2020.

Authorised status

The Company is an open ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC106 and authorised by the Financial Conduct Authority (FCA) with effect from 18 May 2001. It is an Undertakings for Collective Investment in Transferable Securities (UCITS) Scheme structured as an umbrella company, comprising of three sub-funds ('funds'), complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the Company is governed by the OEIC regulations, COLL, its Instrument of Incorporation and Prospectus.

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

Segregation of assets

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

Other information

Following the FCA's Asset Management Market Study, European Securities and Markets Authority (ESMA) updated its guidance and as a result the investment objective and policy has changed on the Janus Henderson European Growth Fund, in particular the fund is targeting a certain performance. This was effective 5 May 2020. The investment objective and policy can be found on page 15.

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. 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 began impacting the global financial markets and economies during the year to 31 August 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 31 August 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 reviews and financial statements on behalf of the Directors of Henderson Investment Funds Limited.



G Foggin
(Director)

17 November 2020

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

Service providers

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

Global equity markets rose over the year to 31 August 2020 (MSCI World Index +6.8% in sterling and +17.4% in US dollar terms). Geopolitics, the emergence and spread of COVID-19, and the huge amounts of monetary policy and fiscal stimulus unleashed in response to the global pandemic were strong drivers of markets during the year.

In the UK, the FTSE All Share Index finished the year sharply lower, by 12.7% in sterling terms. Shares ended 2019 strongly after the Conservative Party decisively won December's general election, which gave some clarity on Brexit. However, equities plummeted in February and March as COVID-19 spread and many countries, including the UK, went into lockdown. Fiscal and monetary support, in the UK and elsewhere, helped shares to rebound, particularly as lockdown restrictions were eased. The return of some COVID-19 restrictions in parts of the UK in late July and August, because of localised spikes in infections, dampened sentiment. The economic news was bleak: GDP slumped by a record 20.4% over the second quarter, which dragged the economy into a recession. Employment fell sharply, although the government furlough scheme kept the unemployment rate stable, while government debt passed £2trn for the first time, in July, because of COVID-19-related spending.

European stocks, as measured by the FTSE World Europe Ex UK Index, were up by 0.7% in sterling and 1.7% in euro terms. Markets made gains in 2019, helped by looser monetary policy from global central banks, optimism around an improvement in US/China trade relations and the decline in Brexit worries after the UK election. Stocks plummeted in February and March as the region became the centre of the pandemic. The European Central Bank unveiled a massive bond-buying programme, totalling €1.35trn, while countries announced financial support packages, boosting shares. Easing lockdown curbs and the agreement of a €750bn European Union recovery fund supported the gains. Renewed doubts about a recovery, as COVID-19 infections increased, particularly in France and Spain, pressured shares in August. The pandemic pushed the eurozone economy into recession after GDP contracted by a record 12.1% over the second quarter. Employment shrank by a record 2.8% over the same quarter.

US equities, as measured by the S&P 500 Index, rose strongly, by 10.9% in sterling and 21.9% in US dollars. Shares plunged from record highs – which the major US indices repeatedly breached in 2019 and early 2020 – during the pandemic-led sell-off in February and March. Supportive monetary policy by the US Federal Reserve (Fed) and US\$3trn of government aid boosted markets. Easing lockdown restrictions, hopes of further government stimulus and optimism about a COVID-19 vaccine, combined with a rally in technology shares, propelled the S&P 500 and Nasdaq Composite indices to record highs in August. The US slumped into a recession after GDP plunged by a record 31.7% in the second quarter, on an annualised basis. The unemployment rate hit an all-time high of 14.7% in April, although it fell over the rest of the reporting year.

In Japan, the TOPIX Index declined by 0.1% in sterling but rose by 9.8% in yen, with the relative strength of the pound accounting for the difference. Shares, which had made gains over the final months of 2019, plunged during the pandemic-led rout on global markets. Equities increased from the end of March, helped by monetary policy support from the Bank of Japan and other major central banks, as well as US\$2.2trn of government stimulus. A nationwide state of emergency was lifted in May, boosting sentiment, although a rise in infections in Japan and elsewhere in the world unsettled markets in June and July. Shares came under further pressure at the end of August after Prime Minister Shinzo Abe resigned because of poor health. The pandemic deepened the recession in the second quarter, when GDP shrank by a record 7.8% compared with the previous three months, which was the third successive quarterly contraction.

Asian equities were up over the year (MSCI AC Asia Pacific ex Japan Index +7.9% in sterling and 18.6% in US dollar terms). Stocks tended to follow the rise and fall of US/China trade tensions in 2019. The spread of COVID-19 led to sharp losses before monetary and fiscal stimulus worldwide drove a rebound. The Chinese market was one of the strongest performers (MSCI China +25.1% in sterling) as some parts of the economy restarted relatively quickly after lockdown restrictions were eased. The tensions with the US over a range of issues – particularly Beijing's unilaterally imposed security law in Hong Kong – caused bouts of unease. Equities also rose strongly in Taiwan (MSCI Taiwan +26.4%), helped by the success of the government's COVID-19 containment efforts and a rally in technology shares. Australian shares were lower (MSCI Australia -7.6%) as the pandemic pulled the economy into its first recession in 28 years, which was confirmed shortly after the end of the reporting year.

The MSCI Emerging Markets Index rose by 4.5% in sterling and by 14.9% in US dollar terms. The COVID-19-led slump in the first quarter of 2020 hit developing economies particularly hard although optimism about a global economic recovery drove a rebound. In India, where stocks were down over the year (MSCI India -6.2% in sterling), the government imposed a strict lockdown with little warning and, relatively soon after, started easing restrictions despite rising COVID-19 cases. Tensions with China over the countries' Himalayan border also unsettled investors. Equities plunged in Brazil (MSCI Brazil -32.1%) as the pandemic hurt an already fragile economy. Political uncertainty, particularly after a string of high-profile resignations from the government in August, added further pressure. Shares in Turkey were sharply lower (MSCI Turkey -28.7%) after the pandemic pushed the economy into a recession, while a sharp weakening of the lira, which hit a record low against the US dollar in August, added to investors' concerns.

Within fixed income, the JPM Global Government Bond Index declined by 4.1% in sterling but rose by 5.4% in US dollar terms, with the difference largely due to weakness of the US currency. US and UK government bond yields were lower over the year (prices were higher, reflecting their inverse relationship) as the pandemic-led slump in equity markets increased demand for perceived 'safe haven' investments. US benchmark 10-year Treasury yields hit record lows in early March during the equity market sell-off, and another all-time low in early August, on concerns about the economic recovery. In the US corporate debt market, companies took advantage of low borrowing costs – underpinned by Fed support – and bolstered their balance sheets to get through the crisis. In 2020, companies in the US have already issued more corporate bonds – totalling just over US\$1.9trn – than the previous full-year record, according to data released shortly after the end of reporting year.

Market review (continued)

In commodity markets, oil prices declined significantly as the pandemic caused a collapse in demand. The front-month contract for US benchmark West Texas Intermediate briefly turned negative in April as supply hugely outstripped demand. Major producers reached a deal to cut supply in late May, which helped prices to rebound. However, in mid-July, some producers started winding down the supply reductions, limiting the gains over the rest of the reporting year. Gold prices were sharply higher as the precious metal benefited from geopolitical uncertainty in 2019 and turmoil caused by COVID-19 in 2020. Spot prices surged to record levels in early August, passing US\$2,000 per troy ounce for the first time, although they were slightly lower at the end of the reporting year.

Statement of Authorised Corporate Director's (ACD) responsibilities

for the year ended 31 August 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 each of the sub-funds, and their revenue/expenditure for the year. In preparing the financial statements the ACD is required to:

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

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

Statement of the Depositary's responsibilities and report of the Depositary to the shareholders of Janus Henderson Investment Fund OEIC (the 'Company')

for the year ended 31 August 2020

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
London
17 November 2020

Independent Auditors' report to the shareholders of Janus Henderson Investment Fund OEIC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Janus Henderson Investment Fund OEIC (the 'Company'):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 August 2020 and of the net revenue and the net capital gains/(losses) on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson Investment Fund OEIC is an Open Ended Investment Company ('OEIC') with three sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the balance sheets as at 31 August 2020; the statements of total return, and the statements of changes in net assets attributable to shareholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

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

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

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 Fund OEIC (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's (ACD) responsibilities set out on page 6, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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.

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 November 2020

1 Accounting policies

(a) Basis of preparation

The financial statements of Janus Henderson Investment Fund OEIC (the 'Company') comprise the financial statements of each of the funds. They have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the 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 (28 August 2020) in accordance with the provisions of the scheme particulars.

The ACD has assigned the responsibility to review and approve fair value pricing decisions on a regular basis to the Janus Henderson UK & EMEA Fair Value Pricing Committee. The Committee report to the Board of Directors on suspended, defaulted, delisted, unquoted or manually priced securities, taking into consideration where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

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

(c) Revenue recognition

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

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

Bank interest is recognised on an accruals basis.

Income distributions from UK Real Estate Investment Trusts (UK REIT) are 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.

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

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

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

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

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

(d) Treatment of expenses (including ACD expenses)

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

Annual Management Charge (AMC)

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

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

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

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

General Administration Charge

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

Allocation of revenue and expenses to multiple share classes

With the exception of the AMC and the GAC which are directly attributable to individual share classes, all revenue and expenses are allocated to share classes pro rata to the value of the net assets of the relevant share class on the day that the revenue or expense is incurred.

(e) Exchange rates

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

(f) Taxation

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

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

(h) 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.

(i) Dilution adjustment

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

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

2 Distribution Policy

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

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

Marginal tax relief is not taken into account when determining the amount available for distribution on the funds.

Aggregated notes to the financial statements (continued)

2 Distribution Policy (continued)

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 following funds make annual distributions (31 October) to shareholders:

- Janus Henderson European Growth Fund and Janus Henderson UK Alpha Fund.

The following fund makes quarterly distributions (31 January, 30 April, 31 July, and 31 October) to shareholders:

- Janus Henderson Global Equity Income Fund.

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

Equalisation

Income equalisation applies to Janus Henderson Global Equity Income Fund only.

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

3 Risk

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

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

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

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

- Charles River system's Compliance module for investment restrictions monitoring;
- Nasdaq BWISE operational risk database;
- RiskMetrics, UBS Delta, Style Research, 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 funds attributable to changes in market variables such as interest rates, foreign exchange rates or an issuer's creditworthiness.

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

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

Aggregated notes to the financial statements (continued)

3 Risk (continued)

Investing in smaller companies means investing in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

The funds may use derivative instruments solely for the purpose of efficient portfolio management, and they are not intended to increase the risk profile of a fund. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The funds may engage various strategies in view of reducing risks and for attempting to enhance return. These strategies may include the use of derivative instruments such as options, futures, forward transactions and contracts for difference. Such strategies may be unsuccessful and incur losses for the funds, due to market conditions. The funds do not employ significant leverage.

Currency risk

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

A proportion of a 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 a 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 funds' accounts for details of currency exposure.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Some securities such as bonds are directly impacted by interest rate movements but others are indirectly affected.

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

Other market price risk

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

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

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

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.

(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.

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

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(b) Credit and counterparty risk

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

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

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

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

(c) Operational risk

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

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

(d) Liquidity risk

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

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

The ACD manages the funds' cash positions to ensure they can meet their liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the funds' portfolios in order to meet redemption requests. In addition the ACD monitors market liquidity of all securities, seeking to ensure the funds maintain sufficient liquidity to meet known and potential redemption activity. The funds' cash balances are monitored daily by the ACD and administrator. Where investments cannot be realised in time to meet any potential liability, the funds may borrow up to 10% of their property to ensure settlement.

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 funds and believe that the funds will be able to handle typical redemption patterns going forward.

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

(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 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.

Aggregated notes to the financial statements (continued)

4 Cross-holdings

As at 31 August 2020 there were no sub-fund cross holdings within Janus Henderson Investment Fund OEIC (2019: none).

Janus Henderson European Growth Fund

Authorised Corporate Director's report

Investment Fund Managers

Simon Rowe and Marc Scharz

Investment objective and policy

The fund aims to provide capital growth over the long term.

Performance target: To outperform the FTSE World Europe Ex UK Index, after the deduction of charges, over any 5 year period.

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

The fund is actively managed with reference to the FTSE World Europe Ex UK Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the fund's performance target. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

Performance summary

Cumulative performance	One year	Three years	Five years	Since inception
	31 Aug 19 - 31 Aug 20	31 Aug 17 - 31 Aug 20	31 Aug 15 - 31 Aug 20	20 Jul 01 - 31 Aug 20
	%	%	%	%
Class I accumulation (Net)	3.7	4.1	56.5	460.5
FTSE World Europe Ex UK Index	0.7	7.1	55.6	247.4
IA Europe Ex UK Equity Sector	3.3	6.4	52.2	236.1

Discrete performance	31 Aug 19 - 31 Aug 20	31 Aug 18 - 31 Aug 19	31 Aug 17 - 31 Aug 18	31 Aug 16 - 31 Aug 17	31 Aug 15 - 31 Aug 16
	%	%	%	%	%
Class I accumulation (Net)	3.7	(1.7)	2.2	22.1	23.1
FTSE World Europe Ex UK Index	0.7	4.8	1.4	26.0	15.4
IA Europe Ex UK Equity Sector	3.3	0.3	2.6	23.6	15.7

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: FTSE World Europe Ex UK Index

Index usage: Target

Index description: The FTSE World Europe Ex UK Index is a measure of the combined performance of large and medium sized companies from developed and advanced emerging European stock markets excluding the UK. It forms the basis of the fund's performance target.

Peer group: IA Europe Ex UK Equity Sector

Peer group usage: Comparator

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

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

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 31 August 2020

Largest purchases	£000	Largest sales	£000
Sanofi	23,721	Koninklijke Philips	30,653
Roche Non-Voting Shares	23,674	Merck	29,290
Volvo 'B'	21,546	SCOR	26,838
Evonik Industries	20,030	Sika	24,466
Airbus	19,866	Michelin	23,864
NN	18,297	Eiffage	23,773
Salmar	17,805	Infineon Technologies	23,482
ASML	17,600	Royal Dutch Shell 'B'	23,470
Software	17,413	Royal Unibrew	21,295
Rheinmetall	16,781	Tele2 'B'	21,174
Total purchases	698,900	Total sales	936,680

Investment review

The fund returned 3.7% based on Class I accumulation (Net) over the year under review, compared with a return of 0.7% in the FTSE World Europe Ex UK Index and a return of 3.3% in the IA Europe Ex UK Equity Sector peer group benchmark.

While the first part of the year under review was dominated by developments in the US/China trade war, these concerns were supplanted from February by the COVID-19 pandemic and uncertainty about how it would affect economic development. Equities suffered a sharp and broad-based sell-off as it became clear that the virus would cause widespread lockdowns in Western economies (and not be confined to Asia, as originally assumed). However, markets recovered from late March as several Asian countries emerged relatively quickly from lockdown, and central banks and governments intervened on a huge scale to support markets and economies. The recovery in equities – with European indices approaching pre-pandemic levels by the end of August – reflected the economic impact of the virus, with some sectors such as hospitality, travel and retail suffering long-lasting damage. Other businesses, especially those based on digital distribution, received a significant boost, with their shares surpassing pre-pandemic levels by a large margin. The virus had a wider impact on investment markets, with bond yields generally reaching record lows in March in response to the expected deflationary shock, expanded asset purchases by central banks and indications that interest rates would stay lower for longer. The price of gold reached record nominal highs, partly as a 'safe haven' asset, partly as an inflation hedge and partly because the cost of holding gold (relative to bonds) eroded.

The fund's slight underperformance relative to the benchmark in the first half of the reporting year was replaced by clearer outperformance in the second half, largely caused by changes in the composition in our holdings in response to the crisis. A handful of holdings, such as Italian molecular testing group DiaSorin and Roche (via its testing business), were particularly well positioned for the crisis. We also benefited from modest exposure to banks and energy, having sold our holding in Royal Dutch Shell prior to the crisis.

Inevitably, many holdings sold off in the crisis but we used the time to review the whole portfolio and decided which companies would likely rebound, which might be damaged in a more fundamental way and to identify other businesses that were oversold relative to their likely prospects. We continued the process of selling down our industrial holdings. However, we retained positions in French maintenance company SPIE and defence groups Rheinmetall and Thales, despite major hits to their share prices, because we believed they were well managed and would recover. We cut holdings in more vulnerable industries such as catering (Elior) and Airbus.

Prior to the pandemic, we bought new holdings in German online property portal Scout24 and software specialist Software, both of which contributed strongly. We added other digital businesses that we expected to emerge stronger, such as Worldline and Cembra Money Bank. During the sell-off, we bought a holding in ASML, on the grounds that its end markets would be strengthened by the crisis. We bought a position in online pharmacy group Zur Rose, which we expected to benefit from the introduction of digital prescriptions in Germany, a development that has been accelerated by the crisis. Zur Rose shares almost doubled in value after the purchase. We bought new holdings in several large-cap businesses that we knew relatively well, such as Kone and Linde which had been sold off although we felt they would come through the crisis well. We identified several businesses that we expected to benefit from an increased emphasis on sustainability, either in energy production (Energias de Portugal and RWE) or insulation and refurbishment (Compagnie de St Gobain). We also purchased holdings in mining equipment specialists Epiroc and Metso Outotec, having taken the view that they should benefit from increased electrification. We bought holdings in some mid-caps stocks that we felt were oversold, such as forklift maker Jungheinrich. Subsequent to the purchase, its shares almost doubled on hopes of an economic recovery. More recent purchases in the mid-cap area included Elekta (a radiography equipment provider) and Autoliv (supplier of passive safety equipment for cars). In the case of Elekta, its main competitor was subsequently bought by Siemens Healthineers on a much higher valuation multiple.

While there are many uncertainties, markets have edged up despite a rise in COVID-19 cases in various European countries. Most countries are better prepared for a second wave of infections and are unlikely to lock down again. That said, economies have yet to feel the full force of unemployment resulting from the crisis, which is likely to come through in 2021. A US election looms. Another area of uncertainty is how governments will fund the huge support programmes. Despite this background, there are several supportive factors for equities: inventory levels are low in several important sectors such as pulp, semiconductors, cars (where we have a range of holdings). In addition, some European companies are well positioned to take advantage of government support for 'green' spending in construction, transport and energy. Overall, this leaves equities in a relatively strong position compared with other asset classes, given the very low rates of returns from bonds. We continue to make changes to take advantage of the dislocation caused by the crisis and avoid the areas most likely to struggle in the coming months and years.

Comparative tables for the year ended 31 August 2020

	2020 (pence per share)	Class A accumulation 2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	236.58	242.71	241.28
Return before operating charges*	9.25	(2.33)	5.50
Operating charges	(3.94)	(3.80)	(4.07)
Return after operating charges*	5.31	(6.13)	1.43
Distributions on accumulation shares	(1.15)	(2.08)	(1.79)
Retained distributions on accumulation shares	1.15	2.08	1.79
Closing net asset value per share	241.89	236.58	242.71
* after direct transaction costs of:	0.25	0.14	0.14

Performance

Return after charges	2.24%	(2.53%)	0.59%
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Other information

Closing net asset value (£000s)	248,071	293,223	516,610
Closing number of shares	102,556,871	123,942,976	212,848,610
Operating charges	1.71%	1.69%	1.70%
Direct transaction costs	0.11%	0.06%	0.06%

Prices

Highest share price (pence)	248.30	245.40	249.00
Lowest share price (pence)	171.40	202.90	224.20

	2020 (pence per share)	Class E accumulation 08/07/19 - 31/08/19 (pence per share)
Change in net assets per share		
Opening net asset value per share	236.75	241.99 ¹
Return before operating charges*	9.33	(4.83)
Operating charges	(2.80)	(0.41)
Return after operating charges*	6.53	(5.24)
Distributions on accumulation shares	(2.28)	(2.24)
Retained distributions on accumulation shares	2.28	2.24
Closing net asset value per share	243.28	236.75
* after direct transaction costs of:	0.25	0.15

Performance

Return after charges	2.76%	(2.17%)
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Other information

Closing net asset value (£000s)	150,650	147,424
Closing number of shares	61,923,381	62,268,741
Operating charges	1.21%	1.19%
Direct transaction costs	0.11%	0.06%

Prices

Highest share price (pence)	249.60	243.90
Lowest share price (pence)	172.00	230.90

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

Comparative tables (continued)

	Class I accumulation		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	538.76	548.03	540.16
Return before operating charges*	21.36	(4.97)	12.39
Operating charges	(4.49)	(4.30)	(4.52)
Return after operating charges*	16.87	(9.27)	7.87
Distributions on accumulation shares	(7.62)	(8.36)	(9.16)
Retained distributions on accumulation shares	7.62	8.36	9.16
Closing net asset value per share	555.63	538.76	548.03
* after direct transaction costs of:	0.58	0.32	0.32

Performance

Return after charges	3.13%	(1.69%)	1.46%
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Other information

Closing net asset value (£000s)	410,845	606,021	674,712
Closing number of shares	73,942,439	112,483,505	123,116,676
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.11%	0.06%	0.06%

Prices

Highest share price (pence)	569.90	558.20	559.30
Lowest share price (pence)	392.10	459.30	504.50

	Class S income		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	306.92	317.93	318.50
Return before operating charges*	12.38	(2.69)	7.40
Operating charges	(0.21)	(0.18)	(0.19)
Return after operating charges*	12.17	(2.87)	7.21
Distributions on income shares	(6.81)	(8.14)	(7.78)
Closing net asset value per share	312.28	306.92	317.93
* after direct transaction costs of:	0.33	0.19	0.19

Performance

Return after charges	3.96%	(0.90%)	2.26%
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Other information

Closing net asset value (£000s)	22,570	26,058	40,391
Closing number of shares	7,227,415	8,490,235	12,704,235
Operating charges	0.07%	0.06%	0.06%
Direct transaction costs	0.11%	0.06%	0.06%

Prices

Highest share price (pence)	327.00	326.00	330.90
Lowest share price (pence)	224.40	267.20	298.90

Comparative tables (continued)

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	265.11	267.55	261.66
Return before operating charges*	10.62	(2.29)	6.05
Operating charges	(0.18)	(0.15)	(0.16)
Return after operating charges*	10.44	(2.44)	5.89
Distributions on accumulation shares	(5.86)	(6.48)	(6.14)
Retained distributions on accumulation shares	5.86	6.48	6.14
Closing net asset value per share	275.55	265.11	267.55
* after direct transaction costs of:	0.29	0.16	0.16
Performance			
Return after charges	3.94%	(0.91%)	2.25%
Other information			
Closing net asset value (£000s)	393	374	342
Closing number of shares	142,656	141,082	127,925
Operating charges	0.07%	0.06%	0.06%
Direct transaction costs	0.11%	0.06%	0.06%
Prices			
Highest share price (pence)	282.40	274.30	271.90
Lowest share price (pence)	193.80	224.80	245.50
	Class I Euro accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	88.86	90.40	89.40 ²
Return before operating charges*	3.59	(0.84)	1.52
Operating charges	(0.73)	(0.70)	(0.52)
Return after operating charges*	2.86	(1.54)	1.00
Distributions on accumulation shares	(1.41)	(476.44)	(1.51)
Retained distributions on accumulation shares	1.41	476.44	1.51
Closing net asset value per share	91.72	88.86	90.40
* after direct transaction costs of:	0.10	0.05	0.05
Performance			
Return after charges	3.22%	(1.70%)	1.12%
Other information			
Closing net asset value (£000s)	1	1	189
Closing number of shares	484	508	209,494
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.11%	0.06%	0.06%
Prices			
Highest share price (Euro cents)	110.50	102.40	104.40
Lowest share price (Euro cents)	71.26	84.01	95.11

² Class I Euro accumulation launched on 15 December 2017 and this is the first published price.

Comparative tables (continued)

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	1.71 ²	1.69	1.74
Class E³	1.21 ²	1.19	1.24
Class I	0.85 ⁴	0.84	0.86
Class S	0.07 ⁵	0.06	0.08
Class Z	0.07 ⁵	0.06	0.08

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

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 31 August 2020.

² The GAC on Class A and Class E increased from 0.18% to 0.22% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

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

⁴ The GAC on Class I increased from 0.075% to 0.09% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁵ The GAC on Class S and Class Z increased from 0.045% to 0.06% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

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

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



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

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

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

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

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

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

The risk rating for all share classes increased to 6 from 5 in 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 I Euro accumulation was launched on 15 December 2017 and Class E accumulation was launched on 8 July 2019. As these share classes do not have a 5 year history, a synthetic history has been created using the fund's relevant sector average and the A accumulation share class respectively.

Portfolio statement as at 31 August 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.45% (2019: 97.79%) Austria 0.00% (2019: 0.98%) Industrials 0.00% (2019: 0.98%)		
	Belgium 1.53% (2019: 2.06%) Financials 1.53% (2019: 2.06%)		
296,204	KBC	12,726	1.53
	Denmark 7.07% (2019: 11.76%) Consumer Goods 3.50% (2019: 6.17%)		
216,102	Carlsberg	22,740	2.73
536,795	Scandinavian Tobacco	6,389	0.77
		29,129	3.50
	Health Care 2.99% (2019: 2.49%)		
501,993	Novo Nordisk 'B'	24,890	2.99
	Industrials 0.58% (2019: 3.10%)		
172,426	DFDS	4,870	0.58
	Finland 10.42% (2019: 5.55%) Basic Materials 2.42% (2019: 2.41%)		
889,248	UPM-Kymmene	20,135	2.42
	Financials 4.68% (2019: 2.11%)		
2,602,976	Nordea Bank	15,731	1.89
772,402	Sampo	23,285	2.79
		39,016	4.68
	Industrials 3.32% (2019: 1.03%)		
166,266	Kone	10,714	1.29
3,043,135	Metso Outotec	16,907	2.03
		27,621	3.32
	France 14.47% (2019: 17.19%) Consumer Goods 0.00% (2019: 3.62%)		
	Consumer Services 1.67% (2019: 1.95%)		
652,411	Vivendi	13,869	1.67
	Financials 0.00% (2019: 2.50%)		
	Health Care 2.54% (2019: 0.00%)		
278,896	Sanofi	21,140	2.54
	Industrials 8.89% (2019: 9.12%)		
357,325	Compagnie de St Gobain	10,845	1.30
9,514	Dassault Aviation	6,476	0.78
106,200	Eiffage	7,323	0.88
154,497	Legrand	9,643	1.16
758,606	SPIE	9,642	1.16
241,102	Thales	14,106	1.69
232,386	Worldline	15,984	1.92
		74,019	8.89

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Technology 1.37% (2019: 0.00%)		
507,838	STMicroelectronics	11,431	1.37
	Germany 18.56% (2019: 12.95%)		
	Basic Materials 2.19% (2019: 0.00%)		
839,467	Evonik Industries	18,198	2.19
	Consumer Goods 0.98% (2019: 1.34%)		
36,255	Adidas	8,177	0.98
	Consumer Services 0.00% (2019: 0.77%)		
	Health Care 3.89% (2019: 4.97%)		
442,567	Bayer	21,971	2.64
102,689	Merck	10,397	1.25
		<u>32,368</u>	<u>3.89</u>
	Industrials 3.17% (2019: 0.89%)		
368,814	Jungheinrich Preference Share	8,789	1.06
252,750	Rheinmetall	17,569	2.11
		<u>26,358</u>	<u>3.17</u>
	Technology 6.65% (2019: 4.98%)		
445,591	Infineon Technologies	9,218	1.11
131,575	SAP	16,178	1.94
161,913	Scout24	11,324	1.36
501,218	Software	18,661	2.24
		<u>55,381</u>	<u>6.65</u>
	Utilities 1.68% (2019: 0.00%)		
472,644	RWE	13,982	1.68
	Iceland 0.79% (2019: 0.65%)		
	Industrials 0.79% (2019: 0.65%)		
1,714,022	Marel	6,583	0.79
	Ireland 2.44% (2019: 1.94%)		
	Consumer Services 0.00% (2019: 0.71%)		
	Health Care 0.93% (2019: 1.23%)		
1,064,438	UDG Healthcare	7,765	0.93
	Industrials 1.51% (2019: 0.00%)		
472,015	Smurfit Kappa	12,514	1.51
	Italy 0.96% (2019: 1.10%)		
	Consumer Goods 0.96% (2019: 0.00%)		
275,471	Moncler	7,982	0.96

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Health Care 0.00% (2019: 1.10%)		
	Netherlands 15.48% (2019: 17.89%)		
	Basic Materials 4.04% (2019: 3.73%)		
330,926	Akzo Nobel	24,510	2.94
76,009	Koninklijke DSM	9,128	1.10
		<u>33,638</u>	<u>4.04</u>
	Consumer Goods 1.14% (2019: 0.00%)		
289,458	JDE Peet's	9,528	1.14
	Consumer Services 2.95% (2019: 2.24%)		
555,468	Koninklijke Ahold Delhaize	12,508	1.50
195,927	Wolters Kluwer	12,040	1.45
		<u>24,548</u>	<u>2.95</u>
	Financials 3.71% (2019: 3.33%)		
856,081	ASR Nederland	22,206	2.67
308,210	NN	8,677	1.04
		<u>30,883</u>	<u>3.71</u>
	Health Care 0.00% (2019: 2.52%)		
	Oil & Gas 1.53% (2019: 4.83%)		
985,218	SBM Offshore	12,734	1.53
	Technology 2.11% (2019: 0.00%)		
62,617	ASML	17,579	2.11
	Telecommunications 0.00% (2019: 1.24%)		
	Norway 1.39% (2019: 0.00%)		
	Consumer Goods 1.39% (2019: 0.00%)		
283,873	Salmar	11,566	1.39
	Portugal 1.03% (2019: 0.00%)		
	Utilities 1.03% (2019: 0.00%)		
2,268,397	Energias de Portugal	8,591	1.03
	Spain 0.00% (2019: 0.77%)		
	Consumer Goods 0.00% (2019: 0.77%)		
	Sweden 7.09% (2019: 3.63%)		
	Consumer Goods 1.54% (2019: 1.18%)		
218,568	Autoliv	12,847	1.54
	Health Care 0.80% (2019: 0.00%)		
709,813	Elekta 'B'	6,653	0.80

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 3.05% (2019: 0.00%)		
812,966	Epiroc 'A'	9,060	1.09
1,135,026	Volvo 'B'	16,321	1.96
		<u>25,381</u>	<u>3.05</u>
	Telecommunications 1.70% (2019: 2.45%)		
1,328,694	Tele2 'B'	14,111	1.70
	Switzerland 10.68% (2019: 14.47%)		
	Consumer Goods 3.66% (2019: 5.18%)		
338,537	Nestlé	30,482	3.66
	Consumer Services 0.84% (2019: 0.00%)		
34,214	Zur Rose	6,952	0.84
	Financials 1.40% (2019: 0.00%)		
130,654	Cembra Money Bank	11,671	1.40
	Health Care 4.78% (2019: 2.31%)		
277,585	Novartis	17,965	2.16
83,559	Roche Non-Voting Shares	21,871	2.62
		<u>39,836</u>	<u>4.78</u>
	Industrials 0.00% (2019: 6.98%)		
	United Kingdom 6.54% (2019: 6.85%)		
	Basic Materials 1.98% (2019: 0.00%)		
87,789	Linde	16,444	1.98
	Consumer Services 1.57% (2019: 2.01%)		
777,668	RELX	13,104	1.57
	Industrials 2.99% (2019: 4.84%)		
299,550	DCC	19,853	2.38
648,825	Grafton	5,058	0.61
		<u>24,911</u>	<u>2.99</u>
	Derivatives 0.00% (2019: 0.00%)		
	Forward Foreign Exchange Contracts 0.00% (2019: 0.00%)¹		
	Buy GBP 169,778 : Sell EUR 189,617 September 2020 ²	-	-
	Buy GBP 2,168,112 : Sell EUR 2,420,489 September 2020	6	-
	Buy GBP 229,958 : Sell EUR 256,303 September 2020	1	-
	Buy GBP 288,240 : Sell EUR 321,994 September 2020	1	-
		<u>8</u>	<u>-</u>
	Investment assets	819,621	98.45
	Other net assets	12,909	1.55
	Total net assets	832,530	100.00

¹ Unquoted securities

² Due to rounding to nearest £1,000

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

Statement of total return for the year ended 31 August 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		6,409		(50,546)
Revenue	3	21,627		28,625	
Expenses	4	(10,223)		(12,347)	
Interest payable and similar charges	5	(230)		(48)	
Net revenue before taxation		11,174		16,230	
Taxation	6	(2,445)		(2,147)	
Net revenue after taxation			8,729		14,083
Total return before distributions			15,138		(36,463)
Distributions	7		(8,729)		(14,083)
Change in net assets attributable to shareholders from investment activities			6,409		(50,546)

Statement of change in net assets attributable to shareholders for the year ended 31 August 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		1,073,101		1,232,244
Amounts receivable on issue of shares	18,537		93,769	
Amounts payable on cancellation of shares	(273,887)		(215,758)	
		(255,350)		(121,989)
Dilution adjustment		133		-
Change in net assets attributable to shareholders from investment activities		6,409		(50,546)
Retained distributions on accumulation shares		8,237		13,392
Closing net assets attributable to shareholders		832,530		1,073,101

Balance sheet

as at 31 August 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		819,621	1,049,356
Current assets:			
Debtors	8	10,589	22,642
Cash and bank balances	9	11,769	33,706
Total assets		841,979	1,105,704
Liabilities:			
Creditors:			
Bank overdrafts		1,239	11,896
Distributions payable		492	691
Other creditors	10	7,718	20,016
Total liabilities		9,449	32,603
Net assets attributable to shareholders		832,530	1,073,101

Notes to the financial statements for the year ended 31 August 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 gains/(losses)

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

	2020	2019
	£000	£000
Forward currency contracts	(163)	26
Non-derivative securities	7,456	(51,252)
Other currency (losses)/gains	(861)	691
Transaction costs	(23)	(11)
Net capital gains/(losses)	6,409	(50,546)

3 Revenue

	2020	2019
	£000	£000
Bank interest	-	94
Overseas dividends	20,505	26,098
Stock lending revenue	-	128
UK dividends	1,122	2,305
Total revenue	21,627	28,625

4 Expenses

	2020	2019
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	8,934	10,960
GAC*	1,169	1,256
	<u>10,103</u>	<u>12,216</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	53	64
Safe custody fees	48	36
	<u>101</u>	<u>100</u>
Other expenses:		
Professional fees	19	31
	<u>19</u>	<u>31</u>
Total expenses	10,223	12,347

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,317 (2019: £10,317).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	230	48
Total interest payable and similar charges	230	48

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
Current tax		
Overseas withholding tax	2,445	2,147
Total tax (note 6b)	2,445	2,147

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:

	2020 £000	2019 £000
Net revenue before taxation	11,174	16,230
Corporation tax at 20% (2019: 20%)	2,235	3,246
Effects of:		
Irrecoverable overseas tax	2,445	2,147
Overseas dividends	(3,997)	(5,220)
Tax effect of expensed double taxation relief	(16)	-
UK dividends*	(224)	(461)
Unused management expenses	2,002	2,435
Tax charge for the year (note 6a)	2,445	2,147

* 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 £27,020,194 (2019: £25,018,008) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

	2020 £000	2019 £000
Final income	492	691
Final accumulation	8,237	13,392
Total distributions	8,729	14,083

Details of the distribution per share are set out in the Distribution table on page 39.

8 Debtors

	2020 £000	2019 £000
Accrued revenue	2,497	963
Currency transactions awaiting settlement	2,185	8,435
Overseas withholding tax reclaimable	3,890	2,942
Sales awaiting settlement	2,017	10,302
Total debtors	10,589	22,642

9 Cash and bank balances

	2020 £000	2019 £000
Cash and bank balances	11,769	33,706
Total cash and bank balances	11,769	33,706

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	716	890
Accrued Depositary's fee	5	6
Accrued other expenses	118	118
Amounts payable for cancellation of shares	2,856	2,387
Corporation tax payable	443	298
Currency transactions awaiting settlement	2,188	8,445
Purchases awaiting settlement	1,392	7,872
Total other creditors	7,718	20,016

11 Contingent assets, liabilities and commitments

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

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

Notes to the financial statements (continued)

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 28 to 29 and notes 4 and 10 on pages 30 to 32 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

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

13 Shareholders' funds

The fund currently has 6 share classes available; Class A (Retail with front-end charges), Class E (Retail), Class I (Institutional), Class S (Institutional), Class Z (Institutional) and Class I Euro (Institutional). The annual management charge on each share class is as follows:

	2020	2019
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class I	0.75	0.75
Class S ¹	0.00	0.00
Class Z ¹	0.00	0.00
Class I Euro	0.75	0.75

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 18 to 21. The distribution per share class is given in the Distribution table on page 39. All share classes have the same rights on winding up.

Shares reconciliation as at 31 August 2020

	Class A accumulation	Class E accumulation	Class I accumulation
Opening number of shares	123,942,976	62,268,741	112,483,505
Issues during the year	120,603	44,348	3,706,038
Cancellations during the year	(18,015,337)	(3,033,932)	(42,621,169)
Shares converted during the year	(3,491,371)	2,644,224	374,065
Closing shares in issue	102,556,871	61,923,381	73,942,439
	Class S income	Class Z accumulation	Class I Euro accumulation
Opening number of shares	8,490,235	141,082	508
Issues during the year	284,263	26,683	677
Cancellations during the year	(1,547,083)	(6,871)	(701)
Shares converted during the year	-	(18,238)	-
Closing shares in issue	7,227,415	142,656	484

Notes to the financial statements (continued)

14 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 August 2020 (2019: nil).

2020

At 31 August 2020 the underlying exposure for the derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	8	8
	8	8

2019

At 31 August 2019 the underlying exposure for the derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	4	4
	4	4

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with BNP Paribas acting as the stock lending agent in order to generate additional revenue.

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

Eligible collateral types for Stock Lending and borrowing transactions are approved by the Investment Manager and may consist of securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope, generally subject to a minimum long term credit rating of at least A- by one or more major credit rating agency or listed equities on eligible markets. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102.50% to 110.00% of the value of the stock on loan.

2020

The fund had no stock on loan and no stock lending revenue as at 31 August 2020.

2019

The fund had no stock on loan as at 31 August 2019.

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	151	23	128

Notes to the financial statements (continued)

16 Risk

Currency risk

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

	Investment assets £000	Other net assets/(liabilities) £000	Total net assets £000
2020			
Currency			
Danish krone	58,889	1,703	60,592
Euro	565,700	15,573	581,273
Norwegian krone	11,566	-	11,565
Swedish krona	58,992	192	59,184
Swiss franc	88,941	-	88,941
UK sterling	35,533	(4,632)	30,902
US dollar	-	73	73
Total	819,621	12,909	832,530

	Investment assets £000	Other net assets/(liabilities) £000	Total net assets £000
2019			
Currency			
Danish krone	126,221	2,047	128,268
Euro	643,882	24,726	668,608
Swedish krona	38,932	1,325	40,257
Swiss franc	155,307	-	155,307
UK sterling	85,014	(4,383)	80,631
US dollar	-	30	30
Total	1,049,356	23,745	1,073,101

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £801,628,171 (2019: £992,470,278). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 August 2020 and the net assets as at 31 August 2020 by £80,162,817 (2019: £99,247,028).

Interest rate risk

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

Other market price risk

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

Leverage

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

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk

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

2020	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
Bank overdrafts	1,239	-	-	-
Distribution payable	-	492	-	-
Other creditors	-	7,718	-	-
Total	1,239	8,210	-	-

2019	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
Bank overdrafts	11,896	-	-	-
Distribution payable	-	691	-	-
Other creditors	-	20,016	-	-
Total	11,896	20,707	-	-

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	819,613	-	1,049,352	-
Level 2	8	-	4	-
Level 3	-	-	-	-
	819,621	-	1,049,356	-

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
Trades in the year				
Equities	698,095	451,246	937,004	539,336
Trades in the year before transaction costs	698,095	451,246	937,004	539,336
Transaction costs				
Commissions				
Equities	222	139	324	214
Total commissions	222	139	324	214
Taxes				
Equities	247	204	-	-
Total taxes	247	204	-	-
Other expenses				
Equities	336	179	-	-
Total other expenses	336	179	-	-
Total transaction costs	805	522	324	214
Total net trades in the year after transaction costs	698,900	451,768	936,680	539,122

	Purchases		Sales	
	2020 %	2019 %	2020 %	2019 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.03	0.03	0.04
Taxes				
Equities	0.04	0.05	-	-
Other expenses				
Equities	0.05	0.04	-	-
	2020 %	2019 %		

Total transaction costs expressed as a percentage of net asset value

Commissions	0.06	0.03
Taxes	0.03	0.02
Other expenses	0.04	0.01
Total costs	0.13	0.06

There were no in specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: £8,083,926).

There were no direct transaction costs associated with derivatives in the year (2019: nil).

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

The portfolio dealing spread as at 28 August 2020 was 0.06% (2019: 0.08%). The portfolio dealing spread is calculated at a 12 noon valuation point.

Notes to the financial statements (continued)

19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 13 November 2020, the Net Asset Value of the fund had increased.

Distribution table for the year ended 31 August 2020 (in pence per share)

Final dividend distribution (accounting date 31 August 2020, paid on 30 October 2020)

Group 1: shares purchased prior to 1 September 2019

Group 2: shares purchased on or after 1 September 2019

	Distribution per share	Total distribution per share 30/10/20	Total distribution per share 31/10/19
Class A accumulation			
Group 1	1.1527	1.1527	2.0823
Group 2	1.1527	1.1527	2.0823
Class E accumulation			
Group 1	2.2793	2.2793	2.2393
Group 2	2.2793	2.2793	2.2393
Class I accumulation			
Group 1	7.6214	7.6214	8.3612
Group 2	7.6214	7.6214	8.3612
Class S income			
Group 1	6.8078	6.8078	8.1446
Group 2	6.8078	6.8078	8.1446
Class Z accumulation			
Group 1	5.8633	5.8633	6.4835
Group 2	5.8633	5.8633	6.4835
Class I Euro accumulation^{1,2}			
Group 1	1.5789	1.5789	526.8895
Group 2	1.5789	1.5789	526.8895

¹ in Euro cents per share

² Please note the 2019 distribution rate was impacted by a large disinvestment in the class and the fund's no equalisation policy.

Janus Henderson Global Equity Income Fund

Authorised Corporate Director's report

Investment Fund Managers

Andrew Jones and Ben Lofthouse

Investment objective and policy

The fund aims to provide an income in excess of the income generated by the MSCI World Index with the potential for capital growth over the long term (5 years or more).

The fund invests at least 80% of its assets in shares (also known as equities) of companies, of any size, in any industry, in any country.

The fund is actively managed with reference to the MSCI World Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the fund's income target. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

Performance summary

Cumulative performance	One year	Three years	Five years	Since inception
	31 Aug 19 - 31 Aug 20 %	31 Aug 17 - 31 Aug 20 %	31 Aug 15 - 31 Aug 20 %	22 Feb 02 - 31 Aug 20 %
Class I accumulation (Net)	(4.0)	3.9	47.8	57.9
MSCI World Index	6.8	29.6	93.9	114.6
IA Global Equity Income Sector	(2.6)	8.8	52.1	58.2

Discrete performance	31 Aug 19 - 31 Aug 20 %	31 Aug 18 - 31 Aug 19 %	31 Aug 17 - 31 Aug 18 %	31 Aug 16 - 31 Aug 17 %	31 Aug 15 - 31 Aug 16 %
	Class I accumulation (Net)	(4.0)	2.8	5.3	15.3
MSCI World Index	6.8	7.6	12.7	18.8	26.0
IA Global Equity Income Sector	(2.6)	5.7	5.7	14.3	22.4

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: MSCI World Index

Index usage: Target

Index description: The MSCI World Index is a measure of the combined performance of large and medium sized companies from developed stock markets around the world. It is the basis for the fund's income target.

Peer group: IA Global Equity Income Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 August 2020

Largest purchases	£000	Largest sales	£000
Zurich Insurance	15,739	Chevron	18,409
SGS	9,562	Microsoft	18,354
Rio Tinto	9,392	Diageo	15,537
Allianz	9,221	Roche Non-Voting Shares	15,077
McDonald's	8,596	BP	11,593
The Travelers Companies	8,363	Pfizer	10,735
Repsol	8,132	BASF	10,668
Merck	8,063	Maxim Integrated Products	10,276
Vivendi	8,058	British American Tobacco ADR	9,292
VICI Properties	7,956	CyrusOne	8,627
Total purchases	277,686	Total sales	327,989

Investment review

The fund fell 4.0% based on Class I accumulation (Net) over the year under review, compared with a return of 6.8% in the MSCI World Index and a fall of 2.6% in the IA Global Equity Income Sector peer group benchmark.

The year under review was dominated by the spread of COVID-19 across the globe. As the scale of the pandemic became clear, investors attempted to assess the implications for global economic growth, corporate revenues, cash flow and profits with market volatility rising to unprecedented levels. After very sharp initial falls, equity markets in most regions made a significant recovery. Investor sentiment was supported by the remarkable scale of stimulus, both monetary and fiscal, that was announced by central banks and governments globally. The rebound was also aided by signs that the global growth rate of COVID-19 infections was slowing, which gave investors hope that the worst of the pandemic was over.

Concerns about the impact that the virus would have on global economic growth and corporate earnings led to the underperformance of cyclically exposed sectors, such as energy, industrials and financials, while more defensive areas, such as healthcare, technology and utilities, outperformed. The US equity market outperformed the MSCI World Index during the year under review. This was negative for the fund's relative performance as it had an underweight position due to the US being a relatively low yielding market. In particular, the strong performance of the very low/zero yielding group of Apple, Amazon, Facebook, Netflix and Tesla detracted significantly from relative returns.

At a sector level, the fund's holdings in the energy and banking sectors were negative for performance. Occidental Petroleum, Royal Dutch Shell, Repsol and Tenaris, a seamless steel pipe manufacturer, all underperformed with oil prices under pressure. Positions in banks ING and BNP Paribas also detracted from returns, on concerns about their ability to generate good returns in a low interest rate environment and exposure to increasing bad debts from economic weakness.

The fund's holdings in the information technology sector were positive for performance, with Taiwan Semiconductor Manufacturing, Tokyo Electron, Lam Research and Microsoft all outperforming following good results. The positions in pharmaceutical companies Roche and Sanofi were beneficial, as was the holding in Italian utility Enel, as more defensive firms outperformed an uncertain and volatile market.

During the reporting year, holdings in some of the more cyclically exposed stocks such as Chevron, Occidental Petroleum, Tenaris, JPMorgan Chase, General Motors and Carnival were sold. Some of the proceeds were reinvested in more defensively positioned stocks such as utility companies DTE Energy, Dominion Energy and Veolia Environnement. We also took advantage of some of the market moves to initiate or add to positions in companies with strong cash-flow characteristics and sustainable yields. These included global restaurant chain McDonald's, UK supermarket group Tesco and Swiss industrial company ABB. We took the view that all these companies had resilient business models that would give them the ability to continue to pay dividends in the challenging environment.

The reporting year saw an unprecedented scale of dividend cuts as a huge number of companies either reduced or suspended dividends in order to preserve liquidity. As well as the direct economic disruption causing companies to lower or suspend dividends, there has also been a social and regulatory dimension to dividends since the crisis started. One of the earlier examples of this was the European Union banking regulator's insistence that all banks suspend dividends, and a request that certain insurance businesses do likewise. The Janus Henderson Global Dividend Index expects global dividend payments to fall by approximately 20% in 2020. After delivering growth in the fund's unit distribution for several years, this challenging environment resulted in a reduction of 10% in the unit distribution for the year to 31 August 2020.

While the short-term outlook for the global economy remains difficult, there are reasons to be more optimistic with lockdowns being gradually eased and following the huge monetary and fiscal stimulus announced globally. That said, it remains a challenging corporate environment and it is important for investors to be well diversified, both geographically and by sector. As active managers we are well placed to look for opportunities in robust companies that are adjusting well to the economic downturn and are positioned to benefit when the global economy recovers.

Comparative tables for the year ended 31 August 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	376.88	369.61	356.58
Return before operating charges*	(15.33)	13.46	19.21
Operating charges	(6.33)	(6.19)	(6.18)
Return after operating charges*	(21.66)	7.27	13.03
Distributions on accumulation shares	(12.36)	(13.10)	(11.23)
Retained distributions on accumulation shares	12.36	13.10	11.23
Closing net asset value per share	355.22	376.88	369.61
* after direct transaction costs of:	0.25	0.13	0.20
Performance			
Return after charges	(5.75%)	1.97%	3.65%
Other information			
Closing net asset value (£000s)	53,335	78,238	164,208
Closing number of shares	15,014,434	20,759,349	44,426,889
Operating charges	1.74%	1.73%	1.73%
Direct transaction costs	0.07%	0.04%	0.06%
Prices			
Highest share price (pence)	398.70	391.30	377.10
Lowest share price (pence)	290.80	329.80	330.10
	Class A income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	61.37	62.43	62.15
Return before operating charges*	(2.48)	2.16	3.29
Operating charges	(1.02)	(1.03)	(1.07)
Return after operating charges*	(3.50)	1.13	2.22
Distributions on income shares	(1.99)	(2.19)	(1.94)
Closing net asset value per share	55.88	61.37	62.43
* after direct transaction costs of:	0.04	0.02	0.03
Performance			
Return after charges	(5.70%)	1.81%	3.57%
Other information			
Closing net asset value (£000s)	83,679	102,419	431,503
Closing number of shares	149,754,468	166,881,057	691,180,203
Operating charges	1.74%	1.73%	1.73%
Direct transaction costs	0.07%	0.04%	0.06%
Prices			
Highest share price (pence)	64.51	64.11	64.10
Lowest share price (pence)	46.76	55.41	57.00

Comparative tables (continued)

	Class E accumulation	
	2020	24/06/19 - 31/08/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	377.23	375.69 ¹
Return before operating charges*	(15.31)	6.17
Operating charges	(4.56)	(4.63)
Return after operating charges*	(19.87)	1.54
Distributions on accumulation shares	(12.41)	(2.34)
Retained distributions on accumulation shares	12.41	2.34
Closing net asset value per share	357.36	377.23
* after direct transaction costs of:	0.26	0.14

Performance

Return after charges	(5.27%)	0.41%
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Other information

Closing net asset value (£000s)	78,752	73,443
Closing number of shares	22,037,136	19,468,856
Operating charges	1.25%	1.22%
Direct transaction costs	0.07%	0.04%

Prices

Highest share price (pence)	399.80	391.50
Lowest share price (pence)	291.80	369.40

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

	Class E income	
	2020	24/06/19 - 31/08/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	61.43	61.56 ²
Return before operating charges*	(2.49)	0.39
Operating charges	(0.73)	(0.14)
Return after operating charges*	(3.22)	0.25
Distributions on income shares	(2.00)	(0.38)
Closing net asset value per share	56.21	61.43
* after direct transaction costs of:	0.04	0.02

Performance

Return after charges	(5.24%)	0.41%
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Other information

Closing net asset value (£000s)	273,726	299,060
Closing number of shares	486,954,946	486,833,661
Operating charges	1.25%	1.22%
Direct transaction costs	0.07%	0.04%

Prices

Highest share price (pence)	64.70	64.14
Lowest share price (pence)	46.93	60.53

² Class E income launched on 24 June 2019 and this is the first published price.

Comparative tables (continued)

	Class G accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	151.16	146.78	140.22
Return before operating charges*	(6.15)	5.43	7.60
Operating charges	(1.08)	(1.05)	(1.04)
Return after operating charges*	(7.23)	4.38	6.56
Distributions on accumulation shares	(5.25)	(5.47)	(4.68)
Retained distributions on accumulation shares	5.25	5.47	4.68
Closing net asset value per share	143.93	151.16	146.78
* after direct transaction costs of:	0.10	0.05	0.08
Performance			
Return after charges	(4.78%)	2.98%	4.68%
Other information			
Closing net asset value (£000s)	4,502	5,330	6,191
Closing number of shares	3,127,937	3,525,995	4,218,186
Operating charges	0.74%	0.73%	0.74%
Direct transaction costs	0.07%	0.04%	0.06%
Prices			
Highest share price (pence)	160.50	156.80	149.70
Lowest share price (pence)	117.30	131.40	130.50
	Class G income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	132.16	133.32	131.64
Return before operating charges*	(5.36)	4.69	7.00
Operating charges	(0.94)	(0.94)	(0.97)
Return after operating charges*	(6.30)	3.75	6.03
Distributions on income shares	(4.53)	(4.91)	(4.35)
Closing net asset value per share	121.33	132.16	133.32
* after direct transaction costs of:	0.09	0.05	0.07
Performance			
Return after charges	(4.77%)	2.81%	4.58%
Other information			
Closing net asset value (£000s)	12,993	16,431	16,229
Closing number of shares	10,708,589	12,432,642	12,172,252
Operating charges	0.74%	0.73%	0.74%
Direct transaction costs	0.07%	0.04%	0.06%
Prices			
Highest share price (pence)	139.40	138.00	136.80
Lowest share price (pence)	101.20	118.70	121.30

Comparative tables (continued)

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	164.05	159.46	152.49
Return before operating charges*	(6.67)	5.90	8.26
Operating charges	(1.35)	(1.31)	(1.29)
Return after operating charges*	(8.02)	4.59	6.97
Distributions on accumulation shares	(5.64)	(5.90)	(5.04)
Retained distributions on accumulation shares	5.64	5.90	5.04
Closing net asset value per share	156.03	164.05	159.46
* after direct transaction costs of:	0.11	0.06	0.09

Performance

Return after charges	(4.89%)	2.88%	4.57%
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Other information

Closing net asset value (£000s)	38,879	48,396	57,750
Closing number of shares	24,917,224	29,499,736	36,215,377
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.07%	0.04%	0.06%

Prices

Highest share price (pence)	174.20	170.20	162.60
Lowest share price (pence)	127.20	142.70	141.90

	Class I income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	132.14	133.41	131.83
Return before operating charges*	(5.35)	4.68	6.99
Operating charges	(1.08)	(1.08)	(1.10)
Return after operating charges*	(6.43)	3.60	5.89
Distributions on income shares	(4.49)	(4.87)	(4.31)
Closing net asset value per share	121.22	132.14	133.41
* after direct transaction costs of:	0.09	0.05	0.07

Performance

Return after charges	(4.87%)	2.70%	4.47%
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Other information

Closing net asset value (£000s)	109,517	134,138	138,325
Closing number of shares	90,346,877	101,512,500	103,686,103
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.07%	0.04%	0.06%

Prices

Highest share price (pence)	139.30	138.00	136.90
Lowest share price (pence)	101.10	118.70	121.40

Comparative tables (continued)

	Class S income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	136.73	137.00	134.35
Return before operating charges*	(5.56)	4.87	7.18
Operating charges	(0.09)	(0.08)	(0.08)
Return after operating charges*	(5.65)	4.79	7.10
Distributions on income shares	(4.70)	(5.06)	(4.45)
Closing net asset value per share	126.38	136.73	137.00
* after direct transaction costs of:	0.09	0.05	0.08
Performance			
Return after charges	(4.13%)	3.50%	5.28%
Other information			
Closing net asset value (£000s)	1,481	2,075	2,426
Closing number of shares	1,171,789	1,517,850	1,770,672
Operating charges	0.07%	0.06%	0.06%
Direct transaction costs	0.07%	0.04%	0.06%
Prices			
Highest share price (pence)	144.60	142.70	140.50
Lowest share price (pence)	105.00	122.20	124.30
	Class A Euro accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	70.30	68.87	66.42
Return before operating charges*	(2.86)	2.58	3.58
Operating charges	(1.15)	(1.15)	(1.13)
Return after operating charges*	(4.01)	1.43	2.45
Distributions on accumulation shares	(2.34)	(2.47)	(2.12)
Retained distributions on accumulation shares	2.34	2.47	2.12
Closing net asset value per share	66.29	70.30	68.87
* after direct transaction costs of:	0.05	0.03	0.04
Performance			
Return after charges	(5.70%)	2.08%	3.69%
Other information			
Closing net asset value (£000s)	23	18	890
Closing number of shares	35,238	25,190	1,292,884
Operating charges	1.71%	1.69%	1.70%
Direct transaction costs	0.07%	0.04%	0.06%
Prices			
Highest share price (Euro cents)	88.31	80.49	78.34
Lowest share price (Euro cents)	59.67	68.19	70.54

Comparative tables (continued)

	Class A Euro income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	56.82	57.80	57.55
Return before operating charges*	(2.29)	2.00	3.03
Operating charges	(0.93)	(0.94)	(0.97)
Return after operating charges*	(3.22)	1.06	2.06
Distributions on income shares	(1.86)	(2.04)	(1.81)
Closing net asset value per share	51.74	56.82	57.80
* after direct transaction costs of:	0.04	0.02	0.03
Performance			
Return after charges	(5.67%)	1.83%	3.58%
Other information			
Closing net asset value (£000s)	1,371	1,519	1,487
Closing number of shares	2,650,719	2,673,053	2,571,772
Operating charges	1.71%	1.69%	1.70%
Direct transaction costs	0.07%	0.04%	0.06%
Prices			
Highest share price (Euro cents)	70.92	66.07	67.52
Lowest share price (Euro cents)	47.62	56.95	60.53
	Class A US Dollar accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	487.61	478.03	461.15
Return before operating charges*	(19.78)	17.44	24.73
Operating charges	(8.05)	(7.86)	(7.85)
Return after operating charges*	(27.83)	9.58	16.88
Distributions on accumulation shares	(16.17)	(17.10)	(14.70)
Retained distributions on accumulation shares	16.17	17.10	14.70
Closing net asset value per share	459.78	487.61	478.03
* after direct transaction costs of:	0.33	0.17	0.26
Performance			
Return after charges	(5.71%)	2.00%	3.66%
Other information			
Closing net asset value (£000s)	114	111	103
Closing number of shares	24,812	22,837	21,460
Operating charges	1.71%	1.69%	1.70%
Direct transaction costs	0.07%	0.04%	0.06%
Prices			
Highest share price (USD cents)	670.49	632.32	670.69
Lowest share price (USD cents)	446.00	539.59	591.68

Comparative tables (continued)

	Class A US Dollar income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	43.20	43.95	43.77
Return before operating charges*	(1.75)	1.51	2.30
Operating charges	(0.71)	(0.71)	(0.74)
Return after operating charges*	(2.46)	0.80	1.56
Distributions on income shares	(1.41)	(1.55)	(1.38)
Closing net asset value per share	39.33	43.20	43.95
* after direct transaction costs of:	0.03	0.02	0.02
Performance			
Return after charges	(5.69%)	1.82%	3.56%
Other information			
Closing net asset value (£000s)	186	392	477
Closing number of shares	471,778	907,667	1,085,736
Operating charges	1.71%	1.69%	1.70%
Direct transaction costs	0.07%	0.04%	0.06%
Prices			
Highest share price (USD cents)	59.02	58.14	63.33
Lowest share price (USD cents)	39.02	49.34	55.95
	Class I Euro accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	95.24	92.54	88.49 ³
Return before operating charges*	(3.83)	3.46	4.73
Operating charges	(0.78)	(0.76)	(0.68)
Return after operating charges*	(4.61)	2.70	4.05
Distributions on accumulation shares	(3.38)	(3.51)	(2.78)
Retained distributions on accumulation shares	3.38	3.51	2.78
Closing net asset value per share	90.63	95.24	92.54
* after direct transaction costs of:	0.06	0.03	0.05
Performance			
Return after charges	(4.84%)	2.92%	4.58%
Other information			
Closing net asset value (£000s)	1	1	1
Closing number of shares	1,000	1,000	1,000
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.07%	0.04%	0.06%
Prices			
Highest share price (Euro cents)	120.20	108.90	104.70
Lowest share price (Euro cents)	81.24	91.91	94.45

³ Class I Euro accumulation relaunched on 4 October 2017 and this is the first published price.

Comparative tables (continued)

	Class I US Dollar income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	90.73	91.59	90.50
Return before operating charges*	(3.67)	3.23	4.81
Operating charges	(0.74)	(0.74)	(0.76)
Return after operating charges*	(4.41)	2.49	4.05
Distributions on income shares	(3.09)	(3.35)	(2.96)
Closing net asset value per share	83.23	90.73	91.59
* after direct transaction costs of:	0.06	0.03	0.05
Performance			
Return after charges	(4.86%)	2.72%	4.48%
Other information			
Closing net asset value (£000s)	157	170	205
Closing number of shares	189,043	186,839	223,903
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.07%	0.04%	0.06%
Prices			
Highest share price (USD cents)	124.30	121.20	131.40
Lowest share price (USD cents)	82.29	103.10	116.20

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.

Ongoing charge figure

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

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	1.74 ²	1.73	1.78
Class E³	1.25 ²	1.22	1.28
Class G	0.74 ⁴	0.73	0.75
Class I	0.85 ⁵	0.84	0.86
Class S	0.07 ⁴	0.06	0.08
Class A Euro	1.71 ⁶	1.69	1.74
Class A US Dollar	1.71 ⁶	1.69	1.74

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

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 31 August 2020.

² The GAC on Class A and Class E increased from 0.215% to 0.26% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

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

⁴ The GAC on Class G and Class S increased from 0.045% to 0.06% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁵ The GAC on Class I increased from 0.075% to 0.09% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁶ The GAC on Class A Euro and Class A US Dollar increased from 0.18% to 0.22% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

The fund currently has 15 types of share class in issue; A accumulation, A income, E accumulation, E income, G accumulation, G income, I accumulation, I income, S income, A Euro accumulation, A Euro income, A US Dollar accumulation, A US Dollar income, I Euro accumulation and I US Dollar income.

The risk and reward profile for A accumulation, A income, E accumulation, E income, G accumulation, G income, I accumulation, I income, S income and A Euro income is as follows:



The risk and reward profile for A Euro accumulation, A US Dollar accumulation, A US Dollar income, I Euro accumulation and I US Dollar income is as follows:



The share classes appear at 5 out of 7, with the exception of Class A Euro accumulation, Class A US Dollar accumulation, Class A US Dollar income, Class I Euro accumulation and Class I US Dollar income which appear at 6 out of 7.

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

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

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

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

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

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

The risk rating for Class A Euro accumulation, Class A US Dollar accumulation, Class A US Dollar income, Class I Euro accumulation and Class I US Dollar income increased to 6 from 5 in the year. The ratings may change over time as a fund takes on more or less risky investments or where market conditions become more or less volatile. At share class level the ratings may differ dependent on the class currency and may be influenced by currency movements and the impact of inflows and outflows. All other classes remain at a 5 rating.

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

* Class G accumulation and Class G income were launched on 20 February 2016, Class E accumulation and Class E income were launched on 24 June 2019. As these share classes do not have a 5 year history, a synthetic history has been created for Class G accumulation and Class G income using the fund's relevant sector average and for Class E accumulation and Class E income using the A accumulation and A income share class.

Portfolio statement as at 31 August 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 99.39% (2019: 99.94%)		
	Australia 1.25% (2019: 2.20%)		
	Materials 1.25% (2019: 2.20%)		
986,922	Amcor	8,248	1.25
	Austria 0.97% (2019: 0.91%)		
	Financials 0.97% (2019: 0.91%)		
226,902	BAWAG	6,396	0.97
	Canada 2.62% (2019: 2.63%)		
	Communication Services 1.53% (2019: 1.40%)		
731,588	TELUS	10,064	1.53
	Financials 1.09% (2019: 1.23%)		
653,616	Manulife Financial	7,201	1.09
	Denmark 1.03% (2019: 1.29%)		
	Consumer Staples 1.03% (2019: 1.29%)		
64,653	Carlsberg	6,803	1.03
	Finland 1.07% (2019: 0.89%)		
	Materials 1.07% (2019: 0.89%)		
312,077	UPM-Kymmene	7,066	1.07
	France 10.70% (2019: 10.84%)		
	Communication Services 1.33% (2019: 1.41%)		
412,953	Vivendi	8,779	1.33
	Consumer Discretionary 1.50% (2019: 1.47%)		
116,613	Michelin	9,854	1.50
	Consumer Staples 0.68% (2019: 0.79%)		
90,984	Danone	4,476	0.68
	Energy 1.18% (2019: 1.39%)		
262,532	TOTAL	7,762	1.18
	Financials 1.11% (2019: 2.28%)		
479,996	AXA	7,320	1.11
	Health Care 2.09% (2019: 2.15%)		
181,736	Sanofi	13,775	2.09
	Industrials 1.23% (2019: 0.00%)		
87,512	Schneider Electric	8,106	1.23
	Utilities 1.58% (2019: 1.35%)		
577,830	Veolia Environnement	10,421	1.58

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Germany 5.43% (2019: 3.98%)		
	Consumer Staples 0.00% (2019: 1.09%)		
	Financials 2.78% (2019: 0.00%)		
62,954	Allianz	10,215	1.54
37,675	Munchener Ruckvers	8,150	1.24
		<u>18,365</u>	<u>2.78</u>
	Industrials 1.59% (2019: 1.34%)		
101,278	Siemens	<u>10,456</u>	<u>1.59</u>
	Materials 0.00% (2019: 1.55%)		
	Utilities 1.06% (2019: 0.00%)		
235,460	RWE	<u>6,966</u>	<u>1.06</u>
	Hong Kong 1.03% (2019: 0.00%)		
	Financials 1.03% (2019: 0.00%)		
884,000	AIA	<u>6,794</u>	<u>1.03</u>
	Italy 2.48% (2019: 2.91%)		
	Communication Services 0.40% (2019: 0.00%)		
364,461	Infrastrutture Wireless Italiane	<u>2,656</u>	<u>0.40</u>
	Energy 0.00% (2019: 0.97%)		
	Utilities 2.08% (2019: 1.94%)		
2,021,346	Enel	<u>13,701</u>	<u>2.08</u>
	Japan 0.88% (2019: 0.68%)		
	Consumer Discretionary 0.88% (2019: 0.00%)		
837,200	Panasonic	<u>5,764</u>	<u>0.88</u>
	Information Technology 0.00% (2019: 0.68%)		
	Luxembourg 0.00% (2019: 0.68%)		
	Energy 0.00% (2019: 0.68%)		
	Netherlands 1.97% (2019: 3.77%)		
	Energy 1.02% (2019: 1.79%)		
606,012	Royal Dutch Shell 'A'	<u>6,755</u>	<u>1.02</u>
	Financials 0.95% (2019: 1.51%)		
1,026,402	ING	<u>6,238</u>	<u>0.95</u>
	Real Estate 0.00% (2019: 0.47%)		
	Norway 0.77% (2019: 0.00%)		
	Communication Services 0.77% (2019: 0.00%)		
414,189	Telenor	<u>5,065</u>	<u>0.77</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	South Korea 2.01% (2019: 1.43%)		
	Information Technology 2.01% (2019: 1.43%)		
444,254	Samsung Electronics Preference Shares	13,267	2.01
	Spain 1.65% (2019: 0.75%)		
	Energy 0.60% (2019: 0.00%)		
671,321	Repsol	3,971	0.60
	Industrials 0.00% (2019: 0.75%)		
	Utilities 1.05% (2019: 0.00%)		
732,459	Iberdrola	6,902	1.05
	Sweden 1.10% (2019: 3.81%)		
	Communication Services 1.10% (2019: 1.86%)		
681,630	Tele2 'B'	7,239	1.10
	Financials 0.00% (2019: 1.95%)		
	Switzerland 15.43% (2019: 8.22%)		
	Consumer Staples 2.93% (2019: 2.61%)		
214,326	Nestlé	19,298	2.93
	Financials 4.28% (2019: 0.00%)		
100,991	Swiss Re	6,084	0.92
752,563	UBS	6,857	1.04
55,137	Zurich Insurance	15,274	2.32
		28,215	4.28
	Health Care 4.57% (2019: 4.93%)		
271,471	Novartis	17,568	2.68
47,678	Roche	12,480	1.89
		30,048	4.57
	Industrials 2.50% (2019: 0.68%)		
378,295	ABB	7,207	1.09
4,784	SGS	9,277	1.41
		16,484	2.50
	Materials 1.15% (2019: 0.00%)		
513,882	SIG Combibloc	7,561	1.15
	Taiwan 2.95% (2019: 1.80%)		
	Information Technology 2.95% (2019: 1.80%)		
327,927	Taiwan Semiconductor Manufacturing ADS	19,409	2.95

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	United Kingdom 12.13% (2019: 17.18%)		
	Communication Services 0.00% (2019: 0.58%)		
	Consumer Staples 3.98% (2019: 6.85%)		
579,944	Imperial Brands	7,266	1.10
2,887,300	Tesco	6,315	0.96
293,213	Unilever	12,704	1.92
		<u>26,285</u>	<u>3.98</u>
	Energy 0.00% (2019: 1.59%)		
	Financials 0.91% (2019: 0.92%)		
2,027,981	Direct Line Insurance	5,981	0.91
	Health Care 1.84% (2019: 2.12%)		
823,710	GlaxoSmithKline	12,125	1.84
	Industrials 2.43% (2019: 3.09%)		
1,528,097	BAE Systems	7,940	1.21
477,234	RELX	8,042	1.22
		<u>15,982</u>	<u>2.43</u>
	Materials 2.07% (2019: 1.58%)		
358,654	Anglo American	6,573	1.00
151,993	Rio Tinto	7,045	1.07
		<u>13,618</u>	<u>2.07</u>
	Real Estate 0.00% (2019: 0.45%)		
	Utilities 0.90% (2019: 0.00%)		
699,952	National Grid	5,902	0.90
	United States 33.92% (2019: 35.97%)		
	Communication Services 2.13% (2019: 1.95%)		
316,625	Verizon Communications	14,006	2.13
	Consumer Discretionary 2.10% (2019: 3.55%)		
137,854	Las Vegas Sands	5,221	0.79
54,057	McDonald's	8,617	1.31
		<u>13,838</u>	<u>2.10</u>
	Consumer Staples 3.03% (2019: 2.79%)		
350,042	Coca-Cola	12,946	1.97
160,416	Mondelez International	6,997	1.06
		<u>19,943</u>	<u>3.03</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Energy 0.00% (2019: 3.90%)		
	Financials 2.13% (2019: 1.83%)		
50,273	CME 'A'	6,598	1.00
85,967	The Travelers Companies	7,444	1.13
		<u>14,042</u>	<u>2.13</u>
	Health Care 8.71% (2019: 7.32%)		
309,358	Bristol-Myers Squibb	14,367	2.17
81,214	Johnson & Johnson	9,298	1.41
170,014	Medtronic	13,642	2.07
123,729	Merck	7,875	1.20
433,342	Pfizer	12,221	1.86
		<u>57,403</u>	<u>8.71</u>
	Industrials 1.09% (2019: 0.00%)		
58,184	Honeywell International	7,186	1.09
	Information Technology 9.56% (2019: 10.30%)		
490,957	Cisco Systems	15,474	2.35
171,268	Corning	4,151	0.63
202,189	Microsoft	33,976	5.17
351,756	Sabre	1,834	0.28
70,397	Texas Instruments	7,467	1.13
		<u>62,902</u>	<u>9.56</u>
	Materials 0.00% (2019: 1.01%)		
	Real Estate 3.18% (2019: 3.32%)		
56,760	Crown Castle International	6,917	1.05
109,023	CyrusOne	6,796	1.03
433,160	VICI Properties	7,224	1.10
		<u>20,937</u>	<u>3.18</u>
	Utilities 1.99% (2019: 0.00%)		
104,801	Dominion Energy	6,136	0.93
78,565	DTE Energy	6,962	1.06
		<u>13,098</u>	<u>1.99</u>
	Bonds 0.00% (2019: 0.00%)		
	Italy 0.00% (2019: 0.00%)		
	Fixed Rate Bond 0.00% (2019: 0.00%)		
	Derivatives 0.00% (2019: 0.00%)		
	Forward Foreign Exchange Contracts 0.00% (2019: 0.00%)		
	Investment assets	654,673	99.39
	Other net assets	4,043	0.61
	Total net assets	658,716	100.00

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

Statement of total return for the year ended 31 August 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital losses	2		(56,423)		(4,040)
Revenue	3	28,826		32,006	
Expenses	4	(8,837)		(10,969)	
Interest payable and similar charges	5	(5)		(2)	
Net revenue before taxation		19,984		21,035	
Taxation	6	(3,154)		(2,547)	
Net revenue after taxation			<u>16,830</u>		<u>18,488</u>
Total return before distributions			(39,593)		14,448
Distributions	7		(24,244)		(28,016)
Change in net assets attributable to shareholders from investment activities			<u>(63,837)</u>		<u>(13,568)</u>

Statement of change in net assets attributable to shareholders for the year ended 31 August 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		761,741		819,795
Amounts receivable on issue of shares	28,648		31,990	
Amounts payable on cancellation of shares	<u>(74,359)</u>		<u>(84,139)</u>	
		(45,711)		(52,149)
Change in net assets attributable to shareholders from investment activities		(63,837)		(13,568)
Retained distributions on accumulation shares		6,431		7,556
Unclaimed distributions		92		107
Closing net assets attributable to shareholders		<u>658,716</u>		<u>761,741</u>

Balance sheet as at 31 August 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		654,673	761,299
Current assets:			
Debtors	8	7,356	4,358
Cash and bank balances	9	13,150	21,009
Total assets		675,179	786,666
Liabilities:			
Creditors:			
Bank overdrafts		8	19,681
Distributions payable		3,802	3,522
Other creditors	10	12,653	1,722
Total liabilities		16,463	24,925
Net assets attributable to shareholders		658,716	761,741

Notes to the financial statements for the year ended 31 August 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

Net capital losses on investments during the year comprise:

	2020 £000	2019 £000
Forward currency contracts	(23)	209
Non-derivative securities	(55,965)	(3,926)
Other currency losses	(419)	(312)
Transaction costs	(16)	(11)
Net capital losses	(56,423)	(4,040)

3 Revenue

	2020 £000	2019 £000
Bank interest	27	96
Overseas dividends	22,518	26,182
Overseas REIT revenue	494	333
Stock lending revenue	55	43
UK dividends	5,732	4,961
UK REIT revenue - PID	-	279
UK REIT revenue - non PID	-	112
Total revenue	28,826	32,006

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	7,414	9,528
GAC*	1,333	1,346
	<u>8,747</u>	<u>10,874</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	50	55
Safe custody fees	37	25
	<u>87</u>	<u>80</u>
Other expenses:		
Dividend collection charges	3	3
Professional fees	-	12
	<u>3</u>	<u>15</u>
Total expenses	8,837	10,969

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,317 (2019: £10,317).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	5	2
Total interest payable and similar charges	5	2

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
Current tax		
Overseas withholding tax	3,154	2,547
Total tax (note 6b)	3,154	2,547

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:

	2020 £000	2019 £000
Net revenue before taxation	19,984	21,035
Corporation tax at 20% (2019: 20%)	3,997	4,207
Effects of:		
Overseas withholding tax	3,154	2,547
Overseas dividends	(4,504)	(5,222)
Tax effect of expensed double taxation relief	(7)	(8)
UK dividends*	(1,146)	(1,015)
Unused management expenses	1,660	2,038
Tax charge for the year (note 6a)	3,154	2,547

* 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 £29,864,475 (2019: £28,204,079) 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.

Due to filing adjustments in prior year, the opening balance for current year's potential deferred tax asset was adjusted to bring it in line with the 'Unused management expenses' in note (b).

Notes to the financial statements (continued)

7 Distributions

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

	2020	2019
	£000	£000
Interim income	13,816	16,650
Interim accumulation	5,060	6,264
Final income	3,802	3,522
Final accumulation	1,371	1,292
	<u>24,049</u>	<u>27,728</u>
Amounts deducted on cancellation of shares	326	433
Amounts received on issue of shares	(131)	(145)
Total distributions	<u>24,244</u>	<u>28,016</u>
Net revenue after taxation	16,830	18,488
Annual management charge borne by the capital account	7,414	9,528
Total distributions	<u>24,244</u>	<u>28,016</u>

Details of the distribution per share are set out in the Distribution tables on pages 69 to 74.

8 Debtors

	2020	2019
	£000	£000
Accrued revenue	1,858	2,892
Amounts receivable for issue of shares	71	84
Income tax receivable	22	22
Other debtors	-	10
Currency transactions awaiting settlement	4,253	-
Overseas withholding tax reclaimable	1,152	1,350
Total debtors	<u>7,356</u>	<u>4,358</u>

9 Cash and bank balances

	2020	2019
	£000	£000
Cash and bank balances	13,150	21,009
Total cash and bank balances	<u>13,150</u>	<u>21,009</u>

Notes to the financial statements (continued)

10 Other creditors

	2020	2019
	£000	£000
Accrued annual management charge	599	688
Accrued Depositary's fee	4	5
Accrued other expenses	131	123
Amounts payable for cancellation of shares	1,008	906
Currency transactions awaiting settlement	4,278	-
Purchases awaiting settlement	6,633	-
Total other creditors	12,653	1,722

11 Contingent liabilities and commitments

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

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 58 and 59 and notes 4, 7, 8 and 10 on pages 60 to 63 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

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

13 Shareholders' funds

The fund currently has 9 share classes available; Class A (Retail with front-end charges), Class E (Retail), Class G (Institutional), Class I (Institutional), Class S (Institutional), Class A Euro (Retail), Class A US Dollar (Retail), Class I Euro (Institutional) and Class I US Dollar (Institutional). The annual management charge on each share class is as follows:

	2020	2019
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class G	0.675	0.675
Class I	0.75	0.75
Class I	0.00	0.00
Class S ¹	1.50	1.50
Class A Euro	1.50	1.50
Class A US Dollar	0.75	0.75
Class I Euro	0.75	0.75
Class I US Dollar	0.75	0.75

¹ Charges for managing Class S are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 43 to 50. The distribution per share class is given in the Distribution tables on pages 69 to 74. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 31 August 2020

	Class A accumulation	Class A income	Class E accumulation	Class E income
Opening number of shares	20,759,349	166,881,057	19,468,856	486,833,661
Issues during the year	2,866,608	3,408,766	47,322	15,313,011
Cancellations during the year	(4,956,340)	(11,672,749)	(1,046,741)	(22,602,011)
Shares converted during the year	(3,655,183)	(8,862,606)	3,567,699	7,410,285
Closing shares in issue	15,014,434	149,754,468	22,037,136	486,954,946
	Class G accumulation	Class G income	Class I accumulation	Class I income
Opening number of shares	3,525,995	12,432,642	29,499,736	101,512,500
Issues during the year	31,446	2,039,096	483,846	2,753,501
Cancellations during the year	(429,504)	(1,902,319)	(5,305,030)	(16,332,865)
Shares converted during the year	-	(1,860,830)	238,672	2,413,741
Closing shares in issue	3,127,937	10,708,589	24,917,224	90,346,877
	Class S income	Class A Euro accumulation	Class A Euro income	Class A US Dollar accumulation
Opening number of shares	1,517,850	25,190	2,673,053	22,837
Issues during the year	160,478	13,884	2,029	4,644
Cancellations during the year	(506,539)	(3,836)	(24,363)	(2,669)
Shares converted during the year	-	-	-	-
Closing shares in issue	1,171,789	35,238	2,650,719	24,812
	Class A US Dollar income	Class I Euro accumulation	Class I US Dollar income	
Opening number of shares	907,667	1,000	186,839	
Issues during the year	3,017	-	2,204	
Cancellations during the year	(438,906)	-	-	
Shares converted during the year	-	-	-	
Closing shares in issue	471,778	1,000	189,043	

14 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 August 2020 (2019: nil).

The fund had no exposure to derivatives as at 31 August 2020 with a positive market value (2019: nil).

Notes to the financial statements (continued)

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with BNP Paribas acting as the stock lending agent in order to generate additional revenue.

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

Eligible collateral types for Stock Lending and borrowing transactions are approved by the Investment Manager and may consist of securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope, generally subject to a minimum long term credit rating of at least A- by one or more major credit rating agency or listed equities on eligible markets. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102.50% to 110.00% of the value of the stock on loan.

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Natixis	37,682	41,869	Equity
Bank of Nova Scotia	983	1,092	Equity
	38,665	42,961	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	65	10	55

2019 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
ABN Amro	3,397	3,820	Equity
Bank of Nova Scotia	2,886	3,207	Equity
HSBC	9,392	10,439	Equity
Macquarie Bank	7,621	8,473	Equity
Natixis	729	812	Equity
	24,025	26,751	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	51	8	43

Notes to the financial statements (continued)

16 Risk

Currency risk

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

2020	Investment assets £000	Other net assets/(liabilities) £000	Total net assets £000
Currency			
Australian dollar	8,248	-	8,248
Canadian dollar	17,265	98	17,363
Danish krone	6,803	117	6,920
Euro	180,712	548	181,260
Hong Kong dollar	6,794	-	6,794
Israeli new shekel	-	183	183
Japanese yen	5,764	-	5,764
Korean won	13,267	-	13,267
Norwegian krone	5,065	97	5,162
Swedish krona	7,239	274	7,513
Swiss franc	101,606	-	101,606
UK sterling	59,147	4,592	63,739
US dollar	242,763	(1,866)	240,897
Total	654,673	4,043	658,716

2019	Investment assets £000	Other net assets/(liabilities) £000	Total net assets £000
Currency			
Australian dollar	14,969	254	15,223
Canadian dollar	20,056	131	20,187
Danish krone	9,811	98	9,909
Euro	215,781	557	216,338
Israeli new shekel	-	191	191
Japanese yen	5,160	-	5,160
Korean won	10,908	-	10,908
Norwegian krone	-	101	101
Swedish krona	29,028	880	29,908
Swiss franc	62,582	-	62,582
UK sterling	96,968	(3,229)	93,739
US dollar	296,036	1,459	297,495
Total	761,299	442	761,741

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £594,976,784 (2019: £668,002,144). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 August 2020 and the net assets as at 31 August 2020 by £59,497,678 (2019: £66,800,214).

Interest rate risk

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

Other market price risk

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

Leverage

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

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Bank overdrafts	8	-	-	-
Distribution payable	-	3,802	-	-
Other creditors	-	12,653	-	-
Total	8	16,455	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Bank overdrafts	19,681	-	-	-
Distribution payable	-	3,522	-	-
Other creditors	-	1,722	-	-
Total	19,681	5,244	-	-

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	654,673	-	761,299	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	654,673	-	761,299	-

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
Trades in the year				
Equities	277,285	172,765	328,083	224,447
Trades in the year before transaction costs	277,285	172,765	328,083	224,447
Transaction costs				
Commissions				
Equities	78	63	91	68
Total commissions	78	63	91	68
Taxes				
Equities	231	92	-	7
Total taxes	231	92	-	7
Other expenses				
Equities	92	167	3	2
Total other expenses	92	167	3	2
Total transaction costs	401	322	94	77
Total net trades in the year after transaction costs	277,686	173,087	327,989	224,370

	Purchases		Sales	
	2020 %	2019 %	2020 %	2019 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.04	0.03	0.03
Taxes				
Equities	0.08	0.05	-	-
Other expenses				
Equities	0.03	0.10	-	-
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.03	0.01		
Taxes	0.03	0.01		
Other expenses	0.01	0.02		
Total costs	0.07	0.04		

There were no in specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: £1,531,999).

There were no direct transaction costs associated with derivatives in the year (2019: nil).

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

The portfolio dealing spread as at 28 August 2020 was 0.05% (2019: 0.07%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 13 November 2020, the Net Asset Value of the fund had increased.

Distribution tables for the year ended 31 August 2020 (in pence per share)

Interim dividend distribution (accounting date 30 November 2019, paid on 31 January 2020)

Group 1: shares purchased prior to 1 September 2019

Group 2: shares purchased on or after 1 September 2019

	Distribution per share	Equalisation	Total distribution per share 31/01/20	Total distribution per share 31/01/19
Class A accumulation				
Group 1	2.4343	-	2.4343	1.9132
Group 2	1.4417	0.9926	2.4343	1.9132
Class A income				
Group 1	0.3961	-	0.3961	0.3232
Group 2	0.1622	0.2339	0.3961	0.3232
Class E accumulation¹				
Group 1	2.4375	-	2.4375	n/a
Group 2	1.0939	1.3436	2.4375	n/a
Class E income¹				
Group 1	0.3967	-	0.3967	n/a
Group 2	0.1859	0.2108	0.3967	n/a
Class G accumulation				
Group 1	1.0414	-	1.0414	0.8202
Group 2	1.0414	-	1.0414	0.8202
Class G income				
Group 1	0.9101	-	0.9101	0.7450
Group 2	0.5125	0.3976	0.9101	0.7450
Class I accumulation				
Group 1	1.1177	-	1.1177	0.8802
Group 2	0.5404	0.5773	1.1177	0.8802
Class I income				
Group 1	0.9000	-	0.9000	0.7362
Group 2	0.4482	0.4518	0.9000	0.7362
Class S income				
Group 1	0.9423	-	0.9423	0.7650
Group 2	0.4574	0.4849	0.9423	0.7650
Class A Euro accumulation²				
Group 1	0.5422	-	0.5422	0.4099
Group 2	0.1184	0.4238	0.5422	0.4099
Class A Euro income²				
Group 1	0.4361	-	0.4361	0.3427
Group 2	0.2035	0.2326	0.4361	0.3427
Class A US Dollar accumulation³				
Group 1	4.1280	-	4.1280	3.2082
Group 2	3.1524	0.9756	4.1280	3.2082
Class A US Dollar income³				
Group 1	0.3656	-	0.3656	0.2951
Group 2	0.3656	-	0.3656	0.2951

Distribution tables (continued)

Interim dividend distribution (accounting date 30 November 2019, paid on 31 January 2020) (continued)

Group 1: shares purchased prior to 1 September 2019

Group 2: shares purchased on or after 1 September 2019

	Distribution per share	Equalisation	Total distribution per share 31/01/20	Total distribution per share 31/01/19
Class I Euro accumulation²				
Group 1	0.7953	-	0.7953	0.5961
Group 2	0.7953	-	0.7953	0.5961
Class I US Dollar income³				
Group 1	0.7997	-	0.7997	0.6480
Group 2	0.2814	0.5183	0.7997	0.6480

¹ Class E accumulation and Class E income launched on 24 June 2019.

² in Euro cents per share

³ in USD cents per share

Interim dividend distribution (accounting date 28 February 2020, paid on 30 April 2020)

Group 1: shares purchased prior to 1 December 2019

Group 2: shares purchased on or after 1 December 2019

	Distribution per share	Equalisation	Total distribution per share 30/04/20	Total distribution per share 30/04/19
Class A accumulation				
Group 1	2.1778	-	2.1778	2.1852
Group 2	1.2894	0.8884	2.1778	2.1852
Class A income				
Group 1	0.3525	-	0.3525	0.3671
Group 2	0.1762	0.1763	0.3525	0.3671
Class E accumulation¹				
Group 1	2.1841	-	2.1841	n/a
Group 2	1.2951	0.8890	2.1841	n/a
Class E income¹				
Group 1	0.3536	-	0.3536	n/a
Group 2	0.1664	0.1872	0.3536	n/a
Class G accumulation				
Group 1	0.9420	-	0.9420	0.9287
Group 2	0.9420	-	0.9420	0.9287
Class G income				
Group 1	0.8182	-	0.8182	0.8387
Group 2	0.4187	0.3995	0.8182	0.8387
Class I accumulation				
Group 1	1.0095	-	1.0095	0.9975
Group 2	0.5815	0.4280	1.0095	0.9975
Class I income				
Group 1	0.8079	-	0.8079	0.8298
Group 2	0.4103	0.3976	0.8079	0.8298

Distribution tables (continued)

Interim dividend distribution (accounting date 28 February 2020, paid on 30 April 2020) (continued)

Group 1: shares purchased prior to 1 December 2019

Group 2: shares purchased on or after 1 December 2019

	Distribution per share	Equalisation	Total distribution per share 30/04/20	Total distribution per share 30/04/19
Class S income				
Group 1	0.8488	-	0.8488	0.8641
Group 2	0.3216	0.5272	0.8488	0.8641
Class A Euro accumulation²				
Group 1	0.4811	-	0.4811	0.4810
Group 2	0.3018	0.1793	0.4811	0.4810
Class A Euro income²				
Group 1	0.3854	-	0.3854	0.4024
Group 2	0.1702	0.2152	0.3854	0.4024
Class A US Dollar accumulation³				
Group 1	3.6522	-	3.6522	3.8103
Group 2	3.6522	-	3.6522	3.8103
Class A US Dollar income³				
Group 1	0.3218	-	0.3218	0.3485
Group 2	0.3218	-	0.3218	0.3485
Class I Euro accumulation²				
Group 1	0.7035	-	0.7035	0.6953
Group 2	0.7035	-	0.7035	0.6953
Class I US Dollar income³				
Group 1	0.7089	-	0.7089	0.7579
Group 2	0.3110	0.3979	0.7089	0.7579

¹ Class E accumulation and Class E income launched on 24 June 2019.

² in Euro cents per share

³ in USD cents per share

Interim dividend distribution (accounting date 31 May 2020, paid on 31 July 2020)

Group 1: shares purchased prior to 1 March 2020

Group 2: shares purchased on or after 1 March 2020

	Distribution per share	Equalisation	Total distribution per share 31/07/20	Total distribution per share 31/07/19
Class A accumulation				
Group 1	5.0130	-	5.0130	6.6621
Group 2	4.5534	0.4596	5.0130	6.6621
Class A income				
Group 1	0.8062	-	0.8062	1.1123
Group 2	0.3519	0.4543	0.8062	1.1123
Class E accumulation¹				
Group 1	5.0333	-	5.0333	n/a
Group 2	2.7370	2.2963	5.0333	n/a

Distribution tables (continued)

Interim dividend distribution (accounting date 31 May 2020, paid on 31 July 2020) (continued)

Group 1: shares purchased prior to 1 March 2020

Group 2: shares purchased on or after 1 March 2020

	Distribution per share	Equalisation	Total distribution per share 31/07/20	Total distribution per share 31/07/19
Class E income¹				
Group 1	0.8094	-	0.8094	n/a
Group 2	0.3297	0.4797	0.8094	n/a
Class G accumulation				
Group 1	2.0837	-	2.0837	2.7240
Group 2	1.2368	0.8469	2.0837	2.7240
Class G income				
Group 1	1.7975	-	1.7975	2.4439
Group 2	0.4950	1.3025	1.7975	2.4439
Class I accumulation				
Group 1	2.2489	-	2.2489	2.9455
Group 2	1.1136	1.1353	2.2489	2.9455
Class I income				
Group 1	1.7875	-	1.7875	2.4344
Group 2	0.6631	1.1244	1.7875	2.4344
Class S income				
Group 1	1.8674	-	1.8674	2.5220
Group 2	1.0568	0.8106	1.8674	2.5220
Class A Euro accumulation²				
Group 1	1.0480	-	1.0480	1.4113
Group 2	0.4091	0.6389	1.0480	1.4113
Class A Euro income²				
Group 1	0.8346	-	0.8346	1.1706
Group 2	0.1965	0.6381	0.8346	1.1706
Class A US Dollar accumulation³				
Group 1	8.0707	-	8.0707	10.9143
Group 2	8.0707	-	8.0707	10.9143
Class A US Dollar income³				
Group 1	0.7056	-	0.7056	0.9917
Group 2	0.3115	0.3941	0.7056	0.9917
Class I Euro accumulation²				
Group 1	1.4760	-	1.4760	1.9598
Group 2	1.4760	-	1.4760	1.9598
Class I US Dollar income³				
Group 1	1.5174	-	1.5174	2.1066
Group 2	0.6717	0.8457	1.5174	2.1066

¹ Class E accumulation and Class E income launched on 24 June 2019.

² in Euro cents per share

³ in USD cents per share

Distribution tables (continued)

Final dividend distribution (accounting date 31 August 2020, paid on 30 October 2020)

Group 1: shares purchased prior to 1 June 2020

Group 2: shares purchased on or after 1 June 2020

	Distribution per share	Equalisation	Total distribution per share 30/10/20	Total distribution per share 31/10/19
Class A accumulation				
Group 1	2.7337	-	2.7337	2.3347
Group 2	2.2471	0.4866	2.7337	2.3347
Class A income				
Group 1	0.4335	-	0.4335	0.3826
Group 2	0.1819	0.2516	0.4335	0.3826
Class E accumulation				
Group 1	2.7511	-	2.7511	2.3357
Group 2	1.3363	1.4148	2.7511	2.3357
Class E income				
Group 1	0.4359	-	0.4359	0.3828
Group 2	0.1394	0.2965	0.4359	0.3828
Class G accumulation				
Group 1	1.1799	-	1.1799	1.0000
Group 2	1.1799	-	1.1799	1.0000
Class G income				
Group 1	1.0028	-	1.0028	0.8801
Group 2	0.4050	0.5978	1.0028	0.8801
Class I accumulation				
Group 1	1.2673	-	1.2673	1.0730
Group 2	0.5384	0.7289	1.2673	1.0730
Class I income				
Group 1	0.9927	-	0.9927	0.8699
Group 2	0.4438	0.5489	0.9927	0.8699
Class S income				
Group 1	1.0435	-	1.0435	0.9097
Group 2	0.2650	0.7785	1.0435	0.9097
Class A Euro accumulation¹				
Group 1	0.5806	-	0.5806	0.4886
Group 2	0.2062	0.3744	0.5806	0.4886
Class A Euro income¹				
Group 1	0.4555	-	0.4555	0.3973
Group 2	0.1167	0.3388	0.4555	0.3973
Class A US Dollar accumulation²				
Group 1	4.8061	-	4.8061	3.7334
Group 2	4.8061	-	4.8061	3.7334
Class A US Dollar income²				
Group 1	0.4141	-	0.4141	0.3325
Group 2	0.4141	-	0.4141	0.3325

Distribution tables (continued)

Final dividend distribution (accounting date 31 August 2020, paid on 30 October 2020) (continued)

Group 1: shares purchased prior to 1 June 2020

Group 2: shares purchased on or after 1 June 2020

	Distribution per share	Equalisation	Total distribution per share 30/10/20	Total distribution per share 31/10/19
Class I Euro accumulation¹				
Group 1	0.8519	-	0.8519	0.7188
Group 2	0.8519	-	0.8519	0.7188
Class I US Dollar income²				
Group 1	0.9127	-	0.9127	0.7278
Group 2	0.3097	0.6030	0.9127	0.7278

¹ in Euro cents per share

² in USD cents per share

Janus Henderson UK Alpha Fund

Authorised Corporate Director's report

Investment Fund Managers

Neil Hermon and Indriatti van Hien

Investment objective and policy

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

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

The fund is actively managed with reference to the FTSE All Share Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

Performance summary

Cumulative performance	One year	Three years	Five years	Since inception
	31 Aug 19 - 31 Aug 20	31 Aug 17 - 31 Aug 20	31 Aug 15 - 31 Aug 20	9 Nov 01 - 31 Aug 20
	%	%	%	%
Class I accumulation (Net)	(8.6)	(10.4)	17.7	191.5
FTSE All Share Index	(12.6)	(8.2)	17.3	157.7
IA UK All Companies Equity Sector	(8.8)	(5.8)	16.9	162.7

Discrete performance	31 Aug 19 -	31 Aug 18 -	31 Aug 17 -	31 Aug 16 -	31 Aug 15 -
	31 Aug 20	31 Aug 19	31 Aug 18	31 Aug 17	31 Aug 16
	%	%	%	%	%
Class I accumulation (Net)	(8.6)	(9.6)	8.5	19.0	10.5
FTSE All Share Index	(12.6)	0.4	4.7	14.3	11.7
IA UK All Companies Equity Sector	(8.8)	(3.1)	6.6	13.8	9.0

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: FTSE All Share Index

Index usage: Comparator

Index description: The FTSE All Share Index is a measure of the combined performance of a large number of the companies listed on the London Stock Exchange and includes large, medium and smaller companies. It provides a useful comparison against which the fund's performance can be assessed over time.

Peer group: IA UK All Companies Equity Sector

Peer group usage: Comparator

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

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

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 31 August 2020

Largest purchases	£000	Largest sales	£000
Hargreaves Lansdown	5,096	Royal Dutch Shell 'B'	10,154
Mitchells & Butlers	4,234	Aveva	7,620
UNITE	3,818	lbstock	6,689
Gamma Communications	3,559	HSBC	6,670
ReStore	3,418	Lloyds Banking	6,105
Ascential	3,362	John Laing	5,910
CRH	3,352	Aviva	5,564
Chemring	3,240	NMC Health	4,727
Segro	2,946	Cineworld	4,473
JD Sports Fashion	2,617	Intermediate Capital	4,468
Total purchases	79,090	Total sales	108,679

Investment review

The fund fell 8.6% based on Class I accumulation (Net) over the year under review, compared with a fall of 12.6% in the FTSE All Share Index and a fall of 8.8% in the IA UK All Companies Equity Sector peer group benchmark.

UK equities fell in the year to the end of August 2020. An initial rally in UK equities following the Conservative Party's general election victory in December 2019 was short-lived. By late February 2020, the impact of COVID-19, which spread from China to Western Europe before resulting in the global pandemic, had profoundly negative repercussions for markets as lockdowns and social distancing were imposed to contain the virus. This resulted in a shutdown of large swathes of the global economy from March to June. Markets recovered from March's lows as economies gradually reopened and central banks and governments put in place support and schemes to mitigate the economic damage. In the US, campaigning for the presidential election started in earnest with Democratic nominee Joe Biden leading President Trump in opinion polls. The US Federal Reserve said it was willing to tolerate inflation above the 2% target in a signal that interest rates would likely stay lower for longer. The UK left the European Union in early 2020 and to date, the UK government has refused an extension to the 31 December 2020 deadline to agree a trade deal. Oil prices fell during the year and sterling appreciated against the US dollar. The more domestically oriented mid-cap FTSE 250 Index outperformed the more internationally focused large-cap FTSE 100 Index.

The fund's best-performing positions included Sanne, IntegraFin, and Renishaw. Shares in Sanne, a provider of alternative asset and corporate services, benefited from a re-rating as the company continued to win new business and control costs after a year of investment in its central services. Despite lower market levels, shares in IntegraFin, an investment platform provider to independent financial advisers, continued to rally on strong inflows of funds under direction, which highlighted the structural growth trends the business has benefited from. Renishaw, a high-precision metrology and healthcare technology group, rallied on favourable Chinese and Asian machine tool data and stronger-than-expected revenue growth at year end.

The worst-performing positions included Cineworld, Melrose Industries and SIG. Shares in Cineworld, an operator of cinemas in the US, UK and Eastern Europe, suffered from concerns around its balance sheet following the prolonged closure of its sites during the pandemic, litigation regarding the terminated acquisition of Cineplex, and industry deals that flagged the shortening of the exclusivity window for theatres. Melrose Industries, a specialist industrial turnaround business, suffered from concerns around the health of its end markets (which are primarily aerospace and automobiles) as a result of the pandemic. The company agreed amended arrangements with its banking syndicate until 2022, which addressed balance sheet concerns. SIG, a building materials distributor, suffered from weak end markets and a failed turnaround strategy that led to a precipitation of earnings downgrades and resignation of the management team.

During the year, the fund initiated positions in CRH, Softcat and UNITE. CRH is a diversified building materials company operating primarily in the Americas and Europe. It manufactures cement, aggregates, ready-mixed concrete and asphalt alongside other building products. Our investment thesis was built on the assumption of increased government spending on infrastructure both out of necessity and a desire to mitigate economic contraction. Softcat is a UK based value-added reseller of information technology (IT), hardware, software and services. The company has a thriving sales culture and has benefited from strong tailwinds driven by both regulation and the increasingly non-discretionary nature of IT investment. Cash conversion has been strong and management has historically returned the majority of this to shareholders. UNITE is an owner and developer of student accommodation in the UK. We took advantage of the sell-off in March when the shares were trading at an uncharacteristic discount to book value to initiate a position. We expected student demand for higher education and university entries to remain robust.

During the year, we sold our holdings in DS Smith, Ibstock and SIG. Following a period of relative strength in the shares, we exited our position in DS Smith on a weak outlook for paper pricing and lack of balance sheet flexibility to carry out further industry consolidation. Following a strong run earlier in the reporting year, we took profits in Ibstock on the view that brick pricing was softening. We sold our position in SIG following the failure of management's strategy to raise margins and we took the view that capital was better deployed elsewhere.

The global economy has continued to reopen. While COVID-19 infections continue to be registered, hospital admissions and mortality rates continue to fall as governments and healthcare systems refine the way they contain and treat the virus. We expect the virus to be a continuing feature of life and the economic impact of the much-used term 'new normal' is something investors are still grappling to understand and quantify. To this end, we continue to monitor business and consumer confidence indicators alongside unemployment rates. A truer picture of the economic situation is likely to emerge as government job retention schemes draw to an end towards the end of the third quarter of 2020. We are encouraged by the fact that conditions in the corporate sector, balance sheets in particular, are much stronger than when they entered the previous financial crisis.

Comparative tables for the year ended 31 August 2020

	Class A accumulation		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	139.36	155.10	145.34
Return before operating charges*	(10.34)	(13.32)	12.32
Operating charges	(2.31)	(2.42)	(2.56)
Return after operating charges*	(12.65)	(15.74)	9.76
Distributions on accumulation shares	(0.44)	(2.71)	(2.24)
Retained distributions on accumulation shares	0.44	2.71	2.24
Closing net asset value per share	126.71	139.36	155.10
* after direct transaction costs of:	0.15	0.09	0.14
Performance			
Return after charges	(9.08%)	(10.15%)	6.72%
Other information			
Closing net asset value (£000s)	129,996	176,140	341,871
Closing number of shares	102,591,898	126,394,750	220,423,143
Operating charges	1.70%	1.69%	1.69%
Direct transaction costs	0.11%	0.06%	0.10%
Prices			
Highest share price (pence)	160.60	155.80	162.19
Lowest share price (pence)	92.27	127.80	142.30
	Class C accumulation		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	814.42	896.18	830.35
Return before operating charges*	(60.82)	(77.11)	70.72
Operating charges	(4.52)	(4.65)	(4.89)
Return after operating charges*	(65.34)	(81.76)	65.83
Distributions on accumulation shares	(12.11)	(22.43)	(15.65)
Retained distributions on accumulation shares	12.11	22.43	15.65
Closing net asset value per share	749.08	814.42	896.18
* after direct transaction costs of:	0.90	0.52	0.83
Performance			
Return after charges	(8.02%)	(9.12%)	7.93%
Other information			
Closing net asset value (£000s)	477	600	649
Closing number of shares	63,591	73,714	72,424
Operating charges	0.56%	0.56%	0.56%
Direct transaction costs	0.11%	0.06%	0.10%
Prices			
Highest share price (pence)	942.10	901.00	934.22
Lowest share price (pence)	542.60	741.00	818.40

Comparative tables (continued)

	Class E accumulation	
	2020	08/07/19 - 31/08/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	139.46	149.27 ¹
Return before operating charges*	(10.36)	(9.57)
Operating charges	(1.65)	(0.24)
Return after operating charges*	(12.01)	(9.81)
Distributions on accumulation shares	(0.94)	(2.82)
Retained distributions on accumulation shares	0.94	2.82
Closing net asset value per share	127.45	139.46
* after direct transaction costs of:	0.15	0.09
Performance		
Return after charges	(8.61%)	(6.57%)
Other information		
Closing net asset value (£000s)	110,184	108,500
Closing number of shares	86,454,467	77,800,198
Operating charges	1.21%	1.20%
Direct transaction costs	0.11%	0.06%
Prices		
Highest share price (pence)	161.00	149.80
Lowest share price (pence)	92.59	134.40

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

	Class I accumulation		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	318.66	351.64	326.72
Return before operating charges*	(23.75)	(30.24)	27.79
Operating charges	(2.63)	(2.74)	(2.87)
Return after operating charges*	(26.38)	(32.98)	24.92
Distributions on accumulation shares	(3.96)	(9.03)	(7.76)
Retained distributions on accumulation shares	3.96	9.03	7.76
Closing net asset value per share	292.28	318.66	351.64
* after direct transaction costs of:	0.35	0.20	0.33
Performance			
Return after charges	(8.28%)	(9.38%)	7.63%
Other information			
Closing net asset value (£000s)	71,036	97,836	116,862
Closing number of shares	24,304,283	30,702,454	33,233,332
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.11%	0.06%	0.10%
Prices			
Highest share price (pence)	368.30	353.40	366.86
Lowest share price (pence)	212.00	290.50	321.50

Comparative tables (continued)

	Class Z accumulation		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	189.30	207.25	191.10
Return before operating charges*	(14.20)	(17.83)	16.27
Operating charges	(0.11)	(0.12)	(0.12)
Return after operating charges*	(14.31)	(17.95)	16.15
Distributions on accumulation shares	(3.31)	(7.17)	(4.79)
Retained distributions on accumulation shares	3.31	7.17	4.79
Closing net asset value per share	174.99	189.30	207.25
* after direct transaction costs of:	0.20	0.12	0.19
Performance			
Return after charges	(7.56%)	(8.66%)	8.45%
Other information			
Closing net asset value (£000s)	128	116	131
Closing number of shares	73,301	61,100	63,349
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.11%	0.06%	0.10%
Prices			
Highest share price (pence)	219.40	208.40	215.76
Lowest share price (pence)	126.50	171.60	188.40

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	1.70 ²	1.69	1.73
Class C	0.56 ³	0.56	0.57
Class E⁴	1.21 ²	1.20	1.23
Class I	0.84 ⁵	0.84	0.85
Class Z	0.06 ³	0.06	0.07

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

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 31 August 2020.

² The GAC on Class A and Class E increased from 0.18% to 0.22% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ The GAC on Class C and Class Z increased from 0.045% to 0.06% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁴ Class E accumulation launched on 8 July 2019. An annualised OCF rate has been disclosed in the prior year comparative.

⁵ The GAC on Class I 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 5 types of share class in issue; A accumulation, C accumulation, E accumulation, I accumulation and Z accumulation.

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



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

The 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 Warnings' section in the fund's prospectus.

The risk rating for all share classes increased to 6 from 5 in 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 31 August 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.54% (2019: 96.22%)		
	Australia 0.00% (2019: 0.62%)		
	Basic Materials 0.00% (2019: 0.62%)		
	Oil & Gas 0.00% (2019: 0.00%)		
28,370,334	International Petroleum ¹	-	-
	Ireland 1.01% (2019: 0.00%)		
	Industrials 1.01% (2019: 0.00%)		
111,000	CRH	3,141	1.01
	Netherlands 3.15% (2019: 8.80%)		
	Oil & Gas 3.15% (2019: 8.80%)		
925,000	Royal Dutch Shell 'B'	9,833	3.15
	Switzerland 2.30% (2019: 1.87%)		
	Consumer Goods 2.30% (2019: 1.87%)		
359,827	Coca-Cola HBC	7,175	2.30
	United Arab Emirates 0.00% (2019: 1.72%)		
	Health Care 0.00% (2019: 1.72%)		
	United Kingdom 90.71% (2019: 82.04%)		
	Basic Materials 6.99% (2019: 6.49%)		
231,200	Rio Tinto	10,716	3.44
1,601,042	Synthomer	5,024	1.61
313,650	Victrex	6,060	1.94
		<u>21,800</u>	<u>6.99</u>
	Consumer Goods 5.86% (2019: 4.68%)		
392,852	Bellway	9,385	3.00
1,180,033	Countryside Properties	3,797	1.22
100,000	Team17	674	0.22
1,290,077	Watches Of Switzerland	4,419	1.42
		<u>18,275</u>	<u>5.86</u>
	Consumer Services 14.70% (2019: 11.14%)		
2,418,625	Ascential	7,570	2.43
4,280,576	Cineworld	2,700	0.87
2,333,472	DFS Furniture	3,967	1.27
524,264	Euromoney Institutional Investor	4,388	1.41
133,912	Future	1,990	0.64
589,349	JD Sports Fashion	4,277	1.37
2,084,523	Mitchells & Butlers	3,590	1.15
615,354	RELX	10,477	3.35
428,241	Rightmove	2,714	0.87
1,050,875	Trainline	4,164	1.34
		<u>45,837</u>	<u>14.70</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Financials 25.39% (2019: 26.80%)			
323,633	Burford Capital	1,835	0.59
276,136	Hargreaves Lansdown	4,464	1.43
517,489	Impax Asset Management	2,608	0.84
1,825,000	IntegraFin	9,801	3.15
920,000	Intermediate Capital	12,577	4.04
2,700,331	John Laing	7,707	2.47
6,338,879	Just	3,226	1.03
1,850,000	OneSavings Bank	5,624	1.80
2,200,000	Paragon Banking	7,832	2.51
779,245	Prudential	9,518	3.05
425,229	Savills	3,470	1.11
300,000	Segro	2,858	0.92
3,758	Thomas Murray Network Management ¹	-	-
451,287	UNITE	4,366	1.40
583,000	Workspace REIT	3,285	1.05
		<u>79,171</u>	<u>25.39</u>
Health Care 4.00% (2019: 4.26%)			
1,150,000	Clinigen	7,854	2.52
147,000	Dechra Pharmaceuticals	4,631	1.48
		<u>12,485</u>	<u>4.00</u>
Industrials 26.88% (2019: 22.32%)			
3,150,000	Balfour Beatty	7,025	2.25
1,617,106	Chemring	3,913	1.26
689,112	Grafton	5,372	1.72
66	Keronite ¹	-	-
5,600,000	Learning Technologies	8,512	2.73
3,031,468	Melrose Industries	3,086	0.99
500,000	Oxford Instruments	7,900	2.53
145,563	Renishaw	6,964	2.23
1,091,156	Rentokil Initial	5,816	1.87
844,665	ReStore	3,041	0.98
1,003,282	RWS	6,090	1.95
1,425,000	Sanne	9,904	3.18
342,255	Smart Metering Systems	2,190	0.70
175,000	Spectris	4,438	1.42
358	Thomas Murray Systems ¹	-	-
258,151	Ultra Electronics	6,030	1.93
870,710	Vesuvius	3,561	1.14
		<u>83,842</u>	<u>26.88</u>
Oil & Gas 1.22% (2019: 2.81%)			
2,300,000	Cairn Energy	3,243	1.04
2,500,000	Premier Oil	546	0.18
		<u>3,789</u>	<u>1.22</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Technology 3.97% (2019: 3.54%)		
35,000	Aveva	1,775	0.57
1,008,979	GBG	7,365	2.37
233,095	Softcat	3,224	1.03
		<u>12,364</u>	<u>3.97</u>
	Telecommunications 1.70% (2019: 0.00%)		
334,706	Gamma Communications	5,288	1.70
	United States 1.37% (2019: 1.17%)		
	Consumer Goods 1.37% (2019: 1.17%)		
2,712,350	TI Fluid Systems	4,276	1.37
	Financials 0.00% (2019: 0.00%)		
1,116,667	Xshares Income Preference 'A' Shares ¹	-	-
	Investment assets	<u>307,276</u>	<u>98.54</u>
	Other net assets	4,545	1.46
	Total net assets	<u>311,821</u>	<u>100.00</u>

¹ Suspended or delisted securities

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

Statement of total return for the year ended 31 August 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital losses	2		(31,832)		(53,351)
Revenue	3	6,984		14,355	
Expenses	4	<u>(4,743)</u>		<u>(5,939)</u>	
Net revenue before taxation		2,241		8,416	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>2,241</u>		<u>8,416</u>
Total return before distributions			(29,591)		(44,935)
Distributions	6		(2,241)		(8,416)
Change in net assets attributable to shareholders from investment activities			<u>(31,832)</u>		<u>(53,351)</u>

Statement of change in net assets attributable to shareholders for the year ended 31 August 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		383,192		459,513
Amounts receivable on issue of shares	3,712		4,030	
Amounts payable on cancellation of shares	<u>(45,516)</u>		<u>(35,416)</u>	
		(41,804)		(31,386)
Dilution adjustment		24		-
Change in net assets attributable to shareholders from investment activities		(31,832)		(53,351)
Retained distributions on accumulation shares		2,241		8,416
Closing net assets attributable to shareholders		<u>311,821</u>		<u>383,192</u>

Balance sheet as at 31 August 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		307,276	368,691
Current assets:			
Debtors	7	756	2,342
Cash and bank balances	8	4,718	13,455
Total assets		312,750	384,488
Liabilities:			
Creditors:			
Other creditors	9	929	1,296
Total liabilities		929	1,296
Net assets attributable to shareholders		311,821	383,192

Notes to the financial statements for the year ended 31 August 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

Net capital losses on investments during the year comprise:

	2020	2019
	£000	£000
Non-derivative securities	(31,826)	(53,338)
Other currency losses	-	(10)
Transaction costs	(6)	(3)
Net capital losses	(31,832)	(53,351)

3 Revenue

	2020	2019
	£000	£000
Bank interest	34	66
Overseas dividends	466	1,024
Stock lending revenue	8	78
UK dividends	6,235	12,975
UK REIT revenue - PID	211	190
UK REIT revenue - non PID	21	-
Underwriting commission	9	22
Total revenue	6,984	14,355

4 Expenses

	2020	2019
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	4,123	5,263
GAC*	580	626
	<u>4,703</u>	<u>5,889</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	30	33
Safe custody fees	10	17
	<u>40</u>	<u>50</u>
Total expenses	4,743	5,939

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £7,912 (2019: £7,912).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2019: nil).

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020	2019
	£000	£000
Net revenue before taxation	2,241	8,416
Corporation tax at 20% (2019: 20%)	448	1,683
Effects of:		
Overseas dividends	(93)	(205)
UK dividends*	(1,251)	(2,595)
Unused management expenses	896	1,117
Tax charge for the year (note 5a)	-	-

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

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (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 £17,617,173 (2019: £16,720,850) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

6 Distributions

	2020	2019
	£000	£000
Final accumulation	2,241	8,416
Total distributions	2,241	8,416

Details of the distribution per share are set out in the Distribution table on page 96.

7 Debtors

	2020	2019
	£000	£000
Accrued revenue	685	2,130
Amounts receivable for issue of shares	45	-
Income tax receivable	26	26
Sales awaiting settlement	-	186
Total debtors	756	2,342

8 Cash and bank balances

	2020	2019
	£000	£000
Cash and bank balances	4,718	13,455
Total cash and bank balances	4,718	13,455

Notes to the financial statements (continued)

9 Other creditors

	2020	2019
	£000	£000
Accrued annual management charge	307	382
Accrued Depository's fee	2	3
Accrued other expenses	53	53
Amounts payable for cancellation of shares	392	735
Purchases awaiting settlement	175	123
Total other creditors	929	1,296

10 Contingent liabilities and commitments

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

11 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 87 and 88 and notes 4, 7 and 9 on pages 89 to 91 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

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

12 Shareholders' funds

The fund currently has 5 share classes available; Class A (Retail with front-end charges), Class C (Institutional), Class E (Retail), Class I (Institutional) and Class Z (Institutional). The annual management charge on each share class is as follows:

	2020	2019
	%	%
Class A	1.50	1.50
Class C	0.50	0.50
Class E	1.00	1.00
Class I	0.75	0.75
Class Z ¹	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 79 to 81. The distribution per share class is given in the Distribution table on page 96. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

12 Shareholders' funds (continued)

Shares reconciliation as at 31 August 2020

	Class A accumulation	Class C accumulation	Class E accumulation
Opening number of shares	126,394,750	73,714	77,800,198
Issues during the year	364,476	-	172,740
Cancellations during the year	(11,091,265)	(17,815)	(3,748,239)
Shares converted during the year	(13,076,063)	7,692	12,229,768
Closing shares in issue	102,591,898	63,591	86,454,467

	Class I accumulation	Class Z accumulation
Opening number of shares	30,702,454	61,100
Issues during the year	1,016,457	24,439
Cancellations during the year	(7,738,377)	(12,238)
Shares converted during the year	323,749	-
Closing shares in issue	24,304,283	73,301

13 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with BNP Paribas acting as the stock lending agent in order to generate additional revenue.

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

Eligible collateral types for Stock Lending and borrowing transactions are approved by the Investment Manager and may consist of securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope, generally subject to a minimum long term credit rating of at least A- by one or more major credit rating agency or listed equities on eligible markets. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102.50% to 110.00% of the value of the stock on loan.

2020

The fund had no stock on loan as at 31 August 2020.

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

Notes to the financial statements (continued)

13 Stock lending (continued)

2019 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
ABN Amro	3,142	3,530	Equity
Bank of Nova Scotia	3,192	3,549	Equity
Citigroup	1,568	1,743	Equity
Credit Suisse	7,764	8,657	Equity
Deutsche Bank	4,973	6,668	Equity
JP Morgan	137	152	Equity
Natixis	20,983	23,315	Equity
	41,759	47,614	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	92	14	78

14 Risk

Currency risk

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

Interest rate risk

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

Leverage

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

Liquidity risk

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

2020	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
Other creditors	-	929	-	-
Total	-	929	-	-

Notes to the financial statements (continued)

14 Risk (continued)

Liquidity risk (continued)

2019	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
Other creditors	-	1,296	-	-
Total	-	1,296	-	-

15 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	307,276	-	368,691	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	307,276	-	368,691	-

Notes to the financial statements (continued)

16 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
Trades in the year				
Equities	78,721	64,115	108,728	88,965
Trades in the year before transaction costs	78,721	64,115	108,728	88,965
Transaction costs				
Commissions				
Equities	40	26	49	43
Total commissions	40	26	49	43
Taxes				
Equities	329	245	-	-
Total taxes	329	245	-	-
Other expenses				
Equities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	369	271	49	43
Total net trades in the year after transaction costs	79,090	64,386	108,679	88,922

	Purchases		Sales	
	2020 %	2019 %	2020 %	2019 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.04	0.05	0.05
Taxes				
Equities	0.42	0.38	-	-
Other expenses				
Equities	-	-	-	-
	2020 %	2019 %		

Total transaction costs expressed as a percentage of net asset value

Commissions	0.03	0.01
Taxes	0.09	0.05
Other expenses	-	-
Total costs	0.12	0.06

There were no in specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: £1,452,514).

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

The portfolio dealing spread as at 28 August 2020 was 0.35% (2019: 0.14%). The portfolio dealing spread is calculated at a 12 noon valuation point. The dealing spread as at 28 August 2020 is not representative of the typical spread throughout the year.

17 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 13 November 2020, the Net Asset Value of the fund had increased.

Distribution table for the year ended 31 August 2020 (in pence per share)

Final dividend distribution (accounting date 31 August 2020, paid on 30 October 2020)

Group 1: shares purchased prior to 1 September 2019

Group 2: shares purchased on or after 1 September 2019

	Distribution per share	Total distribution per share 30/10/20	Total distribution per share 31/10/19
Class A accumulation			
Group 1	0.4413	0.4413	2.7122
Group 2	0.4413	0.4413	2.7122
Class C accumulation			
Group 1	12.1056	12.1056	22.4323
Group 2	12.1056	12.1056	22.4323
Class E accumulation			
Group 1	0.9429	0.9429	2.8215
Group 2	0.9429	0.9429	2.8215
Class I accumulation			
Group 1	3.9611	3.9611	9.0271
Group 2	3.9611	3.9611	9.0271
Class Z accumulation			
Group 1	3.3066	3.3066	7.1700
Group 2	3.3066	3.3066	7.1700

Appendix - additional information (unaudited)

Securities financing transactions

The funds engage in securities financing transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the funds' involvement in and exposures related to securities lending for the year ended 31 August 2020 are detailed below.

Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the funds' assets under management (AUM) as at 31 August 2020:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson Global Equity Income Fund	38,665	5.91%	5.87%

Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for each fund as at 31 August 2020:

Issuer	Market value of collateral received £000
Janus Henderson Global Equity Income Fund	
Inditex	4,224
Ingenico	1,683
Électricité de France	1,606
Eurotunnel	1,589
Ubisoft Entertain	1,587
Faurecia	1,587
Bureau Veritas	1,587
Sartorius Stedim Biotech	1,587
Valeo	1,578
SCOR	1,532

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for each fund as at 31 August 2020:

Counterparty	Market value of securities on loan £000	Settlement basis
Janus Henderson Global Equity Income Fund		
Natixis	37,682	Triparty
Bank of Nova Scotia	983	Triparty
	38,665	

All counterparties have been included.

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data

The following tables provide an analysis of the collateral received by each fund in respect of each type of SFTs as at 31 August 2020:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Janus Henderson Global Equity Income Fund							
Bank of Nova Scotia	Canada	Equity	Main market listing	CAD	Triparty	BNP Paribas	41
Bank of Nova Scotia	Canada	Equity	Main market listing	CHF	Triparty	BNP Paribas	3
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	367
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	533
Bank of Nova Scotia	Canada	Equity	Main market listing	JPY	Triparty	BNP Paribas	10
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	138
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	6,034
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	30,519
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	3,933
Natixis	France	Equity	Main market listing	HKD	Triparty	BNP Paribas	1,232
Natixis	France	Equity	Main market listing	NOK	Triparty	BNP Paribas	4
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	147
							42,961

All collateral is held in segregated accounts.

The lending and collateral transactions are on an open basis and can be recalled on demand.

Re-use of collateral

The funds do not engage in any re-use of collateral.

Return and cost on securities lending activities

The following table details the funds' return and costs for each type of SFTs for the year ending 31 August 2020:

Fund	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return retained by the securities lending agent	% return retained by the fund
Janus Henderson Global Equity Income Fund	65	10	55	15%	85%
Janus Henderson UK Alpha Fund	9	1	8	15%	85%

Appendix - additional information (unaudited) (continued)

Remuneration policy

Following the implementation of the UCITS V in the UK from 18 March 2016, all authorised UCITS Management Companies are required to comply with the UCITS Remuneration Code. Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of HIFL must make relevant remuneration disclosures.

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

Janus Henderson Investment Fund OEIC is managed by HIFL which is a subsidiary of Janus Henderson Group plc.

The Compensation Committee of Janus Henderson Group plc has established a Remuneration Policy, one of the guiding principles of which is to ensure that the remuneration of its employees is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is consistent with risk profiles, rules or instruments of incorporation of each ACD and the funds they manage. This policy applies to HIFL and Janus Henderson Investment Fund OEIC.

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)
Janus Henderson European Growth Fund	2,012	1,993
of which		
Fixed Remuneration	2,012	778
Variable Remuneration	2,000	1,215
Janus Henderson European Growth Fund Remuneration Code Staff	50	946
of which		
Senior Management (4)	25	96
Other Code Staff (5)	25	850
Janus Henderson Global Equity Income Fund	2,012	1,446
of which		
Fixed Remuneration	2,012	605
Variable Remuneration	2,000	841
Janus Henderson Global Equity Income Fund Remuneration Code Staff	50	630
of which		
Senior Management (4)	25	75
Other Code Staff (5)	25	555
Janus Henderson UK Alpha Fund	2,012	696
of which		
Fixed Remuneration	2,012	278
Variable Remuneration	2,000	418
Janus Henderson UK Alpha Fund Remuneration Code Staff	50	290
of which		
Senior Management (4)	25	37
Other Code Staff (5)	25	253

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

- 1 This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson Investment Fund OEIC - no attempt has been made to apportion the time spent specifically in support of the funds of Janus Henderson Investment Fund OEIC as this data is not captured as part of Janus Henderson Group plc's normal processes.
- 2 Please note that due to the employment structure and resourcing of the Janus Henderson Group plc, the staff indicated in this table may provide services to other companies in Janus Henderson Group plc.
- 3 The remuneration disclosed is only in respect of the provision of services to the funds of Janus Henderson Investment Fund OEIC for the year, rather than the total remuneration for the year – for this purpose, remuneration has been apportioned between the provision of services to the funds of Janus Henderson Investment Fund OEIC and to other entities in Janus Henderson Group plc, as follows:
 - in respect of fixed pay and annual/long term incentive bonuses:
 - where fixed pay is directly attributable to Janus Henderson Investment Fund OEIC (for example, fees for HIFL), 100% of those fees;
 - for Investment Fund Managers, pro-rated using the average assets under management (AUM) of the funds of Janus Henderson Investment Fund OEIC 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 the funds of Janus Henderson Investment Fund OEIC (as a proportion of the aggregate average AUM of Janus Henderson Group plc) as a proxy.
- 4 Senior Management includes the Janus Henderson Executive Committee and other Group Board members and the Board of HIFL.
- 5 Other Code Staff includes all other UCITS Code Staff not covered by the above, including Investment Fund Managers who manage AUM within the funds of Janus Henderson Investment Fund OEIC.

Further information

Shareholder enquiries

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

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

The following line is also available:

Client Services: **0800 832 832**

or you can contact us via e-mail at **support@janushenderson.com**

We may record telephone calls for our mutual protection and to improve customer service.



Important Information

Janus Henderson Investors is the name under which investment products and services are provided by Janus Capital International Limited (reg no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), AlphaGen Capital Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no.2606646), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Henderson Management S.A. (reg no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

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