



# ANNUAL REPORT & ACCOUNTS

For the year ended  
31 May 2019

Janus Henderson  
— INVESTORS —

Janus Henderson UK Property PAIF



# Who are Janus Henderson Investors?

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

Our active management offers clients the opportunity to outperform passive portfolios over the course of market cycles. With more than 360 investment professionals, we provide access to some of the industry's most talented and innovative thinkers, spanning equities, fixed income, multi-asset, and alternatives, globally. Our investment teams blend insight, originality, and precision with rigorous analysis, structured processes, and robust risk management. We build client partnerships on openness and trust, channelling expertise from across the business and communicating the views of our experts in a timely and relevant way. As at 30 June 2019, we had £282.7bn assets under management, more than 2,000 employees and 28 offices worldwide. Headquartered in London, we are an independent asset manager that is dual-listed on the New York Stock Exchange and the Australian Securities Exchange.

# Contents

Authorised Corporate Director's (ACD) Report*	Page 1
Authorised status*	Page 1
Comparative tables	Page 9
Real estate expense ratio and ongoing charge figure	Page 18
Risk & reward profile*	Page 19
Portfolio statement*	Page 20
Statement of Authorised Corporate Director's (ACD) responsibilities	Page 23
Report of the Depositary to the shareholders of Janus Henderson UK Property PAIF	Page 23
Independent Auditors' report to the shareholders of Janus Henderson UK Property PAIF	Page 24
<b>Financial Statements</b>	
Consolidated statement of total return	Page 26
Consolidated statement of change in net assets attributable to shareholders	Page 26
Consolidated balance sheet	Page 27
Director's statement	Page 27
Fund statement of total return	Page 28
Fund statement of change in net assets attributable to shareholders	Page 28
Fund balance sheet	Page 29
Director's statement	Page 29
Consolidated and fund statement of cash flows	Page 30
Notes to the financial statements	Page 31
Distribution tables	Page 61
<b>Appendix - additional information (unaudited)</b>	
Risk profile	Page 77
Risk management systems	Page 79
Liquidity management	Page 79
Securities financing transactions	Page 79
Remuneration policy	Page 80
Further information	Page 81

\* These collectively comprise the Authorised Corporate Director's Report

## **Authorised Corporate Director's (ACD) report** for the year ended 31 May 2019

We are pleased to present the annual report and accounts for the Janus Henderson UK Property PAIF (the 'Company') for the year ended 31 May 2019.

### **Authorised status**

The Company is a stand alone open ended investment company (OEIC) with variable capital authorised by the Financial Conduct Authority (FCA) on 10 April 2014, and has registered number IC000995. It is a non-UCITS retail scheme complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). On 27 May 2016 the Company adopted Property Authorised Investment Fund status as defined in Part 4A of the Tax Regulations and the Glossary to the FCA Handbook.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment after they have paid the price on the purchase share.

The Company qualifies as an alternative investment fund (AIF) in accordance with the directive 2011/61/EU of the European parliament, the Alternative Investment Fund Manager's Directive (AIFMD).

### **Other information**

On 25 March 2019, the Company changed from being dual priced on a quoted-spread basis to being dual priced on a full-spread basis. Additionally, the 5% initial charge on the A share class has been reduced to zero on this date.

### **Brexit update**

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

Further details on the Brexit impact and considerations relating to the UK Property PAIF are detailed in the report under the Investment review on page 6 and the Risk note on page 42.

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

### Service providers

	Name	Address	Regulator
<b>Authorised Corporate Director (ACD) and Alternative Investment Fund Manager (AIFM)</b>	<b>Henderson Investment Funds Limited</b> Member of the Investment Association (IA)  The ultimate holding company is Janus Henderson Group plc.	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531. Telephone - 020 7818 1818 Dealing - 0845 608 8703 Enquiries - 0800 832 832	Authorised and regulated by the Financial Conduct Authority
<b>Directors of the Authorised Corporate Director (ACD)</b>	C Chaloner (to 28.09.18) R Chaudhuri (to 07.03.19) A Crooke G Foggin G Fogo (from 04.02.19) S Hillenbrand (from 04.01.19) H J de Sausmarez P Shea (from 07.06.19)* F Smith (from 28.03.19)* R Thompson (from 17.01.19) P Wagstaff (to 26.09.18) *Independent		
<b>Investment Manager</b>	<b>Henderson Global Investors Limited</b> The ultimate holding company is Janus Henderson Group plc.	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
<b>Sub-Investment Manager</b>	<b>Nuveen Real Estate Management Limited</b>	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
<b>Shareholder Administrator</b>	<b>DST Financial Services International Limited and DST Financial Services Europe Limited</b>	DST House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	<b>NatWest Trustee and Depository Services Limited</b> The ultimate holding company is Royal Bank of Scotland Group plc.	250 Bishopsgate London EC2M 4AA	Authorised and regulated by the Prudential Regulation Authority and regulated by the Financial Conduct Authority
<b>Independent Auditor</b>	<b>PricewaterhouseCoopers LLP</b>	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
<b>Legal Adviser</b>	<b>Eversheds Sutherland (International) LLP</b>	One Wood Street London EC2V 7WS	The Law Society
<b>Independent Valuer</b>	<b>CB Richard Ellis Limited</b>	Kingsley House Wimpole Street London W1G 0RE	Royal Institution of Chartered Surveyors (RICS)
<b>Property Managers</b>	<b>Lambert Smith Hampton Group Limited</b>  <b>Realm Ltd</b>	UK House 180 Oxford Street London W1D 1NN  The Farmhouse Farm Road Street Somerset BA16 0FB	

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

### Investment Fund Managers

Marcus Langlands Pearse and Ainslie McLennan

### Investment objective and policy

It is intended that the Company will be a PAIF at all times and so its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business as further described in the prospectus. HM Revenue & Customs has confirmed to the ACD that the Company meets the requirements to qualify as a PAIF under regulation 690 of the Tax Regulations.

The objective of the Company is to achieve a high income together with some growth of both income and capital.

The Company aims to invest primarily in commercial property and property related securities. It may also invest in residential property subject to tax regulations and, in non property related securities, units/shares in collective investment schemes, money market instruments, deposits, derivatives and forward foreign exchange contracts.

Investments in these assets may include exchange traded funds, real estate investment trusts, unregulated collective investment schemes (which may include unauthorised property unit trusts and limited partnerships).

Whilst the Company aims to invest primarily in the UK, it may also invest overseas.

Derivative instruments and forward foreign exchange contracts may be used for the purposes of efficient portfolio management and currency hedging. As the market in property derivatives develops, derivatives may be used outside of efficient portfolio management to meet the Company's investment objective.

As a result of the Company's investment policy it may mean at times that it is not appropriate to be fully invested but instead to hold cash or near cash. This will only occur when it is necessary to enable redemption of units, efficient management in accordance with the investment objective of the Company or for a purpose ancillary to the investment objective of the Company.

A detailed description of the types of assets the Company may invest in and the limitations on the extent to which the Company may invest is set out in Section 6 (Investment Powers and Limits) of the Prospectus.

### Performance summary

	31 May 18 - 31 May 19	31 May 17 - 31 May 18	26 May 16 - 31 May 17	31 May 15 - 26 May 16 <sup>1</sup>	29 Aug 14 <sup>2</sup> - 31 May 15
	%	%	%	%	%
<b>Janus Henderson UK Property PAIF Class I accumulation</b>	3.2	8.3	2.1	1.3	11.6
<b>Composite Sector average*</b>	1.3	6.6	1.4	3.3	10.8

Source : Morningstar, Class I accumulation, bid to bid, net of fees and net income reinvested as at 12 noon valuation point.

Peer group benchmark: IA UK Direct Property

Peer group benchmark 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.

Benchmark values are at close at business.

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

Please remember that past performance is not a guide to future performance. The value of an investment and the income 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.

\* The Composite Sector average has used the IA UK Direct Property from 31/10/2018. Prior to this it was made up of the IA OE Property.

<sup>1</sup> The fund converted to a PAIF on 27 May 2016.

<sup>2</sup> The fund converted from a unit trust to an OEIC on 29 August 2014.

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

### Special Purpose Vehicles (SPV) Status

During the year ended 31 May 2019, the Company held investments in a number of Special Purpose Vehicles (SPV); these SPVs are corporate structures whose objective was to buy and hold real estate investment properties. The position and current status of the SPV's held by Janus Henderson UK Property PAIF as at 31 May 2019 are as below:

#### SPVs included in consolidation

These SPVs have been purchased with the intention of protecting the lease position and not transferring the properties to become direct holdings of the Company. These SPVs are included within the subsidiary undertakings in the consolidated financial statements.

##### The Square Bermondsey Limited

The SPV was acquired in February 2015 and is directly held by the Company. The SPV is held in its capacity as a 'blocker lease'. Bermondsey Square was an asset purchase and the 'blocker lease' was granted to the SPV as part of the acquisition of the property. In order to protect its position the SPV will not be liquidated.

##### Gilesgate Durham Limited

The SPV was acquired in July 2015 and is directly held by the Company. The SPV was set up to hold a long lease in a student accommodation development in Durham; the lease completed during the period. The property is owned by the Company. In order to protect its position the SPV will not be liquidated.

The following three SPVs have been purchased with the intention of transferring the properties out of the corporate structures into the Janus Henderson UK Property PAIF and liquidating the remaining SPVs. As the properties have yet to be transferred, these SPVs are included within subsidiary undertakings in the consolidated financial statements.

##### Click Corby s.a.r.l.

The SPV was acquired in December 2015 and the asset is awaiting transfer to the Company.

##### Click Cabot Park s.a.r.l.

The SPV was acquired in December 2015 and the asset is awaiting transfer to the Company.

##### Double Click Crewe s.a.r.l.

The SPV was acquired in December 2015 and the asset is awaiting transfer to the Company.

The Company does not accrue daily income for the properties held within an SPV structure and revenue is recognised on the declaration of a dividend only. When the SPV is dissolved all the net assets of the SPV are treated as capital in the net asset value of the Company.

When the property is transferred out of the SPV, the rental income will accrue on a daily basis, impacting Income, as with all other properties.

#### SPVs excluded from the consolidation

These SPVs have been excluded from the consolidation as the properties/leases have been transferred to the Company and the shell is due to be liquidated. These have therefore been included within Investments in the Company's Balance Sheet and the group's Consolidated Balance Sheet.

##### Capital Business Park s.a.r.l.

The SPV was acquired in April 2014 and since acquisition, progress has been minimal. As a result, the administrator's engagement was reviewed and a new administrator (TMF) was appointed. The property was transferred to the Company in April 2016. The SPV will be wound up once all liabilities are settled and tax returns filed with HMRC.

##### Penryn Kingston Limited

The SPV was acquired in October 2015 and is directly held by the Company. The SPV was set up to hold a long lease (over 21 years) in a student accommodation development in Kingston. The lease was granted to the university on 18 December 2017 and the wind up of the SPV is in progress.

#### SPVs liquidated in the year

##### Stax (Monkton) Limited

The SPV was acquired in November 2014 and has been placed into solvent liquidation by Kingston Smith LLP. The liquidation of the SPV was completed on 29 June 2018.



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

### Minority holdings within SPVs

#### Cabot Park Management Limited

The SPV was acquired in December 2015. Click Cabot Park Sarl owns 731 B shares in this SPV which operates a service charge at Cabot Park. This is a minority holding and there is no involvement or responsibility for the directorship or administration of the company. The remaining shares are held by the other tenants on site.

#### Eurohub (II) Corby Management Company Limited

Click Corby Sarl owns 35 B shares in this SPV which operates a service charge at Corby. This is a minority holding and there is no involvement or responsibility for the directorship or administration of the company. The remaining other shares are held by the other tenants on site.

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

### Investment review

The Fund is designed to:

- deliver income with potential for long-term income and capital growth
- provide access to a balanced commercial property portfolio
- offer sector and tenant diversification benefits from returns that have historically been less correlated with other asset classes

### Market commentary

The market is active, but investment volumes are slightly lower than a year ago. London properties remain a favourite with many overseas investors. Unsurprisingly, there is a focus on quality, with investors generally preferring assets on long leases within the alternatives and logistical sectors.

Administrations within weaker areas of the retail industry, alongside changes in consumer habits, continue to show outward market yield shifts and a downgrade in valuations. This sentiment, however, is not uniform across UK commercial property, with pricing and rents steady across the industrial and alternatives sectors.

Investors continue to favour a lower-risk approach focused on high-quality properties in sought-after locations, occupied by financially strong tenants. The exception to this is where favourable demand/supply occupier market dynamics support a selective approach to lease asset management and development opportunities.

### Property overview

The property portfolio is invested in a core set of locations and sub-sectors of the commercial property universe. The long-term strategy of the fund has been to remain invested within high-quality assets that generally have robust rental income coming from strong tenants, and the fund profile over the review year was very much in keeping with this. The managers believe that there is good diversification within the direct portfolio in terms of scale of asset size, amount of assets in the fund and sector spread.

Brexit (the UK's exit from the European Union (EU)) has continued to dominate headlines. More particularly, over the near term, the political environment has been at the forefront of the news. Despite all the uncertainty this has provided, asset management of the properties has continued relatively unabated. The structural change within the retail sector is well advanced, with consumer shopping trends changing and having an impact on physical retail stores where some tenants have gone out of favour. For all these reasons, the fund has looked to increase cash levels, with the aim that it can deliver useful performance while giving strong investor liquidity over a year of heightened economic and political uncertainty.

As at 31 May 2019, the fund was valued at £2.4bn.

### Performance

During the year under review, the fund generated a total return of 3.2%, which reflects the return from income (distributed or accumulated) and any changes in capital value. The fund is balanced, investing in many types of sub-markets. Retail, unsurprisingly, saw capital values generally decline over the reporting year, and this is reflected in the overall returns. The fund does not hold any of the more vulnerable retail sectors like shopping centres, large fashion retail warehouse parks, or department stores like Debenhams and House of Fraser. Alternatives, such as hotels, cinemas and gyms, continue to do very well and often lend themselves to a more long-term demographic story, rather than facing the short-term market pressures. They are often quite long income in style, meaning that leases are usually longer, which is a useful additional credential.

We typically compare the fund against a peer group of direct 'bricks and mortar' property funds. This is because some funds in the Investment Association direct property sector index are not of comparable scale and have very different compositions. Some also invest in ground rents. Straight performance comparisons can be misleading because direct property funds, such as the Janus Henderson UK Property PAIF, seek to offer less volatile returns by investing in 'bricks and mortar' direct property, as opposed to being subject to the fluctuations of property equities. The average return over the year was 0.5% for this peer group of 10 selected direct UK property unit trusts and open-ended investment companies.

Source for performance: Morningstar, 31 May 2018 to 31 May 2019, I Acc share class of Janus Henderson UK Property Fund, bid-bid, net income reinvested, in sterling. Performance of 'bricks and mortar' customised peer group reflects the median return of the 10 selected funds.

### Portfolio review

The fund ended the year holding 76 properties, which accounted for 71.6% of the portfolio's value; 26.1% was held in cash and cash equivalents. The sector breakdown shows standard retail at 4.1%, retail warehouses at 13.4%, supermarkets at 4.6%, outlet malls at 3.0%, industrials at 21.7%, offices at 14.2% and alternatives, which includes leisure, at 11.0%.

At 31 May 2019, the average lease term on the fund, weighted by income, was 10.2 years, while the vacancy rate stood at 8.9% versus the Investment Property Databank (IPD) average of 7.6%. The geographical focus of the fund remains biased towards London and the South East (58.2%). The top 10 tenants included well-known corporate names such as Kuehne & Nagel, Sainsbury's, B&Q, TK Maxx and Gilead Sciences. The IPD Rental Information Service (IRIS) report judges the fund to have a strong tenant base with a low-risk income rating of 0.0 versus 49.9 in the IPD UK Quarterly Universe Benchmark, whereby the lower the figure, the better the rating.

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

Excluding development sites (figures as at 31 May 2019, IPD Benchmark Report 2019 Q1, IPD Quarterly Benchmark Index 2019 Q1).

### Acquisitions and disposals

The fund made 12 sales and 3 purchases over the reporting year.

The sales were made up of:

Forbury Park, Kenavon Way, Reading (retail warehouse)  
Swan House, Abingdon Business Park, Abingdon (office)  
Asda, Wigmore Lane, Luton (supermarket)  
Shakespeare's Head, 29 Great Marlborough, Soho (public house)  
107-143 Muswell Hill Road, London (retail)  
David Lloyd, Monkton Lane, Farnham (leisure)  
Waterson Street, Shoreditch, London (other)  
RD Park, Hoddesdon (industrial)  
Chalfont Grove, Narcot Lane, Chalfont St Peter (office)  
169 Union Street, London (office)  
B&Q, Weston Road, Crewe (retail warehouse)  
BMI Harbour Hospital, St Mary's Road, Poole (other)

The purchases were made up of:

Centron, Crompton Way, Crawley (industrial)  
Hounslow Business Park, Southampton (industrial)  
Trojan Way, Croydon (industrial)

### Strategic asset management

During the year under review, the fund managers were focused on enhancing the quality of the assets held and, where possible, driving up capital value. Asset management can include refurbishment work to improve valuations and attract a better quality of tenant, changing the planning use of assets to increase rental revenue, or renegotiating existing leases to extend tenancies. A large number of useful lettings and rent reviews took place, helping the fund maintain its core asset profile, long average lease length and strong tenant base. Examples of some of the key initiatives over this year included:

#### **Bilton Way, Dallow Road, Luton (industrial)**

Various new leases and rent reviews completed.

#### **1/2 Hardwick Street, London (office)**

New leases completed.

#### **Robin Retail Park, Loire Drive, Wigan (retail warehouse)**

Multiple new long-term leases signed with retail operators (10–20 years) setting a new headline rental tone for the park ahead of the next rent review cycle. There was also an uplift secured via open market rent review on a retail warehouse unit.

#### **Bermondsey Square, London (office)**

New lease completed.

#### **Milsom Place, Milsom Street, Bath (retail)**

Five new leases completed.

#### **TK Maxx, 10 The Hayes, Cardiff (retail)**

Lease re-gear completed.

#### **Centron, Crompton Way, Crawley (industrial)**

New lease completed on an industrial development.

#### **Asda, Argos & Poundstretcher, Manchester (retail)**

Lease re-gear completed with a national retailer.

#### **Crendon Industrial Estate, Thame, London (industrial)**

Various new leases completed and a rent review.

#### **Bermondsey Square, London (leisure)**

Rent review completed.

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

### **Tower Retail Park, Crayford Road, Crayford (retail park)**

Various new leases at retail warehouse park.

### **Hounslow Business Park, Southampton (industrial)**

New lease completed on a logistics unit.

### **Dalton Park Outlet, Murton, County Durham (outlet mall)**

Various new leases completed.

### **Beacon Retail Park, Milton Keynes (retail park)**

Two new leases completed.

### **Cribbs Causeway Centre, The Laurels, Bristol (industrial)**

Various new leases and a lease extension completed on industrial units.

### **Inverurie Retail Park, 5 Oldmeldrum Road, Inverurie (retail park)**

Rent review completed on retail warehouse park in Inverurie delivering a substantial uplift.

### **Homebase, 300 London Road, High Wycombe (retail warehouse)**

Agreement for lease signed to national retailer in High Wycombe.

### **Chaucer House, The Office Park, Leatherhead, Surrey (office)**

Agreement for lease signed on half the available accommodation.

### **Capital Business Park (office)**

Rent review and lease renewal completed.

## **Outlook**

There is an attractive arbitrage between property yields and bond yields, which looks set to remain for the time being.

The market is expected to see a continued restructuring in the retail sector. Recent retail administrations had been expected for some time and more are likely to follow. In selected and desirable locations this is an opportunity to reposition an asset.

Income certainty is the focus as we look forward over the next 12 months. Keeping a robust set of tenants in place, as we currently have, is a firm objective. The portfolio is underweight to retail and has strong positions in alternatives and supermarkets, and good logistics and multi-let industrial properties. We see asset management as the key to adding extra return over income, and we are progressing a number of initiatives.

While capital values have been relatively flat across the UK commercial market over the last year, the retail sector has experienced some declines, particularly regional high street assets and department stores. For a number of years the fund has been diversifying away from traditional areas of the market to maintain an appropriate, broad mix of assets that we believe to be best suited to the conditions ahead. We believe that a balanced approach with a diverse set of property assets continues to benefit investors.

Looking ahead, and notwithstanding any significant upheaval from Britain exiting the European Union, the expectation is for steady returns from the asset class dominated over the medium term by income. The fund maintains the potential to deliver income and capital growth over time, particularly from asset management activity, which can include delivering longer or more favourable lease terms and refurbishments.

## Comparative tables for the year ended 31 May 2019

	Class A accumulation		
	01/06/18 to 31/05/19 (pence per share)	01/06/17 to 31/05/18 (pence per share)	27/05/16 to 31/05/17 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	231.18	214.24	211.71
Return before operating charges*	11.11	21.86	7.35
Operating charges - non property expenses	(3.82)	(3.63)	(3.44)
Operating charges - property expenses	(0.90)	(0.57)	(0.70)
Return after operating charges*	6.39	17.66	3.21
Distributions on accumulation shares	(8.26)	(7.95)	(7.36)
Retained distributions on accumulation shares	7.51	7.23	6.68
Closing net asset value per share	236.82	231.18	214.24
* after direct transaction costs of:	-	-	0.03
<b>Performance</b>			
Return after charges	2.76%	8.24%	1.52%
<b>Other information</b>			
Closing net asset value (£000s)	151,957	211,606	245,539
Closing number of shares	64,167,018	91,533,548	114,608,087
Operating charges - non property expenses (annualised)	1.65%	1.65%	1.65%
Operating charges - property expenses (annualised)	0.39%	0.26%	0.34%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	251.92	251.58	229.92
Lowest share price (pence)	228.84	212.48	197.32
	Class A income		
	01/06/18 to 31/05/19 (pence per share)	01/06/17 to 31/05/18 (pence per share)	27/05/16 to 31/05/17 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	103.12	99.54	101.34
Return before operating charges*	4.62	8.79	3.28
Operating charges	(1.69)	(1.66)	(1.61)
Operating charges - non property expenses	(0.40)	(0.26)	(0.33)
Operating charges - property expenses	2.53	6.87	1.34
Distributions on income shares	(3.31)	(3.29)	(3.14)
Closing net asset value per share	102.34	103.12	99.54
* after direct transaction costs of:	-	-	0.01
<b>Performance</b>			
Return after charges	2.45%	6.90%	1.32%
<b>Other information</b>			
Closing net asset value (£000s)	9,705	25,006	33,583
Closing number of shares	9,483,520	24,249,558	33,737,843
Operating charges - non property expenses (annualised)	1.65%	1.65%	1.65%
Operating charges - property expenses (annualised)	0.39%	0.26%	0.34%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	112.39	113.20	105.29
Lowest share price (pence)	101.66	97.85	93.81

## Comparative tables (continued)

	Class G accumulation		
	01/06/18 to 31/05/19 (pence per share)	01/06/17 to 31/05/18 (pence per share)	27/05/16 to 31/05/17 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	66.95	61.14	60.06
Return before operating charges*	3.25	6.76	2.03
Operating charges - non property expenses	(0.49)	(0.46)	(0.44)
Operating charges - property expenses	(0.26)	(0.16)	(0.20)
Return after operating charges*	2.50	6.14	1.39
Distributions on accumulation shares	(2.49)	(2.36)	(2.17)
Retained distributions on accumulation shares	2.14	2.03	1.86
Closing net asset value per share	69.10	66.95	61.14
* after direct transaction costs of:	-	-	0.01
<b>Performance</b>			
Return after charges	3.73%	10.04%	2.31%
<b>Other information</b>			
Closing net asset value (£000s)	26	901	1,369
Closing number of shares	37,412	1,345,967	2,239,799
Operating charges - non property expenses (annualised)	0.73%	0.73%	0.73%
Operating charges - property expenses (annualised)	0.39%	0.26%	0.34%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	71.77	69.39	61.27
Lowest share price (pence)	66.29	61.11	56.40
	Class G income		
	01/06/18 to 31/05/19 (pence per share)	01/06/17 to 31/05/18 (pence per share)	27/05/16 to 31/05/17 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	57.71	54.83	55.46
Return before operating charges*	2.50	5.20	1.64
Operating charges - non property expenses	(0.42)	(0.40)	(0.40)
Operating charges - property expenses	(0.22)	(0.14)	(0.18)
Return after operating charges*	1.86	4.66	1.06
Distributions on income shares	(1.83)	(1.78)	(1.69)
Closing net asset value per share	57.74	57.71	54.83
* after direct transaction costs of:	-	-	0.01
<b>Performance</b>			
Return after charges	3.22%	8.50%	1.91%
<b>Other information</b>			
Closing net asset value (£000s)	997	3 119	90 422
Closing number of shares	1,726,206	5,404,679	164,901,539
Operating charges - non property expenses (annualised)	0.73%	0.73%	0.73%
Operating charges - property expenses (annualised)	0.39%	0.26%	0.34%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	60.46	60.32	55.24
Lowest share price (pence)	57.15	54.34	51.72

## Comparative tables (continued)

	Class I accumulation		
	01/06/18 to 31/05/19 (pence per share)	01/06/17 to 31/05/18 (pence per share)	27/05/16 to 31/05/17 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	141.89	130.09	128.03
Return before operating charges*	6.87	13.95	4.18
Operating charges - non property expenses	(1.20)	(1.13)	(1.06)
Operating charges - property expenses	(0.56)	(0.35)	(0.43)
Return after operating charges*	5.11	12.47	2.69
Distributions on accumulation shares	(5.18)	(4.96)	(4.56)
Retained distributions on accumulation shares	4.49	4.29	3.93
Closing net asset value per share	146.31	141.89	130.09
* after direct transaction costs of:	-	-	0.02
<b>Performance</b>			
Return after charges	3.60%	9.59%	2.10%
<b>Other information</b>			
Closing net asset value (£000s)	185,463	181,174	225,129
Closing number of shares	126,760,665	127,686,827	173,061,822
Operating charges - non property expenses (annualised)	0.84%	0.84%	0.84%
Operating charges - property expenses (annualised)	0.39%	0.26%	0.34%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	151.94	147.05	129.94
Lowest share price (pence)	140.47	129.59	119.67
	Class I income		
	01/06/18 to 31/05/19 (pence per share)	01/06/17 to 31/05/18 (pence per share)	27/05/16 to 31/05/17 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	116.04	110.67	112.15
Return before operating charges*	5.05	10.18	3.19
Operating charges - non property expenses	(0.97)	(0.94)	(0.92)
Operating charges - property expenses	(0.45)	(0.29)	(0.37)
Return after operating charges*	3.63	8.95	1.90
Distributions on income shares	(3.63)	(3.58)	(3.38)
Closing net asset value per share	116.04	116.04	110.67
* after direct transaction costs of:	-	-	0.01
<b>Performance</b>			
Return after charges	3.13%	8.09%	1.69%
<b>Other information</b>			
Closing net asset value (£000s)	191,151	374,092	361,215
Closing number of shares	164,733,199	322,396,202	326,384,639
Operating charges - non property expenses (annualised)	0.84%	0.84%	0.84%
Operating charges - property expenses (annualised)	0.39%	0.26%	0.34%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	121.46	121.28	111.20
Lowest share price (pence)	114.90	109.31	104.10

## Comparative tables (continued)

	<b>Class U2 accumulation 27/05/16 to 31/05/17 (pence per share)</b>
<b>Change in net assets per share</b>	
Opening net asset value share	58.84
Return before operating charges*	-
Operating charges - non property expenses	-
Operating charges - property expenses	-
Return after operating charges*	-
Transfer to Janus Henderson UK Property PAIF Feeder Fund 27 May 2016	(58.84) <sup>1</sup>
Distributions on accumulation shares	-
Retained distributions on accumulation shares	-
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	0.00%
<b>Other information</b>	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges - non property expenses (annualised)	-
Operating charges - property expenses (annualised)	-
Direct transaction costs	-
<b>Prices</b>	
Highest share price (pence)	-
Lowest share price (pence)	-

<sup>1</sup> Class U2 accumulation transferred to Janus Henderson UK Property PAIF Feeder Fund on 27 May 2016 and this is the transfer price.



## Comparative tables (continued)

	<b>Class U2 income 27/05/16 to 31/05/17 (pence per share)</b>
<b>Change in net assets per share</b>	
Opening net asset value share	55.01
Return before operating charges*	-
Operating charges - non property expenses	-
Operating charges - property expenses	-
Return after operating charges*	-
Transfer to Janus Henderson UK Property PAIF Feeder Fund 27 May 2016	(55.01) <sup>2</sup>
Distributions on income shares	-
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	0.00%
<b>Other information</b>	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges - non property expenses (annualised)	-
Operating charges - property expenses (annualised)	-
Direct transaction costs	-
<b>Prices</b>	
Highest share price (pence)	-
Lowest share price (pence)	-

<sup>2</sup> Class U2 income transferred to Janus Henderson UK Property PAIF Feeder Fund on 27 May 2016 and this is the transfer price.

## Comparative tables (continued)

	Class Z accumulation		
	01/06/18 to 31/05/19 (pence per share)	01/06/17 to 31/05/18 (pence per share)	27/05/16 to 31/05/17 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	125.11	113.83	111.18
Return before operating charges*	6.07	12.41	3.78
Operating charges - non property expenses	(0.04)	(0.04)	(0.03)
Operating charges - property expenses	(0.49)	(0.31)	(0.37)
Return after operating charges*	5.54	12.06	3.38
Distributions on accumulation shares	(4.65)	(4.42)	(4.04)
Retained distributions on accumulation shares	3.84	3.64	3.31
Closing net asset value per share	129.84	125.11	113.83
* after direct transaction costs of:	-	-	0.02
<b>Performance</b>			
Return after charges	4.43%	10.59%	3.04%
<b>Other information</b>			
Closing net asset value (£000s)	3,161	4,040	3,654
Closing number of shares	2,434,342	3,229,275	3,209,652
Operating charges - non property expenses (annualised)	0.03%	0.03%	0.03%
Operating charges - property expenses (annualised)	0.39%	0.26%	0.34%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	134.84	129.65	113.84
Lowest share price (pence)	123.86	113.54	104.28
	Class Z income		
	01/06/18 to 31/05/19 (pence per share)	01/06/17 to 31/05/18 (pence per share)	27/05/16 to 31/05/17 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	111.50	105.39	105.90
Return before operating charges*	4.68	9.73	2.97
Operating charges - non property expenses	(0.03)	(0.03)	(0.03)
Operating charges - property expenses	(0.43)	(0.28)	(0.35)
Return after operating charges*	4.22	9.42	2.59
Distributions on income shares	(3.38)	(3.31)	(3.10)
Closing net asset value per share	112.34	111.50	105.39
* after direct transaction costs of:	-	-	0.01
<b>Performance</b>			
Return after charges	3.78%	8.94%	2.45%
<b>Other information</b>			
Closing net asset value (£000s)	16,834	13,416	12,625
Closing number of shares	14,985,364	12,032,907	11,979,064
Operating charges - non property expenses (annualised)	0.03%	0.03%	0.03%
Operating charges - property expenses (annualised)	0.39%	0.26%	0.34%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	117.56	116.49	105.40
Lowest share price (pence)	110.41	104.26	98.63

## Comparative tables (continued)

	Class F gross accumulation		
	01/06/18 to 31/05/19 (pence per share)	01/06/17 to 31/05/18 (pence per share)	27/05/16 to 31/05/17 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	111.70	101.64	97.44 <sup>3</sup>
Return before operating charges*	5.48	10.36	4.56
Operating charges - non property expenses	(0.03)	(0.03)	(0.03)
Operating charges - property expenses	(0.44)	(0.27)	(0.33)
Return after operating charges*	5.01	10.06	4.20
Distributions on accumulation shares	(4.27)	(3.95)	(3.66)
Retained distributions on accumulation shares	4.27	3.95	3.66
Closing net asset value per share	116.71	111.70	101.64
* after direct transaction costs of:	-	-	0.01
<b>Performance</b>			
Return after charges	4.49%	9.90%	4.31%
<b>Other information</b>			
Closing net asset value (£000s)	1,851,185	2,178,870	2,075,642
Closing number of shares	1,586,080,528	1,950,704,189	2,042,133,250
Operating charges - non property expenses (annualised)	0.03%	0.03%	0.03%
Operating charges - property expenses (annualised)	0.39%	0.26%	0.34%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	120.98	115.54	100.81
Lowest share price (pence)	110.56	100.71	91.89

<sup>3</sup> Class F Gross accumulation launched on 27 May 2016

## Comparative tables (continued)

	Class G gross income		
	01/06/18 to 31/05/19 (pence per share)	01/06/17 to 31/05/18 (pence per share)	27/05/16 to 31/05/17 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	103.59	98.33	95.58 <sup>4</sup>
Return before operating charges*	5.10	10.16	4.96
Operating charges - non property expenses	(0.75)	(0.72)	(0.35)
Operating charges - property expenses	(0.40)	(0.26)	(0.17)
Return after operating charges*	3.95	9.18	4.44
Distributions on income shares	(3.92)	(3.92)	(1.69)
Closing net asset value per share	103.62	103.59	98.33
* after direct transaction costs of:	-	-	0.01
<b>Performance</b>			
Return after charges	3.81%	9.34%	4.65%
<b>Other information</b>			
Closing net asset value (£000s)	34	113	7,981
Closing number of shares	32,606	108,837	8,115,950
Operating charges - non property expenses (annualised)	0.73%	0.73%	0.73%
Operating charges - property expenses (annualised)	0.39%	0.26%	0.34%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	108.53	108.30	98.56
Lowest share price (pence)	102.59	97.45	95.58

<sup>4</sup> Class G gross income launched on 1 December 2016

## Comparative tables (continued)

	Class I gross accumulation		
	01/06/18 to 31/05/19 (pence per share)	01/06/17 to 31/05/18 (pence per share)	27/05/16 to 31/05/17 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	107.04	98.19	94.91 <sup>5</sup>
Return before operating charges*	5.17	9.96	4.39
Operating charges - non property expenses	(0.91)	(0.85)	(0.79)
Operating charges - property expenses	(0.42)	(0.26)	(0.32)
Return after operating charges*	3.84	8.85	3.28
Distributions on accumulation shares	(3.91)	(3.73)	(3.37)
Retained distributions on accumulation shares	3.91	3.73	3.37
Closing net asset value per share	110.88	107.04	98.19
* after direct transaction costs of:	-	-	0.01
<b>Performance</b>			
Return after charges	3.59%	9.01%	3.46%
<b>Other information</b>			
Closing net asset value (£000s)	38,905	34,128	32,380
Closing number of shares	35,086,762	31,883,693	32,976,369
Operating charges - non property expenses (annualised)	0.84%	0.84%	0.84%
Operating charges - property expenses (annualised)	0.39%	0.26%	0.34%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	114.98	110.78	97.42
Lowest share price (pence)	105.95	97.29	89.42

<sup>5</sup> Class I gross accumulation launched on 27 May 2016.

Direct transaction costs 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 and will differ from those on 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.

## Real estate expense ratio and ongoing charge figure

The real estate expense ratio (REER) is comprised of the Ongoing charge figure (OCF) and the Property expense ratio (PER) of the fund. The OCF is based on the total expenses excluding any property related expenses included within the financial statements for the year and the PER is based on the daily property expenses included within the financial statements. The expenses ratios are as indicated below:

	2019 %	2018 %
<b>Class A</b>		
Non-property expense ratio - OCF	1.65	1.65
Property expense ratio	0.39	0.26
Real estate expense ratio	2.04	1.91
<b>Class F</b>		
Non-property expense ratio - OCF	0.03	0.03
Property expense ratio	0.39	0.26
Real estate expense ratio	0.42	0.29
<b>Class G</b>		
Non-property expense ratio - OCF	0.73	0.73
Property expense ratio	0.39	0.26
Real estate expense ratio	1.12	0.99
<b>Class I</b>		
Non-property expense ratio - OCF	0.84	0.84
Property expense ratio	0.39	0.26
Real estate expense ratio	1.23	1.10
<b>Class Z</b>		
Non-property expense ratio - OCF	0.03	0.03
Property expense ratio	0.39	0.26
Real estate expense ratio	0.42	0.29

The OCF and PER represent the total fund expenses and the total property expenses paid by the fund in the year respectively against its average net asset value.

This fund is a non-UCITS retail fund however we have adopted this disclosure to enable comparison across our fund range.

## Risk and reward profile

The fund currently has 11 types of share class in issue, Class A (income and accumulation), Class I (income and accumulation), Class G (income and accumulation), Class Z (income and accumulation), Class F gross accumulation, Class G gross income and Class I gross accumulation.

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.

Please note that:

- The fund focuses on a particular asset class
- The fund focuses on a particular country

The following risks apply to investments in the fund. These could be triggered or made worse by unusual market conditions or unpredictable market events.

**Buy-Sell Spread** This fund is dual priced. The price at which you buy shares in the fund will incorporate the transaction costs incurred in buying physical properties. When you sell shares in the fund the price you sell at incorporates the transaction costs incurred in selling physical properties. The difference between these prices is called the 'spread'. This spread is currently c. 5% and reflects the high transaction costs of buying and selling commercial property. Typically the buying price of an individual commercial property can be 7-8% higher than the selling price. The spread of the fund is not fixed and may vary over time depending on the composition of the fund.

**Charges to Capital** Some or all of the annual management charge and other costs of the fund may be taken from capital, which may erode capital or reduce potential for capital growth.

**Country or Region** If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

**Derivatives** The fund may use derivatives with the aim of reducing risk or managing the portfolio more efficiently. However this introduces other risks, in particular, that a derivative counterparty may not meet its contractual obligations.

**Illiquid Assets** The fund contains assets which may be hard to value or sell at the time and price intended. In particular, property investments may take a considerable time to sell. When many investors want to sell their shares, the fund may have to delay processing requests so that certain assets or properties can be sold first. This is known as deferring redemptions.

**Property Valuations** Valuations are determined by independent property experts. The valuation of property is generally a matter of valuer's opinion. The amount raised when a property is sold may be less than the valuation.

**Tenant Risk** Tenants in the fund's properties may become unable to pay their rent. As a result, the fund's income may be impacted and further costs incurred.

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

Investment	Market value £000	Percentage of total net assets %
<b>Direct Properties 71.59% (2018: 71.51%)</b>		
<b>Market values between £50m and £150m 21.37% (2018: 21.46%)</b>		
Capital Business Park, Cambridge		
Dalton Park Outlet, Murton, County Durham		
Tower Retail Park, Crayford Road, Crayford		
Robin Retail Park, Loire Drive, Wigan		
Kuehne and Nagel, Commercial Park, Derby		
3 King George Close, Romford		
Greenwich View Place, London		
Bilton Way, Dallow Road, Luton		
	523,359	21.37
<b>Market values between £25m and £50m 17.67% (2018: 23.89%)</b>		
Crendon Industrial Estate, Thame, London		
Kidwells Park, Kidswell Park Drive, Maidenhead		
2-14 Bunhill Row, London		
2 Roundwood Avenue, Stockley Park		
Eddie Stobart Manor Park, Eastgate Road, Runcorn, Cheshire		
Asda, Argos and Poundstretcher, Manchester		
Blue Planet, Lowlands Road, Chatterley Valley		
Bedford Riverside, Bedford		
Hanover Buildings, 56/84 Rose Street, Edinburgh		
Bermondsey Square, London		
Sainsbury's, Butterley, Ripley		
142-146 High Road, Kilburn, London		
	432,717	17.67
<b>Market values under £25m 32.55% (2018: 26.16%)</b>		
Maidenhead Retail Park, Stafferton, Maidenhead		
B&Q, Mucklow Hill, Halesowen, Birmingham		
Beacon Retail Park, Milton Keynes		
22-24 Worple Road, London		
Tesco Superstore, Sizer Way, Hythe, Southampton		
Penryn Kingston Limited		
John Lewis, 330 Purley Way, Croydon		
Cribbs Causeway Centre, The Laurels, Bristol		
Currys, 12 Trojan Way, Croydon		
The Maltings, Salisbury		
Silver Sea, Cairdean House, Edinburgh		
Silver Sea, Foxbridge House, Orpington		
BP, D2 Business Park, Dyce Drive, Aberdeen		
Cineworld, Mary Ann Street, Cardiff		
Sands 10 Industrial Estate, Hillbottom Road, High Wycombe		
1/2 Hardwick Street, London		
Silver Sea, Bowes House, Halisham		
Gallery Apartments, Glasgow		
Marks and Spencer, Albert Street, Nottingham		
99-101, London Road, Croydon		
Hounslow Business Park, Southampton		
Laura Ashley, Bardon		
Milsom Place, Milsom Street, Bath		
Premier Foods, Centrium, St.Albans		
7-19 Amhurst Road, Hackney		
Iron Bridge Studios, Exeter, Devon		
TK Maxx, 10 The Hayes, Cardiff		



## Portfolio statement (continued)

Investment	Market value £000	Percentage of total net assets %
<b>Market values under £25m 32.55%</b> (continued)		
Inverurie Retail Park, 5 Oldmeldrum Road, Inverurie		
Heathcote Industrial Estate, 10/10a Heathcote Way, Warwick		
DFS, Crittalls Corner, Sidcup		
Technology Drive, Broughton Road, Rugby		
Waterside Retail Park, Ashbourne, Derbyshire		
Kingsteignton Retail Park, Newton Abbot, Kingsteignton		
Wycombe Sands Industrial Estate, High Wycombe		
B&Q Unit, Riverside Retail Park, Taunton		
7-9 Picadilly, Manchester		
31 Clerkenwell Close and 8 Bowling Green Lane, London		
Museum Tavern, 49 Great Russell Street, Holborn		
Homebase, 300 London Road, High Wycombe		
Timet, 120 Holford Drive, Birmingham		
Gilesgate, Durham		
B&Q, Bridge Road, Welwyn Garden City		
38 Brushfield Street, London		
Friend at Hand, Bloomsbury, 4 Herbrand Street, London		
Eccleshall Retail Park, Eccleshall		
Rutland Arms, 15, Lower Mall, Hammersmith		
Chaucer House, The Office Park, Leatherhead, Surrey		
Odeon Cinema, Kilmarnock		
Centron, Crompton Way, Crawley		
99-115 Lordship Lane, East Dulwich, London		
Prospect House, St George's Road, London		
Solar Panels, 2 Solartron Road, Farnborough		
Trojan Way, Croydon		
	797,345	32.55
<b>Direct properties</b>	1,753,421	71.59
<b>Special Purpose Vehicles 2.85% (2018: 2.16%)</b>		
Double Click, Crewe s.a.r.l. <sup>1,5,6</sup>	36,382	1.48
Click Cabot Park, s.a.r.l. <sup>1,5,6</sup>	15,358	0.63
Click Corby s.a.r.l. <sup>1,5,6</sup>	15,518	0.63
Capital Business Park s.a.r.l. <sup>2,5,6</sup>	2,123	0.09
Gilesgate Durham Limited <sup>3,5,6</sup>	496	0.02
Penryn Kingston Limited <sup>2,4,5,6</sup>	-	-
The Square Bermondsey Limited <sup>3,5,6</sup>	46	-
	69,923	2.85
<b>Equities 0.00% (2018: 4.51%)</b>		
<b>Investment assets</b>	<b>1,823,344</b>	<b>74.44</b>
Fair value adjustments <sup>7</sup>	17,263	0.70
Other net liabilities	(12,048)	(0.49)
Cash equivalents - Certificates of deposit	336,583	13.74
Cash equivalents - Collective investment scheme	284,276	11.61
<b>Total net assets</b>	<b>2,449,418</b>	<b>100.00</b>

<sup>1</sup> SPVs with properties due to be transferred to the fund which are consolidated in the financial statements.

<sup>2</sup> SPVs with properties/leases already transferred to the fund and the shell is due to be liquidated in line with the accounting policy.

<sup>3</sup> SPVs which are consolidated in the financial statements.

<sup>4</sup> Due to rounding to nearest £1,000.

<sup>5</sup> Unquoted.

<sup>6</sup> Related party to the fund.

<sup>7</sup> Relates to finance lease adjustment.

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Cash equivalents 25.35% (2018: 16.89%)</b>		
	<b>Certificates of Deposit 13.74% (2018: 12.88%)</b>		
GBP 10,000,000	ABN AMRO Bank 0.83% 03/09/2019	10,003	0.41
GBP 15,000,000	Citibank 0.83% 07/06/2019	15,001	0.61
GBP 15,000,000	Citibank 0.80% 02/08/2019	15,002	0.61
GBP 15,000,000	Credit Agricole Corporate & Investment Bank 0.85% 03/09/2019	15,004	0.61
GBP 10,000,000	Credit Agricole Corporate & Investment Bank 0.80% 30/08/2019	10,002	0.41
GBP 10,000,000	Crédit Industriel et Commercial 1.10% 11/06/2019	10,001	0.41
GBP 10,000,000	Den Danske Bank Aktieselskab 0.86% 12/07/2019	10,002	0.41
GBP 15,000,000	DNB Nor Bank 0.89% 27/06/2019	15,002	0.61
GBP 15,000,000	DZ Bank 0.81% 07/08/2019	15,003	0.61
GBP 10,000,000	Handelsbanken 1.00% 12/08/2019	10,006	0.41
GBP 10,000,000	Handelsbanken 0.95% 06/06/2019	10,001	0.41
GBP 8,500,000	Handelsbanken 0.93% 07/11/2019	8,505	0.35
GBP 15,000,000	HSBC Bank 0.845% 01/07/2019	15,002	0.61
GBP 10,000,000	ING Bank 0.94% 30/09/2019	10,006	0.41
GBP 15,000,000	Landesbank Hessen Thuringen 0.83% 25/06/2019	15,002	0.61
GBP 10,000,000	National Australia Bank 1.00% 07/06/2019	10,001	0.41
GBP 10,000,000	Nationwide Building Society 0.90% 01/08/2019	10,003	0.41
GBP 15,000,000	Nationwide Building Society 0.87% 25/07/2019	15,004	0.61
GBP 10,000,000	Nordea Bank 0.83% 21/06/2019	10,001	0.41
GBP 15,000,000	Nordea Bank 0.81% 09/07/2019	15,002	0.61
GBP 5,500,000	Rabobank Nederland 1.00% 17/07/2019	5,502	0.22
GBP 10,000,000	Santander UK 1.04% 06/06/2019	10,001	0.41
GBP 10,000,000	Santander UK 0.96% 01/10/2019	10,007	0.40
GBP 6,500,000	Santander UK 0.93% 07/11/2019	6,504	0.27
GBP 9,000,000	Santander UK 0.89% 01/08/2019	9,003	0.37
GBP 8,500,000	Santander UK 0.82% 07/06/2019	8,500	0.35
GBP 6,500,000	SEB 0.90% 07/10/2019	6,503	0.26
GBP 7,000,000	SEB 0.86% 29/11/2019	7,002	0.29
GBP 10,000,000	Société Générale 0.90% 31/07/2019	10,003	0.41
GBP 10,000,000	Toronto Dominion Bank 1.00% 07/09/2019	10,001	0.41
GBP 10,000,000	UBS 1.07% 11/07/2019	10,004	0.41
		<u>336,583</u>	<u>13.74</u>
	<b>Collective Investment Scheme 11.61% (2018: 4.01%)</b>		
284,276,000	Deutsche Global Liquidity Managed Sterling Fund Platinum Class	284,276	11.61
	<b>Cash equivalents</b>	<u><b>620,859</b></u>	<u><b>25.35</b></u>

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

for the year ended 31 May 2019

The Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook (COLL) requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view, in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 and as amended in June 2017 (IA), 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 of its revenue/expenditure for the year. In preparing the financial statements the ACD is required to:

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

The ACD is responsible for the management of the fund 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.

## Report of the Depositary to the shareholders of Janus Henderson UK Property PAIF (the 'Company')

for the year ended 31 May 2019

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

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

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares carried out in accordance with the Regulations;
- the value of shares 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 Authorised Corporate Director (the ACD) are carried out (unless they conflict with the Regulations).

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

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

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

NatWest Trustee and Depositary Services Limited  
London  
11 September 2019

# Independent Auditors' report to the shareholders of Janus Henderson UK Property PAIF (the 'group and fund') for the year ended 31 May 2019

## Report on the audit of the financial statements

### Opinion

In our opinion, Janus Henderson UK Property PAIF's group and Company (hereafter referred to as the 'group and fund') financial statements, ('the financial statements'):

- give a true and fair view of the financial position of the group and the fund as at 31 May 2019 and of the net revenue and the net capital gains on the scheme property of the group and fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson UK Property PAIF (the 'group and fund') is an Open Ended Investment Company (OEIC) with a single sub-fund which is a parent entity with subsidiaries. The financial statements of the Company comprise the financial statements of the sub-fund. We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the Consolidated and fund balance sheets as at 31 May 2019; the Consolidated and fund statements of total return, the Consolidated and fund statements of change in net assets attributable to shareholders and Consolidated and fund statement of cash flows 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 group and fund 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 when:

- the Authorised Corporate Director's use of the going concern basis of preparation 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 group's and fund's ability to continue to adopt the going concern basis of preparation 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 group's and fund's ability to continue as a going concern.

### Reporting on other information

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

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

### Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's (ACD) 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 UK Property PAIF (the 'group and fund') (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 23, 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 group's and fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of preparation unless the Authorised Corporate Director either intends to wind up or terminate the group and fund, or has no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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

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

### Use of this report

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

### Other required reporting

#### Opinion on matter required by the Collective Investment Schemes sourcebook

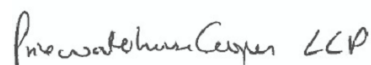
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

#### Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
11 September 2019

## Consolidated statement of total return for the year ended 31 May 2019

	Note	2019		Restated 2018	
		£000	£000	£000	£000
Income					
Net capital gains	4		9,339		166,764
Revenue	5	123,387		129,423	
Expenses*	6	(24,027)		(24,038)	
Interest payable and similar charges*	7	(820)		(818)	
Net revenue before taxation		98,540		104,567	
Taxation	8	(539)		308	
Net revenue after taxation			<u>98,001</u>		<u>104,875</u>
Total return before distributions			107,340		271,639
Distributions	9		(102,938)		(110,315)
<b>Change in net assets attributable to shareholders from investment activities</b>			<u><b>4,402</b></u>		<u><b>161,324</b></u>

\* Refer to note 25 for more details.

## Consolidated statement of change in net assets attributable to shareholders

for the year ended 31 May 2019

	2019		2018	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>3,026,465</b>		<b>3,089,539</b>
Amounts receivable on issue of shares	595,674		364,202	
Amounts payable on cancellation of shares	(1,275,667)		(684,234)	
		(679,993)		(320,032)
Dilution adjustment		9,742		3,178
Change in net assets attributable to shareholders from investment activities		4,402		161,324
Retained distribution on accumulation shares		88,801		92,455
Unclaimed distribution		1		1
<b>Closing net assets attributable to shareholders</b>		<u><b>2,449,418</b></u>		<u><b>3,026,465</b></u>

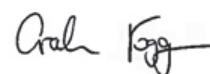
## Consolidated balance sheet as at 31 May 2019

	Note	2019 £000	Restated 2018 £000
<b>Assets:</b>			
Fixed assets:			
Tangible assets:			
Land and buildings*	21	1,799,534	2,237,487
Property under construction	21	29,300	-
Investments		2,123	138,584
Current assets:			
Debtors	10	24,036	17,473
Cash and bank balances	11	92,569	163,626
Cash equivalents	12	620,859	510,853
<b>Total assets</b>		<b>2,568,421</b>	<b>3,068,023</b>
<b>Liabilities:</b>			
Provisions for liabilities	14	1,474	2,040
Creditors:			
Bank overdraft	13	73,707	-
Distribution payable		2,875	4,942
Finance lease payable*	16	17,263	17,266
Other creditors	15	23,684	17,310
<b>Total liabilities</b>		<b>119,003</b>	<b>41,558</b>
<b>Net assets attributable to shareholders</b>		<b>2,449,418</b>	<b>3,026,465</b>

\* Refer to note 25 for more details.

## Director's statement

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



G Foggin  
(Director)

11 September 2019

## Fund statement of total return for the year ended 31 May 2019

	Note	2019 £000	2019 £000	Restated 2018 £000	Restated 2018 £000
Income					
Net capital gains	4		11,762		170,051
Revenue	5	120,243		125,676	
Expenses*	6	(23,846)		(23,825)	
Interest payable and similar charges*	7	(819)		(817)	
Net revenue before taxation	8	95,578		101,034	
Taxation		-		554	
Net revenue after taxation			95,578		101,588
Total return before distributions			107,340		271,639
Distributions	9		(102,938)		(110,315)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>4,402</b>		<b>161,324</b>

\* Refer to note 25 for more details.

## Fund statement of change in net assets attributable to shareholders

for the year ended 31 May 2019

	2019 £000	2019 £000	2018 £000	2018 £000
<b>Opening net assets attributable to shareholders</b>		<b>3,026,465</b>		<b>3,089,539</b>
Amounts receivable on issue of shares	595,674		364,202	
Amounts payable on cancellation of shares	(1,275,667)		(684,234)	
		(679,993)		(320,032)
Dilution adjustment		9,742		3,178
Change in net assets attributable to shareholders from investment activities		4,402		161,324
Retained distribution on accumulation shares		88,801		92,455
Unclaimed distribution		1		1
<b>Closing net assets attributable to shareholders</b>		<b>2,449,418</b>		<b>3,026,465</b>



## Fund balance sheet as at 31 May 2019

	Note	2019 £000	Restated 2018 £000
Fixed assets:			
Tangible assets:			
Land and buildings*	21	1,741,384	2,181,437
Property under construction	21	29,300	-
Investments		2,123	138,584
Investment in subsidiaries	22	67,800	63,277
Current assets:			
Debtors	10	24,306	12,543
Cash and bank balances	11	91,819	162,880
Cash equivalents	12	620,859	510,853
<b>Total assets</b>		<b>2,577,591</b>	<b>3,069,574</b>
<b>Liabilities:</b>			
Provisions for liabilities	14	1,474	2,040
Creditors:			
Bank overdraft	13	73,707	-
Distributions payable		2,875	4,942
Finance lease payable*	16	17,263	17,266
Other creditors	15	32,854	18,861
<b>Total liabilities</b>		<b>128,173</b>	<b>43,109</b>
<b>Net assets attributable to shareholders</b>		<b>2,449,418</b>	<b>3,026,465</b>

\* Refer to note 25 for more details.

## Director's statement

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



G Foggin  
(Director)

11 September 2019

## Consolidated and fund statement of cash flows for the year ended 31 May 2019

	Note	Group 2019 £000	Fund 2019 £000	Restated Group 2018 £000	Restated Fund 2018 £000
<b>Cash flows from operating activities</b>					
Total return before distribution		107,340	107,340	271,639	271,639
Adjustments for:					
Taxation		539	-	(308)	(554)
Interest payable and similar charges		820	819	818 <sup>1</sup>	817 <sup>1</sup>
Transaction charges paid from capital		8	8	7 <sup>1</sup>	7 <sup>1</sup>
Gains on investments		(9,161)	(11,584)	(166,801)	(170,088)
Increase in debtors		(2,018)	(7,219)	(4,545)	(483)
(Decrease)/increase in creditors		(3,269)	4,351	(2,432)	(3,620)
<b>Cash generated from operations</b>		<b>94,259</b>	<b>93,715</b>	<b>98,378</b>	<b>97,718</b>
Interest payable and similar charges		(3)	(2)	(1)	-
Distribution paid on income shares		(15,265)	(15,265)	(18,496)	(18,496)
Taxation paid		(539)	-	308	554
<b>Net cash generated from operating activities</b>		<b>78,452</b>	<b>78,448</b>	<b>80,189</b>	<b>79,776</b>
<b>Cash flows from investing activities</b>					
Purchases of investments		(66,335)	(66,335)	(66,394)	(66,351)
Sales of investments		620,603	620,603	283,256	283,256
<b>Net cash inflow from investing activities</b>		<b>554,268</b>	<b>554,268</b>	<b>216,862</b>	<b>216,905</b>
<b>Cash flows from financing activities</b>					
Issue of shares		73,299	73,299	13,451	13,451
Cancellation of shares		(749,699)	(749,699)	(333,570)	(333,570)
Dilution adjustment		9,742	9,742	3,178	3,178
Finance lease payments		(3)	(3)	(3) <sup>1</sup>	(3) <sup>1</sup>
Interest payable and similar charges		(817)	(817)	(817) <sup>1</sup>	(817) <sup>1</sup>
<b>Net cash outflow from financing activities</b>		<b>(667,478)</b>	<b>(667,478)</b>	<b>(317,761)</b>	<b>(317,761)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(34,758)</b>	<b>(34,762)</b>	<b>(20,710)</b>	<b>(21,080)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>674,479</b>	<b>673,733</b>	<b>695,189</b>	<b>694,813</b>
<b>Cash and cash equivalents at end of year</b>	<b>13</b>	<b>639,721</b>	<b>638,971</b>	<b>674,479</b>	<b>673,733</b>

<sup>1</sup> Refer to note 25 for more details.

## 1 Accounting policies

### (a) Basis of preparation

The financial statements of Janus Henderson UK Property PAIF Fund (the 'fund') and its subsidiaries (together, the 'group') have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Management Association (IMA) in May 2014 and as amended in June 2017 (IA), the Financial Reporting Standard 102 (FRS102), the Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook (COLL) and the Company's Instrument of Incorporation and the Prospectus.

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

### (b) Consolidated financial statements

Consolidated Financial Statements have been prepared in accordance with FRS 102, Section 9 'Consolidated and Separate Financial Statements'. The Consolidated financial statements include the financial statements of the fund and its subsidiary undertakings. During the current year and prior period, the fund has held properties through intermediary holding vehicles or special purpose vehicles (SPVs).

The SPVs held at the current year end and prior year end have been treated as follows:

- SPVs where the properties have already been transferred to the fund as at the year end and liquidation process is due to commence or is in progress have been included within Investments in the fund's Balance sheet and in Investments in the group's Consolidated balance sheet.
- SPVs where the fund's intention is to transfer the properties to become direct holdings of the fund and to liquidate the residual SPV entities as soon as practicable have been included within Investments in subsidiaries in the fund's Balance sheet and have been consolidated in the group financial statements. At the current and prior year ends, the properties are still held within the SPVs.
- SPVs where the fund's intention is not to transfer the properties to become direct holdings of the fund have been included within Investments in subsidiaries in the fund's Balance sheet and have been consolidated in the group financial statements. Refer to the ACD report on page 4 for further information on specific SPVs.

### (c) Basis of valuation of investments

#### Direct properties

The land and buildings held by the fund are classified as investment properties and are initially recorded at purchase price plus relevant costs then subsequently valued monthly on the basis of Fair value. Fair value is defined as the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller. The valuation is also in accordance with FRS102, the fund's instrument of incorporation, the Royal Institute of Chartered Surveyors (RICS) Valuation - Global Standards 2017 and the UK national supplement 2018 ('the Red Book'). The properties were last valued by David Tudor MRICS, Senior Director of CB Richard Ellis Limited (CBRE) on 31 May 2019.

The fair value of the property under construction has been determined on the same basis as the land and buildings taking into consideration costs for construction and development as well as capital expenditure outlays. Property under construction does not include properties undergoing redevelopment. These are included within Land and buildings.

The investment value is a product of rent and yield derived using comparison techniques. In undertaking the valuation of properties under this method, an assessment has been made on the basis of a collation and analysis of appropriate comparable investment, rental and sale transactions, together with evidence of demand within the vicinity of the subject property. With benefit of such transactions, capitalisation rates have then been applied to the properties, taking into account size, location, terms, covenant and other material factors.

The value at which the properties are stated in the Balance sheet is reduced by the total of unamortised lease incentives which are included as a separate asset within debtors.

Refer to Note 17 for details of any future commitments in relation to direct properties.

#### Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

#### Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Incremental direct costs incurred in negotiating and arranging the lease, are included in the cost of the asset. This asset has been included as a fair value adjustment to Land and buildings included in Tangible assets on the Balance sheet.

The capital element of lease obligations is recorded as a finance lease payable liability in the Balance sheet on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

#### Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Any payments made under operating leases are charged to the Statement of total return on a straight-line basis over the period of the lease.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (c) Basis of valuation of investments (continued)

##### Special Purpose Vehicles

In certain instances properties are purchased through Special Purpose Vehicles (SPVs).

SPVs where the fund's intention is to transfer the properties to become direct holdings of the fund and to liquidate the residual SPV entities as soon as practicable have been included within Investments in subsidiaries in the fund's Balance sheet and have been consolidated in the group financial statements. These SPVs are fair valued by the Investment Manager and consist primarily of properties and properties under construction which are valued in line with the property valuation policy above.

SPVs where the properties have already been transferred to the fund as at the year end and liquidation process is due to commence or is in progress have been included within Investments in the fund's Balance sheet and the group's Consolidated balance sheet. These SPVs are fair valued by the Investment Manager. The valuation of the SPVs is based on their net asset values.

##### Equities

The valuation of listed investments has been valued 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 valuation day of the accounting year (31 May 2019) in accordance with the provisions of the scheme particulars.

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

##### Certificates of deposit

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

##### (d) Revenue recognition

Rental revenue is accounted for on an accruals basis. Rental revenue received in advance is deferred and recognised as revenue over the period to which it relates. Rental revenue from properties where leases have been entered into up to the 31 May 2015, which have been let subject to an initial rent free period, or lease incentive, are accounted for on a straight line basis over the terms of the lease, or until the next review date in accordance with UITF Abstract 28. Rental revenue from properties where leases have been entered into on or after 1 June 2015, which have been let subject to an initial rent free period, or lease incentive, are accounted for on a straight line basis over the lease term in accordance with FRS 102. Additional rental revenue arising from rent reviews will be recognised once the review is complete.

Lease incentives are payments made by the fund to encourage tenants to take on long term contracts.

Rent free periods are lease incentives where tenants are not required to pay rent for a period of time therefore the fund incurs a reduction in rental income received.

Lease surrender premiums are recognised as revenue on the date the lease is terminated.

Bank and deposit interest is recognised on an accruals basis.

Certificates of deposit revenue is recognised on an accruals basis.

Overseas dividends are recorded when the security is quoted ex-dividend before the period end and disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the tax note.

Dividends from SPVs are recognised once they have been declared.

Accumulation of revenue relating to accumulation units or shares in underlying funds is recognised as revenue and included in the amount available for distribution.

Equalisation received and accrued from distributions or accumulations on units or shares in underlying investments is treated as capital and deducted from the cost of the investment.

Income distributions from UK Real Estate Investment Trusts (UK REITs) 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.

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

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

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

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (e) Service charges

Service charges are covered by the tenant whilst the property is occupied unless specified in the lease agreement and are included within income and expenses in the statement of total return. Service charges for vacant units are met by the fund on an accruals basis.

#### (f) 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.

Direct acquisition costs on property purchases are capitalised at time of purchase. Significant capital enhancements and refurbishment expenditure will also be capitalised.

#### Annual Management Charge (AMC)

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

The investment objective of Janus Henderson UK Property PAIF 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.

#### General Administration Charge

All fees with the exception of the AMC, Depositary, valuation, legal and professional, service charges, head rent, bad debts and safe custody fees have been replaced by a single ad valorem charge, the General Administration Charge (GAC). The ACD believes that this creates more efficiency around the charging process than more traditional methods. The GAC is calculated as a percentage of the Company's 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.

#### (g) Provision for bad debts

It is the policy of the fund to provide for the potential non-recovery of tenant debts by way of a bad debts provision. Provisions are made for tenant arrears greater than ninety days, and also following recommendations made by the Managing Agents for specific tenant circumstances, where tenants are facing financial difficulties and there is a risk that the debt will not be recovered. Arrears are written off at the discretion of the ACD.

#### (h) 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.

#### (i) 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 applied at 20% of the net taxable revenue after deduction of allowable expenses and gross interest stream distributions. Given the fund is a registered Property Authorised Investment Fund (PAIF), any income derived from its property investments is tax exempt.

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.

#### (j) Development incentive payment

Development incentive payment is accrued as per the relevant development or asset management agreements. Payments are made to the developer on properties under construction and other land developments pursuant to the conditions within those agreements.

#### (k) Cash equivalents

Cash equivalents are highly liquid investments held in the base currency of the fund, which are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond. Cash equivalents currently held by the fund comprise Certificates of deposit and Collective investment schemes. Refer to note 12 for more details.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (l) Cash flow statement

A cash flow statement has been included as the fund holds property assets which are not deemed highly liquid assets.

#### (m) Dilution adjustment

The fund is priced on a dual 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.

#### (n) Estimates and judgments

During the preparation of the financial statements there is a requirement to use critical judgements, estimates and assumptions that affect the application of accounting policies and reported values of assets, liabilities, revenue and expenses. These will by definition not always equal the actual values, and may in some cases result in material adjustments in the following accounting year.

The fair value of investment properties and the calculation of finance lease balances are examples where, due to their complexity, such judgements, assumptions and estimates have been utilised. Details of the key considerations involved are included within the accounting policies above.

### 2 Distribution Policy

The distribution policy of the fund is to distribute/accumulate all available revenue, after the deduction of expenses properly chargeable against revenue, subject to any of the AMC or other expense which may currently be transferred to capital. Under the PAIF regime, the fund distributes income in three streams (dividend, interest and property).

Gross share classes are not subject to income tax. Net share classes are subject to income tax on the property stream only.

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

The policy of the fund is to make distributions to shareholders on a quarterly basis (31 October, 31 January, 30 April and 31 July) each year. The distributions are calculated on a fund basis only.

Marginal tax relief has not been taken into account when determining the amount available for distribution.

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

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

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

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

#### Equalisation

Equalisation applies to all share classes of the fund apart from Class F gross accumulation.

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

### 3 Risk

In pursuing its investment objective, a significant proportion of the fund's assets are in commercial properties. The fund also holds other financial instruments which may comprise:

- Property related securities, non-property related securities and shares in collective investment schemes;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations; and
- Short-term borrowings used to finance investment activity.

The fund may also enter into derivatives and forward transactions for the purpose of efficient portfolio management and currency hedging.

## Notes to the financial statements (continued)

### 3 Risk (continued)

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

In the normal course of business, the fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting period.

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;
- NasdaqBWISE operational risk database;
- RiskMetrics, UBS Delta, Style Research, Cognition and Barra for market risk measurement; and
- Bloomberg for market data and price checking.

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

#### (a) Market risk

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

The investment of the fund is subject to normal market fluctuations and other risks inherent in investing in property and securities in pursuance of its investment objective and policies. Such risks include, but are not limited to: economic and political change (e.g. inflation rate risk); development risks; environmental risks e.g. contamination and flooding; rent default; limited investment opportunities; concentration risk; sector risk; forced disposals and valuation spread. These risks are managed to the extent they reasonably can be, by conducting detailed research and due diligence; diversification of investments in the portfolio; and obtaining reports from properly insured providers prior to investment, where appropriate. After initial investment periodic monitoring occurs on the strength of the tenant covenants by analysing their financials and the risk bands provided by IRIS.

Real property values are affected by a number of factors, change in general climate, local conditions, the physical characteristics of the building (apart from normal wear and tear, advances in technology or requirements of tenants may render a building less attractive over time), property management, competition on rental rates, length of the lease(s) (if a building is let to a good quality tenant for a long period of time then the value of the property will reflect this even if general economic conditions are more volatile), attractiveness and location of the properties (the attractiveness of a particular location may change over time), financial condition of tenants (the value of a building is a function of its rental income and therefore the creditworthiness of the underlying tenants, which may deteriorate over time), buyers and sellers of properties, quality of maintenance, insurance and management services and changes in operation costs.

The value of a property includes an element of a valuer's opinion and professional experience in addition to fact and may go down as well as up. There is also a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to lack of liquidity in the relevant market.

#### Currency risk

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

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

## Notes to the financial statements (continued)

### 3 Risk (continued)

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

##### Interest rate risk - group

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 and certificates of deposit are directly impacted by interest rate movements but others are indirectly affected.

The group's exposure to interest rate risk is considered significant. The interest rate risk profile of the group's financial assets and financial liabilities at the year end is set out in the following table:

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
<b>2019</b>				
UK sterling	92,569	336,583	2,139,269	2,568,421
<b>Total</b>	<b>92,569</b>	<b>336,583</b>	<b>2,139,269</b>	<b>2,568,421</b>
	Floating rate financial assets £000	Fixed rate financial assets £000	Restated Non-interest bearing assets £000	Restated Total £000
<b>2018</b>				
UK sterling	163,626	389,599	2,514,798*	3,068,023*
<b>Total</b>	<b>163,626</b>	<b>389,599</b>	<b>2,514,798</b>	<b>3,068,023</b>
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
<b>2019</b>				
UK sterling	73,707	-	45,296	119,003
<b>Total</b>	<b>73,707</b>	<b>-</b>	<b>45,296</b>	<b>119,003</b>
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Restated Non-interest bearing liabilities £000	Restated Total £000
<b>2018</b>				
UK sterling	-	-	41,558*	41,558*
<b>Total</b>	<b>-</b>	<b>-</b>	<b>41,558</b>	<b>41,558</b>

\* Refer to note 25 for more details.

##### Sensitivity analysis

The net floating rate assets held by the group at the year end were £18,862,000 (2018: £163,626,000). The income from the net floating rate assets is driven by the interest rates applicable to these assets. If the average rate of the interest applicable to the net floating rate assets was 0.50% higher, the income from the net floating rate assets as at 31 May 2019 would increase by £94,310 (2018: £818,130). If the average rate of interest applicable to the net floating rate assets was 0.50% lower, the income from the net floating rate assets as at 31 May 2019 would decrease by £94,310 (2018: £818,130). The impact on the net asset value of the group would be insignificant at the current or prior accounting year.

Certificates of deposit have fixed rates of interest and are valued using a yield curve approach. The valuation of certificates of deposit may change depending on movements in interest rates, however those held by the group are all short term and therefore the impact from a change in interest rates is not expected to have a significant impact on their value.



## Notes to the financial statements (continued)

### 3 Risk (continued)

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

##### Interest rate risk - fund

The fund's exposure to interest rate risk is considered significant. The interest rate risk profile of the fund's financial assets and financial liabilities at the year end is set out in the following table:

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
<b>2019</b>				
UK sterling	91,819	336,583	2,149,189	2,577,591
<b>Total</b>	<b>91,819</b>	<b>336,583</b>	<b>2,149,189</b>	<b>2,577,591</b>
			<b>Restated</b>	<b>Restated</b>
	<b>Floating rate</b>	<b>Fixed rate</b>	<b>Non-interest</b>	<b>Total</b>
	<b>financial</b>	<b>financial</b>	<b>bearing</b>	<b>Total</b>
	<b>assets</b>	<b>assets</b>	<b>assets</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>2018</b>				
UK sterling	162,880	389,599	2,517,095*	3,069,574*
<b>Total</b>	<b>162,880</b>	<b>389,599</b>	<b>2,517,095</b>	<b>3,069,574</b>
			<b>Non-interest</b>	<b>Total</b>
	<b>Floating rate</b>	<b>Fixed rate</b>	<b>bearing</b>	<b>Total</b>
	<b>financial</b>	<b>financial</b>	<b>liabilities</b>	<b>£000</b>
	<b>liabilities</b>	<b>liabilities</b>	<b>£000</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>2019</b>				
UK sterling	73,707	-	54,466	128,173
<b>Total</b>	<b>73,707</b>	<b>-</b>	<b>54,466</b>	<b>128,173</b>
			<b>Restated</b>	<b>Restated</b>
	<b>Floating rate</b>	<b>Fixed rate</b>	<b>Non-interest</b>	<b>Total</b>
	<b>financial</b>	<b>financial</b>	<b>bearing</b>	<b>Total</b>
	<b>liabilities</b>	<b>liabilities</b>	<b>liabilities</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>2018</b>				
UK sterling	-	-	43,109*	43,109*
<b>Total</b>	<b>-</b>	<b>-</b>	<b>43,109</b>	<b>43,109</b>

\* Refer to note 25 for more details.

##### Sensitivity analysis

The net floating rate assets held by the fund at the year end were £18,112,000 (2018: £162,880,000). The income from the net floating rate assets is driven by the interest rates applicable to these assets. If the average rate of the interest applicable to the net floating rate assets was 0.50% higher, the income from the net floating rate assets as at 31 May 2019 would increase by £90,560 (2018: £814,400). If the average rate of interest applicable to the net floating rate assets was 0.50% lower, the income from the net floating rate assets as at 31 May 2019 would decrease by £90,560 (£2018: £814,400). The impact on the net asset value of the fund would be insignificant at the current or prior accounting year.

Certificates of deposit have fixed rates of interest and are valued using a yield curve approach. The valuation of certificates of deposit may change depending on movements in interest rates, however those held by the fund are all short term and therefore the impact from a change in interest rates is not expected to have a significant impact on their value.

### 3 Risk (continued)

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

##### Other market price risk

Other market price risk is the risk that the value of the fund's investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. This arises mainly from uncertainty about future prices of investments the fund might hold including financial instruments. It represents the potential loss the fund might suffer through holding market positions in the face of price movements. Property values can go up and down and in extreme market conditions property values may move more significantly than bonds or shares. Valuations are determined by independent property experts. The valuation of property is generally a matter of valuer's opinion. The amount raised when a property is sold may be less than the valuation. The fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the fund's investment objectives and policies.

##### Sensitivity analysis

The values of commercial properties are driven by their expected rental yield. At the year end, the portfolio effective yield was 5.62% (2018: 5.37%). If the yield of every property within the portfolio increased by 0.50% (2018: 0.50%) it is estimated that the net asset value would fall by 6.08% (2018: 7.74%). If the yields decreased by 0.50% (2018: 0.50%) it is estimated that the net asset value would rise by 7.11% (2018: 5.92%). These estimates are subject to the prevailing conditions at the time.

##### Leverage

The fund may achieve leverage through borrowing, the use of derivatives, forward foreign exchange contracts and/or other non-fully funded instruments or techniques such as stock-lending. The use of leverage may significantly increase the investment/market and counterparty risk of the fund through non-fully funded exposure to underlying markets or securities. The fund also has the power to invest directly or indirectly in vehicles, for example unregulated collective investment schemes, which may be highly leveraged.

The fund made use of bank overdrafts during the year. Refer to note 13 for more details.

The Company's borrowing (financial leverage) must not, on any business day, exceed 10% of the value of the Company Property.

The fund has not employed significant leverage in the current year or prior period. Further details can be found in the appendix.

##### Development risk

The fund may invest in property developments and will be subject to the risks normally associated with property development. These risks include, risks relating to the availability and timely receipt of planning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the company such as weather or labour conditions or material shortages). General market and letting risk, and the availability of both construction and permanent financing on favourable terms. These risks could result in substantial unanticipated delays or expenses and, could prevent completion of development activities once undertaken, which could reduce the value of the fund.

#### (b) Credit and counterparty risk

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

In order to manage credit risk the fund is subject to investment limits for issuers of securities. 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 an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed by the Janus Henderson Counterparty Risk Committee along with set limits and new counterparty approval.

The fund's assets that are held with the banks could be exposed to credit and counterparty risk. Only counterparties that have been approved by Janus Henderson's Counterparty Risk Committee are used for derivative transactions. The continuing creditworthiness of counterparty banks used by the funds and ACD is monitored on a regular basis. For details of any such exposure, please refer to note 13 for group and fund cash and cash equivalents balances at the year end.

Property credit risk may arise from tenant default in the fund's properties through inability to meet rental payments, as a result the fund's income may be impacted and additional costs incurred, such as legal expenses. In the event of default by an occupational tenant, there will be rental shortfall and additional costs, including legal expenses, are likely to be incurred in maintaining, insuring and re-letting the property buyers. For details of any such exposure, please refer to note 10 for relevant group and fund debtors at the year end.

Adherence to regulatory and fund investment guidelines and to investment and borrowing powers mitigates the risk of excessive exposure to any particular type of security or issuer.

## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (b) Credit and counterparty risk (continued)

##### Credit Ratings - group

2019	Market value £000	Percentage of total net assets %
<b>Investments</b>		
Investment grade (AAA - BBB) <sup>1</sup>	336,583	13.74
<b>Total debt securities</b>	<b>336,583</b>	<b>13.74</b>
Direct properties	1,828,834	74.66
Equities and SPVs	2,123	0.09
<b>Investment assets</b>	<b>2,167,540</b>	<b>88.49</b>
Collective investment schemes	284,276	11.61
Other net assets	(2,398)	(0.10)
<b>Total net assets</b>	<b>2,449,418</b>	<b>100.00</b>
<b>2018</b>	<b>Restated Market value £000</b>	<b>Restated Percentage of total net assets %</b>
<b>Investments</b>		
Investment grade (AAA - BBB) <sup>1</sup>	389,599	12.87
<b>Total debt securities</b>	<b>389,599</b>	<b>12.87</b>
Direct properties	2,237,487 <sup>2</sup>	73.93 <sup>2</sup>
Equities and SPVs	138,584	4.58
<b>Investment assets</b>	<b>2,765,670</b>	<b>91.38</b>
Collective investment schemes	121,254	4.01
Other net assets	139,541 <sup>2</sup>	4.61 <sup>2</sup>
<b>Total net assets</b>	<b>3,026,465</b>	<b>100.00</b>

<sup>1</sup> Certificates of deposit included within above investment grade have been rated based on the rating of the issuer.

<sup>2</sup> Refer to note 25 for more details.

## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (b) Credit and counterparty risk (continued)

##### Credit Ratings - fund

2019	Market value £000	Percentage of total net assets %
<b>Investments</b>		
Investment grade (AAA - BBB) <sup>1</sup>	336,583	13.74
<b>Total debt securities</b>	<b>336,583</b>	<b>13.74</b>
Direct properties	1,770,684	72.29
Investment in subsidiaries	67,800	2.76
Equities and SPVs	2,123	0.09
<b>Investment assets</b>	<b>2,177,190</b>	<b>88.89</b>
Collective investment schemes	284,276	11.61
Other net assets	(12,048)	(0.49)
<b>Total net assets</b>	<b>2,449,418</b>	<b>100.00</b>
<b>2018</b>		
	<b>Restated Market value £000</b>	<b>Restated Percentage of total net assets %</b>
<b>Investments</b>		
Investment grade (AAA - BBB) <sup>1</sup>	389,599	12.87
<b>Total debt securities</b>	<b>389,599</b>	<b>12.87</b>
Direct properties	2,181,437 <sup>2</sup>	72.08 <sup>2</sup>
Investment in subsidiaries	63,277	2.09
Equities and SPVs	138,584	4.58
<b>Investment assets</b>	<b>2,772,897</b>	<b>91.62</b>
Collective investment schemes	121,254	4.01
Other net assets	132,314 <sup>2</sup>	4.37 <sup>2</sup>
<b>Total net assets</b>	<b>3,026,465</b>	<b>100.00</b>

<sup>1</sup> Certificates of deposit included within above investment grade have been rated based on the rating of the issuer.

<sup>2</sup> Refer to note 25 for more details.

#### (c) Liquidity risk

Liquidity risk is the risk that an investment in the fund's portfolio cannot be sold either in time or at an acceptable price thereby impacting the ability of the fund to meet its settlement obligations.

All property investments are relatively illiquid compared to bonds and equities. Liquidity is a function both of the time to effect a sale and the extent to which it is possible to trade at the market price. Property is slow to transact in normal market conditions and hence is illiquid. In poor market conditions it will take even longer to find a buyer to pay an acceptable price. In extreme market conditions or if the fund is experiencing significant levels of redemption requests, this may mean the fund is unable to meet redemption requests on demand. In exceptional circumstances the ACD may, with the prior agreement of the Depositary temporarily suspend dealing in the fund to protect liquidity.

The ACD has a Fund Suspensions Policy which sets out its approach to liquidity management. The policies include the management, implementation and maintaining of appropriate liquidity limits for the fund and periodic review and challenge with the investment manager and sub-investment manager to ensure anticipated redemption requests can be met.

Given the illiquid nature of property investments the cash mandate is focussed on managing the fund's liquidity and consequently the fund is invested in certificates of deposit which can easily be sold to cover redemptions, whilst maintaining a high level of diversification of holdings.

The sub-investment management team manage the property acquisitions and disposals as part of the fund's liquidity management. The fund may borrow up to 10% of the value of the Company Property as a short term measure to cover timing differences between the agreement to sell properties and the receipt of cash.

## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (c) Liquidity risk (continued)

The percentage of the fund's assets which are subject to special arrangements arising from their illiquid nature are nil. A special arrangement is an arrangement that arises as a direct consequence of the illiquid nature of the assets of the fund which impacts the specific redemption rights of investors in a type of shares of the fund and which is a bespoke or separate arrangement from the general redemption rights of investors. There are currently no special arrangements in place.

#### Liquidity risk - group

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2019</b>				
Bank overdraft	73,707	-	-	-
Distribution payable	-	2,875	-	-
Finance lease liability	-	797	2,832	13,634
Other creditors	-	23,684	-	-
Provisions for liabilities	-	1,474	-	-
<b>Total</b>	<b>73,707</b>	<b>28,830</b>	<b>2,832</b>	<b>13,634</b>
	On demand £000	Restated Within one year £000	Restated Over one year but not more than five years £000	Restated Over five years £000
<b>2018</b>				
Distribution payable	-	4,942	-	-
Finance lease liability	-	797*	2,832*	13,637*
Other creditors	-	17,310	-	-
Provisions for liabilities	-	2,040	-	-
<b>Total</b>	<b>-</b>	<b>25,089</b>	<b>2,832</b>	<b>13,637</b>

\* Refer to note 25 for more details.

## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (c) Liquidity risk (continued)

##### Liquidity risk - fund

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

	On demand	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
<b>2019</b>				
Bank overdraft	73,707	-	-	-
Distribution payable	-	2,875	-	-
Finance lease liability	-	797	2,832	13,634
Other creditors	-	32,854	-	-
Provisions for liabilities	-	1,474	-	-
<b>Total</b>	<b>73,707</b>	<b>38,000</b>	<b>2,832</b>	<b>13,634</b>
			<b>Restated</b>	<b>Restated</b>
			<b>Over one year</b>	<b>Over five years</b>
			<b>but not more</b>	<b>Over five years</b>
			<b>than five years</b>	<b>Over five years</b>
			<b>£000</b>	<b>£000</b>
<b>2018</b>				
Distribution payable	-	4,942	-	-
Finance lease liability	-	797*	2,832*	13,637*
Other creditors	-	18,861	-	-
Provisions for liabilities	-	2,040	-	-
<b>Total</b>	<b>-</b>	<b>26,640</b>	<b>2,832</b>	<b>13,637</b>

\* Refer to note 25 for more details.

#### (d) Brexit risk

Britain's uncertain exit from the European Union continues to negatively affect market sentiment. As a result we aim to maintain a strong liquidity buffer and a broad mix of high-quality assets across sectors and geographies, with a focus on location, depth of occupational demand, strength of tenant and lease length.

Since the UK's EU referendum vote in 2016 we have implemented a significant reduction in the weighting of investments in properties from the UK regions – outside of the South East – and from the West End of London, with much of this being focused on reducing the financial tenants within the portfolio, which now stands at less than 2.6% of the fund's rental income. We have also kept a strong weighting in sectors of the market that are driven by long-term demographic and technological trends, such as care homes and data centres. These typically come with the added benefit of long leases with fixed or inflation-linked rent increases and overall this type of lease structure makes up more than a third of income to the fund.

Currency volatility resulting from this uncertainty may mean that the returns of the Fund and its investments are adversely affected by market movements, potential decline in the value of the British Pound and/or Euro, and any downgrading of United Kingdom sovereign credit rating.

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

## Notes to the financial statements (continued)

### 4 Net capital gains

Net capital gains on investments during the year comprise:

	<b>Group 2019 £000</b>	<b>Fund 2019 £000</b>	<b>Group 2018 £000</b>	<b>Fund 2018 £000</b>
Investment in direct properties*	30,816	28,716	157,824	150,017
Investment in subsidiaries*	-	4,523	-	11,094
Non-derivative securities*	(21,583)	(21,583)	8,947	8,947
Capital management fee rebates	114	114	-	-
Transaction costs	(8)	(8)	(7)	(7)
<b>Net capital gains</b>	<b>9,339</b>	<b>11,762</b>	<b>166,764</b>	<b>170,051</b>
<b>*The above includes:</b>				
Realised gains	115,862	115,862	17,035	16,795
Unrealised (losses)/ gains	(106,629)	(104,206)	149,736	153,263
	<b>9,233</b>	<b>11,656</b>	<b>166,771</b>	<b>170,058</b>

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

### 5 Revenue

	<b>Group 2019 £000</b>	<b>Fund 2019 £000</b>	<b>Group 2018 £000</b>	<b>Fund 2018 £000</b>
Bank interest	292	292	223	223
Certificates of deposit	3,253	3,253	1,352	1,352
Overseas dividends *	1,305	1,305	519	519
Rental income	110,839	107,695	116,540	112,793
Service charge income	4,668	4,668	5,706	5,706
UK dividends	239	239	1,155	1,155
UK PID income	2,791	2,791	3,928	3,928
<b>Total revenue</b>	<b>123,387</b>	<b>120,243</b>	<b>129,423</b>	<b>125,676</b>

\* Includes distributions from overseas funds.

## Notes to the financial statements (continued)

### 6 Expenses

	<b>Group</b>	<b>Fund</b>	<b>Restated</b>	<b>Restated</b>
	<b>2019</b>	<b>2019</b>	<b>Group</b>	<b>Fund</b>
	<b>£000</b>	<b>£000</b>	<b>2018</b>	<b>2018</b>
			<b>£000</b>	<b>£000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>				
Annual management charge	7,359	7,359	8,727	8,727
General administration charge*	1,139	1,139	1,271	1,271
	<u>8,498</u>	<u>8,498</u>	<u>9,998</u>	<u>9,998</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>				
Depositary fees	277	277	283	283
Safe custody fees	20	20	20	20
	<u>297</u>	<u>297</u>	<u>303</u>	<u>303</u>
<b>Other expenses:</b>				
Valuation fees	401	401	414	414
Legal and professional fees	3,713	3,532	2,990	2,895
Service charges	11,118	11,118	9,949**	9,831**
Head rent	-	-	(202)	(202)
Doubtful debts	-	-	586	586
	<u>15,232</u>	<u>15,051</u>	<u>13,737</u>	<u>13,524</u>
<b>Total expenses</b>	<u><b>24,027</b></u>	<u><b>23,846</b></u>	<u><b>24,038</b></u>	<u><b>23,825</b></u>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through GAC, is £46,449 (2018: £54,100).

\*\* Refer to note 25 for more details.

### 7 Interest payable and similar charges

The interest payable and similar charges comprise:

	<b>Group</b>	<b>Fund</b>	<b>Restated</b>	<b>Restated</b>
	<b>2019</b>	<b>2019</b>	<b>Group</b>	<b>Fund</b>
	<b>£000</b>	<b>£000</b>	<b>2018</b>	<b>2018</b>
			<b>£000</b>	<b>£000</b>
Finance charge on leased assets	817	817	817*	817*
Interest payable	3	2	1	-
<b>Total interest payable and similar charges</b>	<u><b>820</b></u>	<u><b>819</b></u>	<u><b>818</b></u>	<u><b>817</b></u>

\* Refer to note 25 for more details.



## Notes to the financial statements (continued)

### 8 Taxation

#### a) Analysis of charge/(credit) in the year

The tax charge/(credit) comprises:

	<b>Group</b>	<b>Fund</b>	<b>Group</b>	<b>Fund</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
UK corporation tax	539	-	246	-
Corporation tax prior period adjustment	-	-	(554)	(554)
<b>Total tax</b>	<b>539</b>	<b>-</b>	<b>(308)</b>	<b>(554)</b>

#### b) Factors affecting tax charge/(credit) for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for a PAIF of 20% (2018: 20%).

The differences are explained below:

	<b>Group</b>	<b>Fund</b>	<b>Group</b>	<b>Fund</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net revenue before taxation	98,540	95,578	104,567	101,034
Corporation tax at 20% (2018: 20%)	19,708	19,116	20,913	20,207
Effects of:				
Income being paid as property distributions	(18,421)	(18,421)	(19,656)	(19,656)
Expenses not deductible for tax purposes	98	98	73	73
Other non taxable income	(53)	-	(460)	-
UK dividends*	(48)	(48)	(231)	(231)
Corporation tax prior period adjustment	-	-	(554)	(554)
Income being paid as interest distributions	(745)	(745)	(393)	(393)
<b>Tax credit for the year (note 8a)</b>	<b>539</b>	<b>-</b>	<b>(308)</b>	<b>(554)</b>

\* As a PAIF this item is not subject to corporation tax.

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

#### c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2018: nil).

#### d) Factors that may affect future tax charges

There were no factors that may affect future tax charges at the current or prior accounting year.

## Notes to the financial statements (continued)

### 9 Distributions

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

	<b>Group 2019 £000</b>	<b>Fund 2019 £000</b>	<b>Group 2018 £000</b>	<b>Fund 2018 £000</b>
Interim income	8,239	8,239	9,944	9,944
Interim accumulation	67,611	67,611	66,987	66,987
Final income	1,769	1,769	3,572	3,572
Final accumulation	21,190	21,190	25,468	25,468
Income tax	3,191	3,191	3,794	3,794
	<u>102,000</u>	<u>102,000</u>	<u>109,765</u>	<u>109,765</u>
Amounts deducted on cancellation of shares	2,760	2,760	1,564	1,564
Amounts received on issue of shares	(1,822)	(1,822)	(1,014)	(1,014)
<b>Total distributions</b>	<b><u>102,938</u></b>	<b><u>102,938</u></b>	<b><u>110,315</u></b>	<b><u>110,315</u></b>
Net revenue after taxation	98,001	95,578	104,875	101,588
Annual management charge paid from capital	7,359	7,359	8,727	8,727
Undistributed revenue carried forward	(2,422)	1	(3,287)	-
<b>Total distributions</b>	<b><u>102,938</u></b>	<b><u>102,938</u></b>	<b><u>110,315</u></b>	<b><u>110,315</u></b>

Details of the distribution per share are set out in the distribution tables on pages 54 to 69.

### 10 Debtors

	<b>Group 2019 £000</b>	<b>Fund 2019 £000</b>	<b>Group 2018 £000</b>	<b>Fund 2018 £000</b>
Accrued revenue	1,339	1,339	988	988
Amounts receivable for issue of shares	4,545	4,545	-	-
Amounts receivable from managing agents	235	-	5,286	-
Intercompany debtor	-	441	-	447
Lease incentive debtor	4,304	4,304	3,809	3,809
Rent free periods debtor	8,412	8,412	6,572	6,572
Amounts due on sales of properties	1,268	1,268	697	697
Service charge debtor	1,301	1,301	4	4
Other debtor	68	24	117	26
VAT receivable	2,564	2,672	-	-
<b>Total debtors</b>	<b><u>24,036</u></b>	<b><u>24,306</u></b>	<b><u>17,473</u></b>	<b><u>12,543</u></b>

## Notes to the financial statements (continued)

### 11 Cash and bank balances

	Group 2019 £000	Fund 2019 £000	Group 2018 £000	Fund 2018 £000
Cash and bank balances	92,569	91,819	25,328	24,582
Short term deposits	-	-	138,298	138,298
<b>Total cash and bank balances</b>	<b>92,569</b>	<b>91,819</b>	<b>163,626</b>	<b>162,880</b>

### 12 Cash equivalents

	Group 2019 £000	Fund 2019 £000	Group 2018 £000	Fund 2018 £000
Certificates of deposit	336,583	336,583	389,599	389,599
Collective investment scheme	284,276	284,276	121,254	121,254
<b>Total cash equivalents</b>	<b>620,859</b>	<b>620,859</b>	<b>510,853</b>	<b>510,853</b>

### 13 Components of cash and cash equivalents

	Group 2019 £000	Fund 2019 £000	Group 2018 £000	Fund 2018 £000
Bank overdraft*	(73,707)	(73,707)	-	-
Cash and bank balances	92,569	91,819	25,328	24,582
Cash equivalents	620,859	620,859	510,853	510,853
Short term deposits	-	-	138,298	138,298
<b>Total cash and cash equivalents</b>	<b>639,721</b>	<b>638,971</b>	<b>674,479</b>	<b>673,733</b>

\* The Bank overdraft is subject to an interest pooling arrangement. As the bank balances overall are in a net positive position no interest is chargeable on this overdraft balance.

### 14 Provisions for liabilities

	Group 2019 £000	Fund 2019 £000	Group 2018 £000	Fund 2018 £000
Development incentive payment	1,474	1,474	2,040	2,040
<b>Total provisions for liabilities</b>	<b>1,474</b>	<b>1,474</b>	<b>2,040</b>	<b>2,040</b>

## Notes to the financial statements (continued)

### 15 Other creditors

	Group 2019 £000	Fund 2019 £000	Group 2018 £000	Fund 2018 £000
Accrued annual management charge	493	493	693	693
Accrued depositary's fee	21	21	24	24
Accrued other expenses	157	157	310	310
Amounts payable for cancellation of shares	15,465	15,465	6,390	6,390
Income tax payable	75	-	75	-
Intercompany creditor	-	9,900	-	2,361
Other creditors	532	-	539	-
Prepaid rental income	6,941	6,818	6,312	6,186
VAT payable	-	-	2,967	2,897
<b>Total other creditors</b>	<b>23,684</b>	<b>32,854</b>	<b>17,310</b>	<b>18,861</b>

### 16 Finance lease payable

The following direct properties have finance lease commitments:

- 2-14 Bunhill Row, London
- Milsom Place, Milsom Street, Bath

The above properties, subject to finance leases, are primarily used in the operations of the fund to generate rental income. Rent on the Bunhill Row property is subject to fixed rental payments, and rent on the Milsom Place property is subject to open market rent reviews every 4 years. There are no contingent rental, renewal or purchase options.

The commitments in relation to these properties are detailed in the table below.

	Group 2019 £000	Fund 2019 £000	Restated Group 2018 £000	Restated Fund 2018 £000
<b>Commitments in relation to finance leases are payable as follows:</b>				
Not later than one year	821	821	821	821
Later than one year and not later than five years	3,283	3,283	3,283	3,283
Later than five years	90,660	90,660	91,480	91,480
<b>Minimum lease payments</b>	<b>94,764</b>	<b>94,764</b>	<b>95,584</b>	<b>95,584</b>
Future finance charges	(77,501)	(77,501)	(78,318)	(78,318)
<b>Total lease liabilities</b>	<b>17,263</b>	<b>17,263</b>	<b>17,266</b>	<b>17,266</b>

The present value of finance lease liabilities are as follows:

Not later than one year	797	797	797	797
Later than one year and not later than five years	2,832	2,832	2,832	2,832
Later than five years	13,634	13,634	13,637	13,637
<b>Minimum lease payments</b>	<b>17,263</b>	<b>17,263</b>	<b>17,266</b>	<b>17,266</b>

#### Finance lease amortisation

Brought forward at 1 June	17,266	17,266	17,269	17,269
Carried forward at 31 May	17,263	17,263	17,266	17,266
<b>Finance lease amortisation</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

Refer to note 25 for more details.

## Notes to the financial statements (continued)

### 17 Contingent liabilities and commitments

#### Commitments

At the balance sheet date the fund had entered into forward funding and capital expenditure commitments on various assets in the property portfolio. These undertakings are variable, dependent on a number of outcomes and independent valuations.

Property	Group and Fund	Group and Fund
	2019	2018
	Total	Total
	£000	£000
22-24 Worple Road, London	1,919	9,999
Bedford Riverside	1,550	1,551
Bilton Way, Dallow Road, Luton	1,208	1,402
Crendon Industrial Estate, Thame, London	-	401
Dalton Park	-	170
Forbury Park, Kenavon Way, Reading	-	398
Gilesgate, Durham	5	36
Hardwick Street, London	-	54
Homebase, 300 London Road, High Wycombe	524	570
John Lewis, Croydon	10,390	10,132
One Carey Lane, London	-	1
Penrhyn Road, Kingston	-	790
Rivers Office Park, Rickmansworth	-	489
<b>Total capital expenditure</b>	<b>15,596</b>	<b>25,993</b>

#### Contingent liabilities

The fund had no contingent liabilities at the current or prior year end.

### 18 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Fund statement of total return', the 'Fund statement of change in net assets attributable to shareholders' and the 'Fund balance sheet' on pages 28 and 29 and notes 6, 9, 10 and 15 on pages 42 to 46 including all issues and cancellations where the ACD acted as principal.

Transactions with the Authorised Fund Manager are as follows:

- All issues and cancellations,
- Annual management charge,
- GAC.

The fund holds SPVs which are considered to be related parties as they are wholly owned by the fund. Transactions in the year with SPVs and the market value of the SPVs at the year end are as follows:

2019	Intercompany creditor £000	Intercompany debtor £000	Market Value £000	Revenue received £000
Click Cabot Park s.a.r.l	2,008	-	15,358	-
Click Corby s.a.r.l	3,074	-	15,518	-
Double click, Crewe s.a.r.l	4,818	-	36,382	-
The Square Bermondsey Limited	-	441	46	-
Gilesgate Durham	-	-	496	158
Penrhyn Kingston 1	-	-	-	-
Cambridge Business Park s.a.r.l.	-	-	2,123	-
	<b>9,900</b>	<b>441</b>	<b>69,923</b>	<b>158</b>

## Notes to the financial statements (continued)

### 18 Related party transactions (continued)

2018	Intercompany creditor £000	Intercompany debtor £000	Market Value £000	Revenue received £000
Click Cabot Park s.a.r.l	365	-	13,984	-
Click Corby s.a.r.l	1,065	-	14,514	-
Double click, Crewe s.a.r.l	931	-	34,261	-
The Square Bermondsey Limited	-	447	33	-
Gilesgate Durham	-	-	485	-
Penrhyn Kingston <sup>1</sup>	-	-	-	-
Cambridge Business Park s.a.r.l.	-	-	2,141	-
Greenwich View (1) Limited	-	-	-	134
Greenwich View (The point) Limited	-	-	-	331
	<b>2,361</b>	<b>447</b>	<b>65,418</b>	<b>465</b>

There were no material shareholders at the year end.

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

### 19 Shareholders' funds

The fund currently has 5 share classes available; Class A, Class F, Class G, Class I (Institutional) and Class Z. The annual management charge on these share classes is as follows:

	2019 %	2018 %
Class A	1.50	1.50
Class F <sup>1</sup>	-	-
Class G	0.675	0.675
Class I	0.75	0.75
Class Z <sup>2</sup>	-	-

<sup>1</sup> Charges for managing Class F are levied within the Janus Henderson UK Property PAIF Feeder Fund.

<sup>2</sup> Charges for managing Class Z shares are levied outside the fund and are agreed between the ACD and investors.

### Shares reconciliation as at 31 May 2019

	Class A accumulation	Class A income	Class G accumulation	Class G income	Class I accumulation
Opening number of shares	91,533,548	24,249,558	1,345,967	5,404,679	127,686,827
Issues during the year	1,199,593	521,121,165	-	1,381,222	22,746,641
Cancellations during the year	(27,993,593)	(535,354,477)	(1,308,555)	(5,041,141)	(20,661,477)
Shares converted during the year	(572,530)	(532,726)	-	(18,554)	(3,011,326)
<b>Closing shares in issue</b>	<b>64,167,018</b>	<b>9,483,520</b>	<b>37,412</b>	<b>1,726,206</b>	<b>126,760,665</b>
	Class I income	Class Z accumulation	Class Z income	Class F gross accumulation	Class G gross income
Opening number of shares	322,396,202	3,229,275	12,032,907	1,950,704,189	108,837
Issues during the year	52,256,222	19,136	3,896,738	51,680,706	364
Cancellations during the year	(210,109,912)	(814,069)	(944,281)	(416,304,367)	(76,595)
Shares converted during the year	190,687	-	-	-	-
<b>Closing shares in issue</b>	<b>164,733,199</b>	<b>2,434,342</b>	<b>14,985,364</b>	<b>1,586,080,528</b>	<b>32,606</b>

## Notes to the financial statements (continued)

### 19 Shareholders' funds (continued)

#### Shares reconciliation as at 31 May 2019 (continued)

	<b>Class I gross accumulation</b>
Opening number of shares	31,883,693
Issues during the year	4,051,212
Cancellations during the year	(6,361,162)
Shares converted during the year	5,513,019
<b>Closing shares in issue</b>	<b><u>35,086,762</u></b>

### 20 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 - Group and Fund

	<b>2019</b>		<b>2018</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	-	-	136,443*	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total financial instruments at fair value</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>136,443</u></b>	<b><u>-</u></b>

\* This amount is comprised of equities.

At 31 May 2019, the Group and Fund did not hold any relevant financial instruments.

## Notes to the financial statements (continued)

### 21 Investment property

	<b>Group 2019 £000</b>	<b>Fund 2019 £000</b>	<b>Restated Group 2018 £000</b>	<b>Restated Fund 2018 £000</b>
<b>Land and buildings</b>				
Carrying value of land and buildings at the beginning of the year <sup>1</sup>	2,237,487	2,181,437	2,220,363 <sup>2</sup>	2,172,163 <sup>2</sup>
Additions	59,598	59,598	21,943	21,902
Disposals	(505,834)	(505,834)	(270,507)	(270,507)
Transferred in from property under construction	-	-	111,000	111,000
Transferred out to property under construction	(16,700)	(16,700)	-	-
Net gains from disposal	122,469	122,469	12,426	12,426
Net (losses)/ gains from fair value adjustments	(97,486)	(99,586)	142,262	134,453
<b>Carrying value of land and buildings at the end of the year</b>	<b>1,799,534</b>	<b>1,741,384</b>	<b>2,237,487</b>	<b>2,181,437</b>
	<b>Group 2019 £000</b>	<b>Fund 2019 £000</b>	<b>Group 2018 £000</b>	<b>Fund 2018 £000</b>
<b>Property under construction</b>				
Carrying value of property under construction at the beginning of the year <sup>1</sup>	-	-	102,750	102,750
Additions	6,729	6,729	5,114	5,114
Transferred out to land and buildings	-	-	(111,000)	(111,000)
Transferred in from land and buildings	16,700	16,700	-	-
Net gains from fair value adjustments	5,871	5,871	3,136	3,136
<b>Carrying value of property under construction at the end of the year</b>	<b>29,300</b>	<b>29,300</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Includes properties held under finance leases.

<sup>2</sup> Refer to note 25 for more details.

### 22 Investments in subsidiaries

At 31 May 2019, the fund had investments in five special purpose vehicles which are considered to be subsidiary companies. Details of these are given below.

<b>Entity</b>	<b>Nature of interest</b>	<b>Interest held</b>	<b>Principal activity</b>	<b>Result for the period 2019 £000</b>	<b>Net assets 2019 £000</b>
Click Cabot Park s.a.r.l	Subsidiary	100%	Property management	1,374	15,358
Click Corby s.a.r.l	Subsidiary	100%	Property management	1,004	15,518
Double Click Crewe s.a.r.l	Subsidiary	100%	Property management	2,121	36,382
The Square Bermondsey Limited	Subsidiary	100%	Property management	13	46
Gilesgate Durham Limited	Subsidiary	100%	Property management	11	496
				<b>4,523</b>	<b>67,800</b>



## Notes to the financial statements (continued)

### 22 Investments in subsidiaries (continued)

At 31 May 2018, the fund had investments in five special purpose vehicles which are considered to be subsidiary companies. Details of these are given below.

Entity	Nature of interest	Interest held	Principal activity	Result for the period 2018 £000	Net assets 2018 £000
Click Cabot Park s.a.r.l	Subsidiary	100%	Property management	1,865	13,984
Click Corby s.a.r.l	Subsidiary	100%	Property management	2,554	14,514
Double Click Crewe s.a.r.l	Subsidiary	100%	Property management	6,439	34,261
The Square Bermondsey Limited	Subsidiary	100%	Property management	12	33
Gilesgate Durham Limited	Subsidiary	100%	Property management	224	485
				<b>11,094</b>	<b>63,277</b>

### 23 Operating leases

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	Group 2019 £000	Fund 2019 £000	Group 2018 £000	Fund 2018 £000
No later than 1 year	83,097	79,977	104,257	101,137
Later than 1 year and no later than 5 years	283,446	276,102	370,405	362,316
Later than 5 years	480,206	475,408	636,301	629,121
<b>Total</b>	<b>846,749</b>	<b>831,487</b>	<b>1,110,963</b>	<b>1,092,574</b>

## Notes to the financial statements (continued)

### 24 Direct transaction costs - Group and Fund

	Purchases		Sales	
	2019	2018	2019	2018
	£000	£000	£000	£000
<b>Trades in the year</b>				
Direct properties	39,083	450	509,741	271,537
Equities	-	38,473	114,814	10,551
<b>Trades in the year before transaction costs</b>	<b>39,083</b>	<b>38,923</b>	<b>624,555</b>	<b>282,088</b>
<b>Transaction costs</b>				
<b>Direct property costs</b>				
Stamp Duty	2,411	10	-	-
Legal Fees	236	37	619	344
Agents Fees	125	2	2,496	912
Other Fees	-	-	154	168
<b>Total direct property costs</b>	<b>2,772</b>	<b>49</b>	<b>3,269</b>	<b>1,424</b>
<b>Commissions</b>				
Equities	-	28	44	4
<b>Total commissions</b>	<b>-</b>	<b>28</b>	<b>44</b>	<b>4</b>
<b>Taxes</b>				
Equities	-	192	-	-
<b>Total taxes</b>	<b>-</b>	<b>192</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Equities	-	-	-	-
<b>Total other expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>2,772</b>	<b>269</b>	<b>3,313</b>	<b>1,428</b>
<b>Total net trades in the year after transaction costs</b>	<b>41,855</b>	<b>39,192</b>	<b>621,242</b>	<b>280,660</b>

## Notes to the financial statements (continued)

### 24 Direct transaction costs - Group and Fund (continued)

	Purchases		Sales	
	2019 %	2018 %	2019 %	2018 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Direct property costs</b>				
Stamp Duty	6.17	2.22	-	-
Legal Fees	0.60	8.22	0.12	0.13
Agents Fees	0.32	0.44	0.49	0.34
Other Fees	-	-	0.03	0.06
<b>Commissions</b>				
Equities	-	0.07	0.04	0.04
<b>Taxes</b>				
Equities	-	0.50	-	-
<b>Other expenses</b>				
Equities	-	-	-	-
	<b>2019</b> %	<b>2018</b> %		
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Direct property costs	0.21	0.05		
Commissions	-	-		
Taxes	-	0.01		
Other expenses	-	-		
<b>Total costs</b>	<b>0.21</b>	<b>0.06</b>		

There were no in specie transfers during the year (2018: nil). There were no corporate actions during the year (2018: nil).

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

The portfolio dealing spread as at 31 May 2019 is 6.20% (2018: 5.71%). The portfolio dealing spread is calculated at a 12 noon valuation point.

## Notes to the financial statements (continued)

### 25 Prior year restatements

FRS102 requires leasehold properties to be held at the lower of fair value and the present value of the minimum lease repayments. The fair value of the direct properties as at 31 May 2018 has been re-calculated to include £17,266,000 of leasehold properties. This adjustment is due to the change in treatment where the ground rent payables had been incorrectly netted with the asset and has now been grossed up to reflect the nature of risks and rewards incidental to ownership of leasehold properties. The value of the finance lease adjustment is shown within the finance lease payable caption (note 16) and assets have been adjusted within land and buildings. In addition, £817,000 has been reclassified from head rent to interest payable (notes 6 and 7). Restated figures are shown below.

The following tables summarise the impact of the above on both the Group and Fund's Statement of Total Return, Balance Sheet and Statement of Cash Flows.

#### Consolidated statement of total return for the year ended 31 May 2018

	Presented £000	Adjustments £000	Restated £000
Income			
Net capital gains	166,764	-	166,764
Revenue	129,423	-	129,423
Expenses	(24,855)	817	(24,038)
Interest payable and similar charges	<u>(1)</u>	<u>(817)</u>	<u>(818)</u>
Net revenue before taxation	104,567	-	104,567
Taxation	<u>308</u>	<u>-</u>	<u>308</u>
Net revenue after taxation	<u>104,875</u>	<u>-</u>	<u>104,875</u>
<b>Total return before distributions</b>	271,639	-	271,639
Distributions	(110,315)	-	(110,315)
<b>Change in net assets attributable to shareholders from investment activities</b>	<u>161,324</u>	<u>-</u>	<u>161,324</u>

## Notes to the financial statements (continued)

### 25 Prior year restatements (continued)

#### Consolidated balance sheet as at 31 May 2018

	Presented £000	Adjustments £000	Restated £000
<b>Assets:</b>			
Fixed assets:			
Tangible assets:			
Land and buildings	2,220,221	17,266	2,237,487
Property under construction	-	-	-
Investments	138,584	-	138,584
Current assets:			
Debtors	17,473	-	17,473
Cash and bank balances	163,626	-	163,626
Cash equivalents	510,853	-	510,853
<b>Total assets</b>	<b><u>3,050,757</u></b>	<b><u>17,266</u></b>	<b><u>3,068,023</u></b>
<b>Liabilities:</b>			
Provisions for liabilities	2,040	-	2,040
Creditors:			
Bank overdraft	-	-	-
Distribution payable	4,942	-	4,942
Finance lease payable	-	17,266	17,266
Other creditors	17,310	-	17,310
<b>Total liabilities</b>	<b><u>24,292</u></b>	<b><u>17,266</u></b>	<b><u>41,558</u></b>
<b>Net assets attributable to shareholders</b>	<b><u>3,026,465</u></b>	<b><u>-</u></b>	<b><u>3,026,465</u></b>

#### Fund statement of total return for the year ended 31 May 2018

	Presented £000	Adjustments £000	Restated £000
Income			
Net capital gains	170,051	-	170,051
Revenue	125,676	-	125,676
Expenses	(24,642)	817	(23,825)
Interest payable and similar charges	-	(817)	(817)
Net revenue before taxation	101,034	-	101,034
Taxation	554	-	554
Net revenue after taxation	<u>101,588</u>	<u>-</u>	<u>101,588</u>
<b>Total return before distributions</b>	<b>271,639</b>	<b>-</b>	<b>271,639</b>
Distributions	(110,315)	-	(110,315)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b><u>161,324</u></b>	<b><u>-</u></b>	<b><u>161,324</u></b>

## Notes to the financial statements (continued)

### 25 Prior year restatements (continued)

Fund balance sheet as at 31 May 2018

	Presented £000	Adjustments £000	Restated £000
Fixed assets:			
Tangible assets:			
Land and buildings	2,164,171	17,266	2,181,437
Property under construction	-	-	-
Investments	138,584	-	138,584
Investment in subsidiaries	63,277	-	63,277
Current assets:			
Debtors	12,543	-	12,543
Cash and bank balances	162,880	-	162,880
Cash equivalents	510,853	-	510,853
<b>Total assets</b>	<b>3,052,308</b>	<b>17,266</b>	<b>3,069,574</b>
<b>Liabilities:</b>			
Investment liabilities			
Provisions for liabilities	2,040	-	2,040
Creditors:			
Bank overdraft	-	-	-
Distributions payable	4,942	-	4,942
Finance lease payable	-	17,266	17,266
Other creditors	18,861	-	18,861
<b>Total liabilities</b>	<b>25,843</b>	<b>17,266</b>	<b>43,109</b>
<b>Net assets attributable to shareholders</b>	<b>3,026,465</b>	<b>-</b>	<b>3,026,465</b>

## Notes to the financial statements (continued)

### 25 Prior year restatements (continued)

Consolidated statement of cash flows for the year ended 31 May 2018

	Presented £000	Adjustments £000	Restated £000
<b>Cash flows from operating activities</b>			
Total return before distribution	271,639	-	271,639
Adjustments for:			
Taxation	(308)	-	(308)
Interest payable and similar charges*	1	817	818
Transaction charges paid from capital	7	-	7
Gains on investments*	(166,804)	3	(166,801)
Increase in debtors	(4,545)	-	(4,545)
(Decrease)/increase in creditors	(2,432)	-	(2,432)
<b>Cash generated from operations</b>	<b>97,558</b>	<b>820</b>	<b>98,378</b>
Interest payable and similar charges*	(1)	-	(1)
Distribution paid on income shares	(18,496)	-	(18,496)
Taxation paid	308	-	308
<b>Net cash generated from operating activities</b>	<b>79,369</b>	<b>820</b>	<b>80,189</b>
Cash flows from investing activities			
Purchases of investments	(66,394)	-	(66,394)
Sales of investments	283,256	-	283,256
<b>Net cash inflow from investing activities</b>	<b>216,862</b>	<b>-</b>	<b>216,862</b>
<b>Cash flows from financing activities</b>			
Issue of shares	13,451	-	13,451
Cancellation of shares	(333,570)	-	(333,570)
Dilution adjustment	3,178	-	3,178
Finance lease payments	-	(3)	(3)
Interest payable and similar charges	-	(817)	(817)
<b>Net cash outflow from financing activities</b>	<b>(316,941)</b>	<b>(820)</b>	<b>(317,761)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(20,710)</b>	<b>-</b>	<b>(20,710)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>695,189</b>	<b>-</b>	<b>695,189</b>
<b>Cash and cash equivalents at end of year</b>	<b>674,479</b>	<b>-</b>	<b>674,479</b>

## Notes to the financial statements (continued)

### 25 Prior year restatements (continued)

**Fund statement of cash flows** for the year ended 31 May 2018

	<b>Presented £000</b>	<b>Adjustments £000</b>	<b>Restated £000</b>
<b>Cash flows from operating activities</b>			
Total return before distribution	271,639	-	271,639
Adjustments for:			
Taxation	(554)	-	(554)
Interest payable and similar charges	-	817	817
Transaction charges paid from capital	7	-	7
Gains on investments	(170,091)	3	(170,088)
Increase in debtors	(483)	-	(483)
(Decrease)/increase in creditors	(3,620)	-	(3,620)
<b>Cash generated from operations</b>	<b>96,898</b>	<b>820</b>	<b>97,718</b>
Interest payable and similar charges	-	-	-
Distribution paid on income shares	(18,496)	-	(18,496)
Taxation paid	554	-	554
<b>Net cash generated from operating activities</b>	<b>78,956</b>	<b>820</b>	<b>79,776</b>
Cash flows from investing activities			
Purchases of investments	(66,351)	-	(66,351)
Sales of investments	283,256	-	283,256
<b>Net cash inflow from investing activities</b>	<b>216,905</b>	<b>-</b>	<b>216,905</b>
<b>Cash flows from financing activities</b>			
Issue of shares	13,451	-	13,451
Cancellation of shares	(333,570)	-	(333,570)
Dilution adjustment	3,178	-	3,178
Finance lease payments	-	(3)	(3)
Interest payable and similar charges	-	(817)	(817)
<b>Net cash outflow from financing activities</b>	<b>(316,941)</b>	<b>(820)</b>	<b>(317,761)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(21,080)</b>	<b>-</b>	<b>(21,080)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>694,813</b>	<b>-</b>	<b>694,813</b>
<b>Cash and cash equivalents at end of year</b>	<b>673,733</b>	<b>-</b>	<b>673,733</b>

The related balances in the following notes have also been restated: Note 3 Risk, Note 6 Expenses, Note 7 Interest payable and similar charges and Note 16 Finance lease payable.

### 26 Events after the Balance Sheet date

The fund launched two new share classes, E accumulation and E income, on 24 June 2019.



## Distribution tables for the year ended 31 May 2019 (in pence per share)

### Interim distribution (accounting date 31 August 2018, paid on 31 October 2018)

Group 1: shares purchased prior to 1 June 2018

Group 2: shares purchased on or after 1 June 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/10/18	Total distribution per share 31/10/17
<b>Class A accumulation - Property income</b>						
Group 1	0.8845	0.1769	0.7076	-	0.7076	0.6322
Group 2	0.4931	0.0986	0.3945	0.3131	0.7076	0.6322
<b>Class A accumulation - Interest income</b>						
Group 1	0.0423	-	0.0423	-	0.0423	0.0137
Group 2	0.0235	-	0.0235	0.0188	0.0423	0.0137
<b>Class A accumulation - Dividend income</b>						
Group 1	1.0662	-	1.0662	-	1.0662	1.0078
Group 2	0.5944	-	0.5944	0.4718	1.0662	1.0078
<b>Class A accumulation - Total</b>					1.8161	1.6537
<b>Class A income - Property income</b>						
Group 1	0.3945	0.0789	0.3156	-	0.3156	0.2911
Group 2	0.1858	0.0372	0.1486	0.1670	0.3156	0.2911
<b>Class A income - Interest income</b>						
Group 1	0.0189	-	0.0189	-	0.0189	0.0063
Group 2	0.0089	-	0.0089	0.0100	0.0189	0.0063
<b>Class A income - Dividend income</b>						
Group 1	0.4756	-	0.4756	-	0.4756	0.4641
Group 2	0.2239	-	0.2239	0.2517	0.4756	0.4641
<b>Class A income - Total</b>					0.8101	0.7615
<b>Class G accumulation - Property income</b>						
Group 1	0.4118	0.0824	0.3294	-	0.3294	0.2973
Group 2	0.4118	0.0824	0.3294	-	0.3294	0.2973
<b>Class G accumulation - Interest income</b>						
Group 1	0.0170	-	0.0170	-	0.0170	0.0057
Group 2	0.0170	-	0.0170	-	0.0170	0.0057
<b>Class G accumulation - Dividend income</b>						
Group 1	0.1678	-	0.1678	-	0.1678	0.1591
Group 2	0.1678	-	0.1678	-	0.1678	0.1591
<b>Class G accumulation - Total</b>					0.5142	0.4621

## Distribution tables (continued)

### Interim distribution (accounting date 31 August 2018, paid on 31 October 2018) (continued)

Group 1: shares purchased prior to 1 June 2018

Group 2: shares purchased on or after 1 June 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/10/18	Total distribution per share 31/10/17
<b>Class G income - Property income</b>						
Group 1	0.3549	0.0710	0.2839	-	0.2839	0.2644
Group 2	0.3549	0.0710	0.2839	-	0.2839	0.2644
<b>Class G income - Interest income</b>						
Group 1	0.0147	-	0.0147	-	0.0147	0.0050
Group 2	0.0147	-	0.0147	-	0.0147	0.0050
<b>Class G income - Dividend income</b>						
Group 1	0.1447	-	0.1447	-	0.1447	0.1415
Group 2	0.1447	-	0.1447	-	0.1447	0.1415
<b>Class G income - Total</b>					0.4433	0.4109
<b>Class I accumulation - Property income</b>						
Group 1	0.8316	0.1663	0.6653	-	0.6653	0.6028
Group 2	0.6220	0.1244	0.4976	0.1677	0.6653	0.6028
<b>Class I accumulation - Interest income</b>						
Group 1	0.0346	-	0.0346	-	0.0346	0.0116
Group 2	0.0259	-	0.0259	0.0087	0.0346	0.0116
<b>Class I accumulation - Dividend income</b>						
Group 1	0.3819	-	0.3819	-	0.3819	0.3625
Group 2	0.2856	-	0.2856	0.0963	0.3819	0.3625
<b>Class I accumulation - Total</b>					1.0818	0.9769
<b>Class I income - Property income</b>						
Group 1	0.6801	0.1360	0.5441	-	0.5441	0.5084
Group 2	0.3913	0.0782	0.3130	0.2311	0.5441	0.5084
<b>Class I income - Interest income</b>						
Group 1	0.0283	-	0.0283	-	0.0283	0.0098
Group 2	0.0163	-	0.0163	0.0120	0.0283	0.0098
<b>Class I income - Dividend income</b>						
Group 1	0.3123	-	0.3123	-	0.3123	0.3058
Group 2	0.1797	-	0.1797	0.1326	0.3123	0.3058
<b>Class I income - Total</b>					0.8847	0.8240

## Distribution tables (continued)

### Interim distribution (accounting date 31 August 2018, paid on 31 October 2018) (continued)

Group 1: shares purchased prior to 1 June 2018

Group 2: shares purchased on or after 1 June 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/10/18	Total distribution per share 31/10/17
<b>Class Z accumulation - Property income</b>						
Group 1	0.9838	0.1968	0.7870	-	0.7870	0.7163
Group 2	0.3798	0.0760	0.3038	0.4832	0.7870	0.7163
<b>Class Z accumulation - Interest income</b>						
Group 1	0.0381	-	0.0381	-	0.0381	0.0130
Group 2	0.0147	-	0.0147	0.0234	0.0381	0.0130
<b>Class Z accumulation - Dividend income</b>						
Group 1	0.0962	-	0.0962	-	0.0962	0.0958
Group 2	0.0371	-	0.0371	0.0591	0.0962	0.0958
<b>Class Z accumulation - Total</b>					0.9213	0.8251
<b>Class Z income - Property income</b>						
Group 1	0.8769	0.1754	0.7015	-	0.7015	0.6577
Group 2	0.5814	0.1163	0.4651	0.2364	0.7015	0.6577
<b>Class Z income - Interest income</b>						
Group 1	0.0339	-	0.0339	-	0.0339	0.0120
Group 2	0.0225	-	0.0225	0.0114	0.0339	0.0120
<b>Class Z income - Dividend income</b>						
Group 1	0.0857	-	0.0857	-	0.0857	0.0879
Group 2	0.0568	-	0.0568	0.0289	0.0857	0.0879
<b>Class Z income - Total</b>					0.8211	0.7576
<b>Class F gross accumulation - Property income</b>						
Group 1	0.8814	-	0.8814	-	0.8814	0.7978
Group 2	0.8814	-	0.8814	-	0.8814	0.7978
<b>Class F gross accumulation - Interest income</b>						
Group 1	0.0341	-	0.0341	-	0.0341	0.0116
Group 2	0.0341	-	0.0341	-	0.0341	0.0116
<b>Class F gross accumulation - Dividend income</b>						
Group 1	0.0861	-	0.0861	-	0.0861	0.0852
Group 2	0.0861	-	0.0861	-	0.0861	0.0852
<b>Class F gross accumulation - Total</b>					1.0016	0.8946
<b>Class G gross income - Property Income</b>						
Group 1	0.6928	-	0.6928	-	0.6928	0.6539
Group 2	0.3905	-	0.3905	0.3023	0.6928	0.6539

## Distribution tables (continued)

### Interim distribution (accounting date 31 August 2018, paid on 31 October 2018) (continued)

Group 1: shares purchased prior to 1 June 2018

Group 2: shares purchased on or after 1 June 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/10/18	Total distribution per share 31/10/17
<b>Class G gross income - Interest Income</b>						
Group 1	0.0267	-	0.0267	-	0.0267	0.0093
Group 2	0.0150	-	0.0150	0.0117	0.0267	0.0093
<b>Class G gross income - Dividend Income</b>						
Group 1	0.2618	-	0.2618	-	0.2618	0.2546
Group 2	0.1476	-	0.1476	0.1142	0.2618	0.2546
<b>Class G gross income - Total</b>					0.9813	0.9178
<b>Class I gross accumulation - Property income</b>						
Group 1	0.6273	-	0.6273	-	0.6273	0.5656
Group 2	0.4198	-	0.4198	0.2075	0.6273	0.5656
<b>Class I gross accumulation - Interest income</b>						
Group 1	0.0260	-	0.0260	-	0.0260	0.0087
Group 2	0.0174	-	0.0174	0.0086	0.0260	0.0087
<b>Class I gross accumulation - Dividend income</b>						
Group 1	0.2881	-	0.2881	-	0.2881	0.2717
Group 2	0.1928	-	0.1928	0.0953	0.2881	0.2717
<b>Class I gross accumulation - Total</b>					0.9414	0.8460

## Distribution tables (continued)

### Interim distribution (accounting date 30 November 2018, paid on 31 January 2019)

Group 1: shares purchased prior to 1 September 2018

Group 2: shares purchased on or after 1 September 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/01/19	Total distribution per share 31/01/18
<b>Class A accumulation - Property income</b>						
Group 1	0.8865	0.1773	0.7092	-	0.7092	0.7845
Group 2	0.5078	0.1016	0.4062	0.3030	0.7092	0.7845
<b>Class A accumulation - Interest income</b>						
Group 1	0.0672	-	0.0672	-	0.0672	0.0156
Group 2	0.0384	-	0.0384	0.0288	0.0672	0.0156
<b>Class A accumulation - Dividend income</b>						
Group 1	1.0691	-	1.0691	-	1.0691	1.0240
Group 2	0.6124	-	0.6124	0.4567	1.0691	1.0240
<b>Class A accumulation - Total</b>					1.8455	1.8241
<b>Class A income - Property income</b>						
Group 1	0.3924	0.0785	0.3139	-	0.3139	0.3585
Group 2	0.2400	0.0480	0.1920	0.1219	0.3139	0.3585
<b>Class A income - Interest income</b>						
Group 1	0.0298	-	0.0298	-	0.0298	0.0071
Group 2	0.0182	-	0.0182	0.0116	0.0298	0.0071
<b>Class A income - Dividend income</b>						
Group 1	0.4732	-	0.4732	-	0.4732	0.4681
Group 2	0.2895	-	0.2895	0.1837	0.4732	0.4681
<b>Class A income - Total</b>					0.8169	0.8337
<b>Class G accumulation - Property income</b>						
Group 1	0.4069	0.0814	0.3255	-	0.3255	0.3793
Group 2	0.4069	0.0814	0.3255	-	0.3255	0.3793
<b>Class G accumulation - Interest income</b>						
Group 1	0.0250	-	0.0250	-	0.0250	0.0062
Group 2	0.0250	-	0.0250	-	0.0250	0.0062
<b>Class G accumulation - Dividend income</b>						
Group 1	0.1696	-	0.1696	-	0.1696	0.1255
Group 2	0.1696	-	0.1696	-	0.1696	0.1255
<b>Class G accumulation - Total</b>					0.5201	0.5110

## Distribution tables (continued)

### Interim distribution (accounting date 30 November 2018, paid on 31 January 2019) (continued)

Group 1: shares purchased prior to 1 September 2018

Group 2: shares purchased on or after 1 September 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/01/19	Total distribution per share 31/01/18
<b>Class G income - Property income</b>						
Group 1	0.3483	0.0697	0.2786	-	0.2786	0.3348
Group 2	0.3483	0.0697	0.2786	-	0.2786	0.3348
<b>Class G income - Interest income</b>						
Group 1	0.0214	-	0.0214	-	0.0214	0.0055
Group 2	0.0214	-	0.0214	-	0.0214	0.0055
<b>Class G income - Dividend income</b>						
Group 1	0.1450	-	0.1450	-	0.1450	0.1108
Group 2	0.1450	-	0.1450	-	0.1450	0.1108
<b>Class G income - Total</b>					0.4450	0.4511
<b>Class I accumulation - Property income</b>						
Group 1	0.8330	0.1666	0.6664	-	0.6664	0.6985
Group 2	0.4564	0.0913	0.3651	0.3013	0.6664	0.6985
<b>Class I accumulation - Interest income</b>						
Group 1	0.0514	-	0.0514	-	0.0514	0.0125
Group 2	0.0282	-	0.0282	0.0232	0.0514	0.0125
<b>Class I accumulation - Dividend income</b>						
Group 1	0.3840	-	0.3840	-	0.3840	0.3716
Group 2	0.2104	-	0.2104	0.1736	0.3840	0.3716
<b>Class I accumulation - Total</b>					1.1018	1.0826
<b>Class I income - Property income</b>						
Group 1	0.6763	0.1353	0.5410	-	0.5410	0.5849
Group 2	0.3761	0.0752	0.3009	0.2401	0.5410	0.5849
<b>Class I income - Interest income</b>						
Group 1	0.0417	-	0.0417	-	0.0417	0.0105
Group 2	0.0232	-	0.0232	0.0185	0.0417	0.0105
<b>Class I income - Dividend income</b>						
Group 1	0.3117	-	0.3117	-	0.3117	0.3111
Group 2	0.1733	-	0.1733	0.1384	0.3117	0.3111
<b>Class I income - Total</b>					0.8944	0.9065
<b>Class Z accumulation - Property income</b>						
Group 1	0.9856	0.1971	0.7885	-	0.7885	0.8029
Group 2	0.3251	0.0650	0.2601	0.5284	0.7885	0.8029
<b>Class Z accumulation - Interest income</b>						
Group 1	0.0542	-	0.0542	-	0.0542	0.0136
Group 2	0.0179	-	0.0179	0.0363	0.0542	0.0136

## Distribution tables (continued)

Interim distribution (accounting date 30 November 2018, paid on 31 January 2019) (continued)

Group 1: shares purchased prior to 1 September 2018

Group 2: shares purchased on or after 1 September 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/01/19	Total distribution per share 31/01/18
<b>Class Z accumulation - Dividend income</b>						
Group 1	0.0979	-	0.0979	-	0.0979	0.1026
Group 2	0.0323	-	0.0323	0.0656	0.0979	0.1026
<b>Class Z accumulation - Total</b>					0.9406	0.9191
<b>Class Z income - Property income</b>						
Group 1	0.8720	0.1744	0.6976	-	0.6976	0.7320
Group 2	0.8720	0.1744	0.6976	-	0.6976	0.7320
<b>Class Z income - Interest income</b>						
Group 1	0.0480	-	0.0480	-	0.0480	0.0124
Group 2	0.0480	-	0.0480	-	0.0480	0.0124
<b>Class Z income - Dividend income</b>						
Group 1	0.0867	-	0.0867	-	0.0867	0.0936
Group 2	0.0867	-	0.0867	-	0.0867	0.0936
<b>Class Z income - Total</b>					0.8323	0.8380
<b>Class F gross accumulation - Property income</b>						
Group 1	0.8953	-	0.8953	-	0.8953	0.9045
Group 2	0.8953	-	0.8953	-	0.8953	0.9045
<b>Class F gross accumulation - Interest income</b>						
Group 1	0.0491	-	0.0491	-	0.0491	0.0123
Group 2	0.0491	-	0.0491	-	0.0491	0.0123
<b>Class F gross accumulation - Dividend income</b>						
Group 1	0.0888	-	0.0888	-	0.0888	0.0923
Group 2	0.0888	-	0.0888	-	0.0888	0.0923
<b>Class F gross accumulation - Total</b>					1.0332	1.0091
<b>Class G gross income - Property Income</b>						
Group 1	0.6403	-	0.6403	-	0.6403	0.7926
Group 2	0.3363	-	0.3363	0.3040	0.6403	0.7926
<b>Class G gross income - Interest Income</b>						
Group 1	0.0394	-	0.0394	-	0.0394	0.0096
Group 2	0.0207	-	0.0207	0.0187	0.0394	0.0096
<b>Class G gross income - Dividend Income</b>						
Group 1	0.2617	-	0.2617	-	0.2617	0.2256
Group 2	0.1374	-	0.1374	0.1243	0.2617	0.2256
<b>Class G gross income - Total</b>					0.9414	1.0278

## Distribution tables (continued)

### Interim distribution (accounting date 30 November 2018, paid on 31 January 2019) (continued)

Group 1: shares purchased prior to 1 September 2018

Group 2: shares purchased on or after 1 September 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/01/19	Total distribution per share 31/01/18
<b>Class I gross accumulation - Property income</b>						
Group 1	0.6295	-	0.6295	-	0.6295	0.6578
Group 2	0.3195	-	0.3195	0.3100	0.6295	0.6578
<b>Class I gross accumulation - Interest income</b>						
Group 1	0.0388	-	0.0388	-	0.0388	0.0094
Group 2	0.0197	-	0.0197	0.0191	0.0388	0.0094
<b>Class I gross accumulation - Dividend income</b>						
Group 1	0.2897	-	0.2897	-	0.2897	0.2790
Group 2	0.1471	-	0.1471	0.1426	0.2897	0.2790
<b>Class I gross accumulation - Total</b>					0.9580	0.9462



## Distribution tables (continued)

### Interim distribution (accounting date 28 February 2019, paid on 30 April 2019)

Group 1: shares purchased prior to 1 December 2018

Group 2: shares purchased on or after 1 December 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 30/04/19	Total distribution per share 30/04/18
<b>Class A accumulation - Property income</b>						
Group 1	0.9084	0.1817	0.7267	-	0.7267	0.6389
Group 2	0.4759	0.0952	0.3807	0.3460	0.7267	0.6389
<b>Class A accumulation - Interest income</b>						
Group 1	0.0649	-	0.0649	-	0.0649	0.0362
Group 2	0.0340	-	0.0340	0.0309	0.0649	0.0362
<b>Class A accumulation - Dividend income</b>						
Group 1	1.0964	-	1.0964	-	1.0964	1.0527
Group 2	0.5743	-	0.5743	0.5221	1.0964	1.0527
<b>Class A accumulation - Total</b>					1.8880	1.7278
<b>Class A income - Property income</b>						
Group 1	0.3989	0.0798	0.3191	-	0.3191	0.2896
Group 2	0.1746	0.0349	0.1397	0.1794	0.3191	0.2896
<b>Class A income - Interest income</b>						
Group 1	0.0285	-	0.0285	-	0.0285	0.0164
Group 2	0.0125	-	0.0125	0.0160	0.0285	0.0164
<b>Class A income - Dividend income</b>						
Group 1	0.4816	-	0.4816	-	0.4816	0.4773
Group 2	0.2108	-	0.2108	0.2708	0.4816	0.4773
<b>Class A income - Total</b>					0.8292	0.7833
<b>Class G accumulation - Property income</b>						
Group 1	0.4269	0.0854	0.3415	-	0.3415	0.3013
Group 2	0.4269	0.0854	0.3415	-	0.3415	0.3013
<b>Class G accumulation - Interest income</b>						
Group 1	0.0251	-	0.0251	-	0.0251	0.0125
Group 2	0.0251	-	0.0251	-	0.0251	0.0125
<b>Class G accumulation - Dividend income</b>						
Group 1	0.1790	-	0.1790	-	0.1790	0.1702
Group 2	0.1790	-	0.1790	-	0.1790	0.1702
<b>Class G accumulation - Total</b>					0.5456	0.4840

## Distribution tables (continued)

### Interim distribution (accounting date 28 February 2019, paid on 30 April 2019) (continued)

Group 1: shares purchased prior to 1 December 2018

Group 2: shares purchased on or after 1 December 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 30/04/19	Total distribution per share 30/04/18
<b>Class G income - Property income</b>						
Group 1	0.3625	0.0725	0.2900	-	0.2900	0.2639
Group 2	0.3625	0.0725	0.2900	-	0.2900	0.2639
<b>Class G income - Interest income</b>						
Group 1	0.0213	-	0.0213	-	0.0213	0.0110
Group 2	0.0213	-	0.0213	-	0.0213	0.0110
<b>Class G income - Dividend income</b>						
Group 1	0.1520	-	0.1520	-	0.1520	0.1490
Group 2	0.1520	-	0.1520	-	0.1520	0.1490
<b>Class G income - Total</b>					0.4633	0.4239
<b>Class I accumulation - Property income</b>						
Group 1	0.8416	0.1683	0.6733	-	0.6733	0.6133
Group 2	0.4258	0.0852	0.3406	0.3327	0.6733	0.6133
<b>Class I accumulation - Interest income</b>						
Group 1	0.0510	-	0.0510	-	0.0510	0.0258
Group 2	0.0258	-	0.0258	0.0252	0.0510	0.0258
<b>Class I accumulation - Dividend income</b>						
Group 1	0.4051	-	0.4051	-	0.4051	0.3858
Group 2	0.2050	-	0.2050	0.2001	0.4051	0.3858
<b>Class I accumulation - Total</b>					1.1294	1.0249
<b>Class I income - Property income</b>						
Group 1	0.6780	0.1356	0.5424	-	0.5424	0.5096
Group 2	0.4021	0.0804	0.3217	0.2207	0.5424	0.5096
<b>Class I income - Interest income</b>						
Group 1	0.0411	-	0.0411	-	0.0411	0.0214
Group 2	0.0244	-	0.0244	0.0167	0.0411	0.0214
<b>Class I income - Dividend income</b>						
Group 1	0.3264	-	0.3264	-	0.3264	0.3205
Group 2	0.1936	-	0.1936	0.1328	0.3264	0.3205
<b>Class I income - Total</b>					0.9099	0.8515
<b>Class Z accumulation - Property income</b>						
Group 1	0.9955	0.1991	0.7964	-	0.7964	0.7316
Group 2	0.3010	0.0602	0.2408	0.5556	0.7964	0.7316

## Distribution tables (continued)

### Interim distribution (accounting date 28 February 2019, paid on 30 April 2019) (continued)

Group 1: shares purchased prior to 1 December 2018

Group 2: shares purchased on or after 1 December 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 30/04/19	Total distribution per share 30/04/18
<b>Class Z accumulation - Interest income</b>						
Group 1	0.0549	-	0.0549	-	0.0549	0.0258
Group 2	0.0166	-	0.0166	0.0383	0.0549	0.0258
<b>Class Z accumulation - Dividend income</b>						
Group 1	0.1168	-	0.1168	-	0.1168	0.1119
Group 2	0.0353	-	0.0353	0.0815	0.1168	0.1119
<b>Class Z accumulation - Total</b>					0.9681	0.8693
<b>Class Z income - Property income</b>						
Group 1	0.8745	0.1749	0.6996	-	0.6996	0.6619
Group 2	0.8745	0.1749	0.6996	-	0.6996	0.6619
<b>Class Z income - Interest income</b>						
Group 1	0.0482	-	0.0482	-	0.0482	0.0234
Group 2	0.0482	-	0.0482	-	0.0482	0.0234
<b>Class Z income - Dividend income</b>						
Group 1	0.1026	-	0.1026	-	0.1026	0.1013
Group 2	0.1026	-	0.1026	-	0.1026	0.1013
<b>Class Z income - Total</b>					0.8504	0.7866
<b>Class F gross accumulation - Property income</b>						
Group 1	0.9377	-	0.9377	-	0.9377	0.8154
Group 2	0.9377	-	0.9377	-	0.9377	0.8154
<b>Class F gross accumulation - Interest income</b>						
Group 1	0.0517	-	0.0517	-	0.0517	0.0230
Group 2	0.0517	-	0.0517	-	0.0517	0.0230
<b>Class F gross accumulation - Dividend income</b>						
Group 1	0.1097	-	0.1097	-	0.1097	0.0997
Group 2	0.1097	-	0.1097	-	0.1097	0.0997
<b>Class F gross accumulation - Total</b>					1.0991	0.9381
<b>Class G gross income - Property Income</b>						
Group 1	0.6792	-	0.6792	-	0.6792	0.6256
Group 2	0.6792	-	0.6792	-	0.6792	0.6256
<b>Class G gross income - Interest Income</b>						
Group 1	0.0389	-	0.0389	-	0.0389	0.0195
Group 2	0.0389	-	0.0389	-	0.0389	0.0195

## Distribution tables (continued)

### Interim distribution (accounting date 28 February 2019, paid on 30 April 2019) (continued)

Group 1: shares purchased prior to 1 December 2018

Group 2: shares purchased on or after 1 December 2018

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 30/04/19	Total distribution per share 30/04/18
<b>Class G gross income - Dividend Income</b>						
Group 1	0.2724	-	0.2724	-	0.2724	0.2672
Group 2	0.2724	-	0.2724	-	0.2724	0.2672
<b>Class G gross income - Total</b>					0.9905	0.9123
<b>Class I gross accumulation - Property income</b>						
Group 1	0.6329	-	0.6329	-	0.6329	0.5759
Group 2	0.2876	-	0.2876	0.3453	0.6329	0.5759
<b>Class I gross accumulation - Interest income</b>						
Group 1	0.0386	-	0.0386	-	0.0386	0.0194
Group 2	0.0175	-	0.0175	0.0211	0.0386	0.0194
<b>Class I gross accumulation - Dividend income</b>						
Group 1	0.3047	-	0.3047	-	0.3047	0.2903
Group 2	0.1384	-	0.1384	0.1663	0.3047	0.2903
<b>Class I gross accumulation - Total</b>					0.9762	0.8856

## Distribution tables (continued)

### Final distribution (accounting date 31 May 2019, paid on 31 July 2019)

Group 1: shares purchased prior to 1 March 2019

Group 2: shares purchased on or after 1 March 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/07/19	Total distribution per share 31/07/18
<b>Class A accumulation - Property income</b>						
Group 1	1.0831	0.2166	0.8665	-	0.8665	0.8295
Group 2	0.7084	0.1417	0.5667	0.2998	0.8665	0.8295
<b>Class A accumulation - Interest income</b>						
Group 1	0.0140	-	0.0140	-	0.0140	0.0426
Group 2	0.0092	-	0.0092	0.0048	0.0140	0.0426
<b>Class A accumulation - Dividend income</b>						
Group 1	1.0785	-	1.0785	-	1.0785	1.1530
Group 2	0.7053	-	0.7053	0.3732	1.0785	1.1530
<b>Class A accumulation - Total</b>					1.9590	2.0251
<b>Class A income - Property income</b>						
Group 1	0.4720	0.0944	0.3776	-	0.3776	0.3732
Group 2	0.2315	0.0463	0.1852	0.1924	0.3776	0.3732
<b>Class A income - Interest income</b>						
Group 1	0.0061	-	0.0061	-	0.0061	0.0192
Group 2	0.0030	-	0.0030	0.0031	0.0061	0.0192
<b>Class A income - Dividend income</b>						
Group 1	0.4699	-	0.4699	-	0.4699	0.5188
Group 2	0.2304	-	0.2304	0.2395	0.4699	0.5188
<b>Class A income - Total</b>					0.8536	0.9112
<b>Class G accumulation - Property income</b>						
Group 1	0.4834	0.0967	0.3867	-	0.3867	0.3617
Group 2	0.4834	0.0967	0.3867	-	0.3867	0.3617
<b>Class G accumulation - Interest income</b>						
Group 1	0.0112	-	0.0112	-	0.0112	0.0153
Group 2	0.0112	-	0.0112	-	0.0112	0.0153
<b>Class G accumulation - Dividend income</b>						
Group 1	0.1665	-	0.1665	-	0.1665	0.1942
Group 2	0.1665	-	0.1665	-	0.1665	0.1942
<b>Class G accumulation - Total</b>					0.5644	0.5712

## Distribution tables (continued)

### Final distribution (accounting date 31 May 2019, paid on 31 July 2019) (continued)

Group 1: shares purchased prior to 1 March 2019

Group 2: shares purchased on or after 1 March 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/07/19	Total distribution per share 31/07/18
<b>Class G income - Property income</b>						
Group 1	0.4074	0.0815	0.3259	-	0.3259	0.3145
Group 2	0.4074	0.0815	0.3259	-	0.3259	0.3145
<b>Class G income - Interest income</b>						
Group 1	0.0094	-	0.0094	-	0.0094	0.0133
Group 2	0.0094	-	0.0094	-	0.0094	0.0133
<b>Class G income - Dividend income</b>						
Group 1	0.1402	-	0.1402	-	0.1402	0.1688
Group 2	0.1402	-	0.1402	-	0.1402	0.1688
<b>Class G income - Total</b>					0.4755	0.4966
<b>Class I accumulation - Property income</b>						
Group 1	0.9616	0.1923	0.7693	-	0.7693	0.7421
Group 2	0.5535	0.1107	0.4428	0.3265	0.7693	0.7421
<b>Class I accumulation - Interest income</b>						
Group 1	0.0209	-	0.0209	-	0.0209	0.0308
Group 2	0.0120	-	0.0120	0.0089	0.0209	0.0308
<b>Class I accumulation - Dividend income</b>						
Group 1	0.3852	-	0.3852	-	0.3852	0.4351
Group 2	0.2217	-	0.2217	0.1635	0.3852	0.4351
<b>Class I accumulation - Total</b>					1.1754	1.2080
<b>Class I income - Property income</b>						
Group 1	0.7688	0.1538	0.6150	-	0.6150	0.6121
Group 2	0.4428	0.0886	0.3542	0.2608	0.6150	0.6121
<b>Class I income - Interest income</b>						
Group 1	0.0167	-	0.0167	-	0.0167	0.0254
Group 2	0.0096	-	0.0096	0.0071	0.0167	0.0254
<b>Class I income - Dividend income</b>						
Group 1	0.3080	-	0.3080	-	0.3080	0.3588
Group 2	0.1774	-	0.1774	0.1306	0.3080	0.3588
<b>Class I income - Total</b>					0.9397	0.9963
<b>Class Z accumulation - Property income</b>						
Group 1	1.1061	0.2212	0.8849	-	0.8849	0.8539
Group 2	0.4799	0.0960	0.3839	0.5010	0.8849	0.8539

## Distribution tables (continued)

### Final distribution (accounting date 31 May 2019, paid on 31 July 2019) (continued)

Group 1: shares purchased prior to 1 March 2019

Group 2: shares purchased on or after 1 March 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/07/19	Total distribution per share 31/07/18
<b>Class Z accumulation - Interest income</b>						
Group 1	0.0290	-	0.0290	-	0.0290	0.0312
Group 2	0.0126	-	0.0126	0.0164	0.0290	0.0312
<b>Class Z accumulation - Dividend income</b>						
Group 1	0.0950	-	0.0950	-	0.0950	0.1457
Group 2	0.0412	-	0.0412	0.0538	0.0950	0.1457
<b>Class Z accumulation - Total</b>					1.0089	1.0308
<b>Class Z income - Property income</b>						
Group 1	0.9645	0.1929	0.7716	-	0.7716	0.7673
Group 2	0.7611	0.1522	0.6089	0.1627	0.7716	0.7673
<b>Class Z income - Interest income</b>						
Group 1	0.0253	-	0.0253	-	0.0253	0.0280
Group 2	0.0200	-	0.0200	0.0053	0.0253	0.0280
<b>Class Z income - Dividend income</b>						
Group 1	0.0828	-	0.0828	-	0.0828	0.1309
Group 2	0.0653	-	0.0653	0.0175	0.0828	0.1309
<b>Class Z income - Total</b>					0.8797	0.9262
<b>Class F gross accumulation - Property income</b>						
Group 1	1.0192	-	1.0192	-	1.0192	0.9542
Group 2	1.0192	-	1.0192	-	1.0192	0.9542
<b>Class F gross accumulation - Interest income</b>						
Group 1	0.0283	-	0.0283	-	0.0283	0.0279
Group 2	0.0283	-	0.0283	-	0.0283	0.0279
<b>Class F gross accumulation - Dividend income</b>						
Group 1	0.0908	-	0.0908	-	0.0908	0.1301
Group 2	0.0908	-	0.0908	-	0.0908	0.1301
<b>Class F gross accumulation - Total</b>					1.1383	1.1122
<b>Class G gross income - Property income</b>						
Group 1	0.7389	-	0.7389	-	0.7389	0.7388
Group 2	0.7389	-	0.7389	-	0.7389	0.7388
<b>Class G gross income - Interest income</b>						
Group 1	0.0174	-	0.0174	-	0.0174	0.0237
Group 2	0.0174	-	0.0174	-	0.0174	0.0237

## Distribution tables (continued)

### Final distribution (accounting date 31 May 2019, paid on 31 July 2019) (continued)

Group 1: shares purchased prior to 1 March 2019

Group 2: shares purchased on or after 1 March 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/07/19	Total distribution per share 31/07/18
<b>Class G gross income - Dividend income</b>						
Group 1	0.2538	-	0.2538	-	0.2538	0.3004
Group 2	0.2538	-	0.2538	-	0.2538	0.3004
<b>Class G gross income - Total</b>					1.0101	1.0629
<b>Class I gross accumulation - Property income</b>						
Group 1	0.7276	-	0.7276	-	0.7276	0.6997
Group 2	0.4614	-	0.4614	0.2662	0.7276	0.6997
<b>Class I gross accumulation - Interest income</b>						
Group 1	0.0155	-	0.0155	-	0.0155	0.0232
Group 2	0.0098	-	0.0098	0.0057	0.0155	0.0232
<b>Class I gross accumulation - Dividend income</b>						
Group 1	0.2928	-	0.2928	-	0.2928	0.3275
Group 2	0.1857	-	0.1857	0.1071	0.2928	0.3275
<b>Class I gross accumulation - Total</b>					1.0359	1.0504



## Appendix - additional information (unaudited)

This unaudited additional information section has been prepared by and is the responsibility of Henderson Investment Funds Limited (HIFL), as Alternative Investment Fund Manager (AIFM) to the Janus Henderson UK Property PAIF (the 'Company'), to meet the periodic disclosure requirements of the Alternative Investment Fund Manager's Directive (AIFMD). This information does not form part of the audited financial statements of the Company, but does reference some sections therein and should be read in conjunction with the audited financial statements and the Prospectus. Please note the reporting period for this section covers the year ended 31 May 2019.

### Risk profile

#### Investment objective and policy

The Investment objective and policy which outlines the investment approach for the Company is stated above within the ACD's report and in more detail in the Prospectus within the section headed 'Investment objective and policy and profile of investor'.

The Company invests primarily in commercial property and property related securities to achieve its objective of a high income together with some growth of both income and capital.

From time to time and in particular during periods of uncertain or volatile markets, the Investment Manager may choose to hold a substantial proportion of the property of the Company in money-market instruments and/or cash deposits, provided that the Company satisfies all provisions in the Tax Regulations required for it to maintain its PAIF status.

#### **There is no certainty that the investment objective of the Company will actually be achieved and no warranty or representation is given to this effect.**

Investment Powers and Limits which apply to the Company are outlined in the Prospectus which details the following matters:

Investment in Immovable Property; General Restrictions; Limits with the exception of Government and Public Securities; Government and Public Securities; Collective investment schemes; Investment in other group funds; Investment in warrants and nil and partly paid securities; Cash, money market instruments and deposits; Derivatives; Borrowing and Leverage; Stock lending; Eligible Markets; and Dealing Arrangements.

#### Permitted asset types

The Company is permitted to hold the following types of assets:

- Immovables
- Transferable securities
- Units in collective investment schemes
- Money market instruments
- Derivatives and forward foreign exchange contracts
- Deposits
- Cash and near cash

Derivative instruments and forward foreign exchange contracts may be used for the purposes of efficient portfolio management and currency hedging. As the market in property derivatives develops, derivatives may be used outside of efficient portfolio management to meet the Company's investment objective. If the Investment Fund Manager decides to use derivatives for purposes outside of efficient portfolio management, the ACD will give notice to shareholders in the next Report.

#### Risk types

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in property and securities. There can be no assurance that any appreciation in the value of shares will occur. The prices of the shares are calculated daily and are influenced by the value of the assets held by the Company.

The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company.

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

- a) direct property risk: being reduced liquidity; and sector exposure risk;
- b) market risk: being foreign currency risk; interest rate risk; and other market price risk;
- c) liquidity risk; and
- d) credit and counterparty risk

whose impact on the Company is detailed in Note 3 to the financial statements covering Risk.

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

### Risk profile (continued)

#### Risk types (continued)

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

#### Leverage

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

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

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

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

	Leverage as a percentage of net asset value	
	Gross Method	Commitment Method
Maximum level	200%	150%
Actual level as at 31 May 2019	100%	101%
Actual level as at 31 May 2018	100%	101%

#### Additional risks

In addition to the above, the Prospectus includes the following risks for the Company within the section headed 'Risk Warnings':

Effect of initial charge;  
Effect of market timing charge;  
Suspension of dealings in shares;  
Currency exchange rates;  
Derivatives (Efficient Portfolio Management, stock lending and collateral management);  
Exchange Traded Funds;  
Income and annual management charge;  
Cancellation rights;  
Unregulated Collective Investment Schemes;  
Past performance;  
Equity investments;  
Leverage;

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

### Risk profile (continued)

#### Additional risks (continued)

Inflation risk;  
Charges to capital;  
Currency exchange rates;  
Hedged share classes;  
Stock lending agents' fees;

#### Real Estate Specific Risks

PAIF Status;  
General Real Property Risks;  
Property valuation;  
Liquidity of property investment;  
Insurance;  
Changes in laws and regulation;  
SDLT savings schemes;  
Economic and political;  
Development risks;  
Environmental risks – contamination;  
Environmental risks – flooding;  
and Residential property.

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

#### Risk controls and limits

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

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

#### Risk management systems

During the year there have been no changes in the main features of the Company's risk management systems, which have been outlined in the Notes to the financial statements.

#### Liquidity management

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

#### Securities financing transactions

The Company did not engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, which 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) during the year ended 31 May 2019. Accordingly, disclosures required by Article 13 of the Regulation are not applicable.

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

### Remuneration policy

The Authorised Corporate Director, (HIFL), is authorised as an Alternative Investment Fund Manager (AIFM), and appointed as such, with effect from 22 July 2014.

The FCA's general guidance on the AIFMD remuneration Code (SYSC 19B) was published in January 2014. Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of HIFL must make relevant remuneration disclosures no later than 6 months following the end of the relevant financial year, splitting remuneration into fixed and variable remuneration and breaking down remuneration for categories of AIFMD Code Staff which is defined as all staff whose professional activities have a material impact on the risk profiles of the AIFM or of the Alternative Investment Funds (AIF) it manages.

The Compensation Committee approves the list of AIFMD Code Staff annually. In addition, identified AIFMD Code Staff are notified of their status and the associated implications annually.

Janus Henderson UK Property PAIF is managed by HIFL, which is a subsidiary of Janus Henderson Group plc.

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

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 2018.

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson UK Property PAIF</b>		
<b>of which</b>	1,942	3,019
Fixed Remuneration	1,942	1,482
Variable Remuneration	1,931	1,537
<b>Janus Henderson UK Property PAIF Remuneration Code Staff</b>		
<b>of which</b>	123	1,370
Senior Management (4)	32	358
Other Code Staff (5)	91	1,012

1. This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson UK Property PAIF – no attempt has been made to apportion the time spent specifically in support of Janus Henderson UK Property PAIF 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 the Janus Henderson Group plc.
3. The remuneration disclosed is only in respect of the provision of services to Janus Henderson UK Property PAIF for the year, rather than the total remuneration for the year – for this purpose, remuneration has been apportioned between the provision of services to Janus Henderson UK Property PAIF 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 UK Property PAIF (for example, fees for HIFL Board members), 100% of those fees.
    - for Investment Fund Managers, pro-rated using the average assets under management (AUM) of Janus Henderson UK Property PAIF managed by the relevant Investment Fund Manager (as a proportion of the total AUM managed by that individual) as a proxy.
    - for other individuals, pro-rated using the average AUM of Janus Henderson UK Property PAIF (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 AIFMD Code Staff not covered by the above, including Investment Fund Managers who manage AUM within Janus Henderson UK Property PAIF.

## Further information

### Shareholder enquiries

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

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

The following line is also available:

Client Services: **0800 832 832**

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

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

## Important Information

Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment.

Any investment application will be made solely on the basis of the information contained in the Prospectus (including all relevant covering documents) and KIID, which will contain investment restrictions, risks and fees. This document is intended as a summary only and potential investors must read the Prospectus, and where relevant, the key investor information document before investing. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes. The Janus Henderson UK Property PAIF is a Janus Henderson Investors' product but its management is outsourced and its sub-investment manager is Nuveen Real Estate.

Due to the specialist nature of property investment, in certain circumstances there may be constraints on the redemption or switching of units/shares in the fund(s). The funds invest in a specialist sector that may be less liquid and produce more volatile performance than an investment in other investment sectors. The value of capital and income will fluctuate as property values and rental income rise and fall. The valuation of property is generally a matter of valuer's opinion rather than fact. The amount raised when a property is sold may be less than the valuation.

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