



# ANNUAL REPORT & ACCOUNTS

For the year ended  
31 May 2020

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 345 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 2020, we had £272.5bn assets under management, more than 2,000 employees and 27 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 17
Risk & reward profile*	Page 18
Portfolio statement*	Page 19
Statement of Authorised Corporate Director's (ACD) responsibilities	Page 22
Report of the Depository to the shareholders of Janus Henderson UK Property PAIF	Page 22
Independent Auditors' report to the shareholders of Janus Henderson UK Property PAIF	Page 23
<b>Financial Statements</b>	
Consolidated statement of total return	Page 25
Consolidated statement of change in net assets attributable to shareholders	Page 25
Consolidated balance sheet	Page 26
Director's statement	Page 26
Company statement of total return	Page 27
Company statement of change in net assets attributable to shareholders	Page 27
Company balance sheet	Page 28
Director's statement	Page 28
Consolidated and company statement of cash flows	Page 29
Notes to the financial statements	Page 30
Distribution tables	Page 55
<b>Appendix - additional information (unaudited)</b>	
Risk profile	Page 71
Risk management systems	Page 73
Liquidity management	Page 73
Securities financing transactions	Page 73
Remuneration policy	Page 74
Further information	Page 75

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

## Authorised Corporate Director's (ACD) report for the year ended 31 May 2020

We are pleased to present the Annual Report and Accounts for the Janus Henderson UK Property PAIF (the 'company') and its subsidiaries (together, the 'group') for the year ended 31 May 2020.

### 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 (PAIF) 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 of shares.

The company qualifies as an alternative investment fund (AIF) in accordance with the directive 2011/61/EU, the Alternative Investment Fund Managers Directive (AIFMD) of the European Parliament as amended from time to time.

### Brexit update

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

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

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

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

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 41.

### Value assessment

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

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

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

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

### COVID-19

An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been declared a pandemic by the World Health Organization. The impact of COVID-19 has now been highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a fund's investments. This may impact liquidity in the marketplace, which in turn may affect the fund's ability to meet redemption requests. Public health crises caused by the COVID-19 pandemic may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a fund from executing advantageous investment decisions in a timely manner and negatively impact a fund's ability to achieve its investment objective.

Returns from UK commercial property are predominantly derived from rental income, typically paid on a quarterly basis by the tenant that occupies the property. During the COVID-19 lockdown many businesses were forced to shut. This has affected the ability of some businesses to pay rent, notably within the leisure and retail sectors, and may also put downward pressure on the capital values of properties with distressed tenants. A reduction in rental receipts will, over the course of this year and possibly beyond, impact the level of income distributions that UK commercial property funds can make to investors.

We are working with all our tenants and offered to move to monthly rents to assist their cashflow. We believe it is important to support tenants through this challenging time rather than risk vacant properties when the crisis is over.

## 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. 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>	R Chaudhuri (from 17.03.20) A Crooke G Foggin G Fogo S Hillenbrand H J de Sausmarez P Shea (from 07.06.19)* F Smith* R Thompson (to 31.12.19) *Independent		
<b>Investment Manager</b>	<b>Henderson Global Investors Limited</b> The ultimate holding company is Janus Henderson Group plc.	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
<b>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>SS&amp;C Financial Services International Limited and SS&amp;C Financial Services Europe Limited</b>	SS&C House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	<b>NatWest Trustee and Depository Services Limited</b> The ultimate holding company is Royal Bank of Scotland Group plc.	250 Bishopsgate London EC2M 4AA	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority
<b>Independent Auditors</b>	<b>PricewaterhouseCoopers LLP</b>	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
<b>Legal Adviser</b>	<b>Eversheds Sutherland (International) LLP</b>	One Wood Street London EC2V 7WS	The Law Society
<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, Nuveen Real Estate Management Limited.

### 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 and, subject to the Tax Regulation, 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 19 - 31 May 20	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>
	%	%	%	%	%
<b>Class I accumulation</b>	(1.5)	3.2	8.3	2.1	1.3
<b>IA UK Direct Property Sector*</b>	(4.0)	1.3	6.6	1.4	3.3

Source: Morningstar

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

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

Peer group benchmark: IA UK Direct Property Sector

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) provides a useful performance comparison against other funds with similar aims.

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

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

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

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

### Special Purpose Vehicles (SPV) Status

During the year ended 31 May 2020, 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 2020 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 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 asset was acquired in December 2015 and is directly held by the company. Its financial reporting, including for its 2019 year end, is up to date. The liquidation of the SPV is expected to commence shortly after company's reporting date, during which the property asset will be transferred to the company.

The SPV made a distribution of £3,000,000 to the company during the year.

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

The asset was acquired in December 2015 and is directly held by the company. Its financial reporting, including for its 2019 year end, is up to date. The liquidation of the SPV is expected to commence shortly after company's reporting date, during which the property asset will be transferred to the company.

The SPV made a distribution of £2,000,000 to the company during the year.

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

The asset was acquired in December 2015 and is directly held by the company. Its financial reporting, including for its 2019 year end, is up to date. The liquidation of the SPV is expected to commence shortly after company's reporting date, during which the property asset will be transferred to the company.

The SPV made a distribution of £6,000,000 to the company during the year.

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. This continues to be pursued.

##### 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. This continues to be pursued.



## 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 company is designed to:

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

### Market commentary

The second half of 2019 was quite subdued in terms of market transactions, as we continued to deal with Brexit and then the run-up to the general election in December, which the Conservative Party won with a majority of 80 seats in the House of Commons. Activity was focused, for the main part, on core assets within the subsectors of industrial and logistics, offices and alternatives. Unsurprisingly, retail, which continued to undergo a structural shift, was the least popular area for activity.

During the first few months of the year the government's plans to agree a Brexit deal were making the headlines nationally, while concerns were growing globally about the COVID-19 virus which was spreading worldwide from China. Lockdowns were implemented across Europe and the UK followed shortly afterwards.

As a result of the COVID-19 pandemic and the UK's lockdown that started during March 2020, the majority of tenants across the UK, and within the company, had to temporarily shut their sites. With many staff furloughed and because of cash flow pressures, there were situations where rents had to be deferred until businesses could reopen. There were also examples where businesses moved to pay rent on a monthly basis until they could go back on site. Despite this, some asset management work, including new lettings, progressed. Similarly, and especially since lockdown rules were loosened slightly during May, some investment transactions progressed, with on-site surveys able to take place, which is fundamental to the due diligence process in any commercial property transaction.

### Notification of dealing suspension

On 16 March 2020, the Board of Henderson Investment Funds Limited was advised by CBRE, the appointed independent valuer of the Janus Henderson UK Property PAIF, that with immediate effect it had material uncertainty around the valuation of UK physical properties across the market, and therefore by inference the assets in the portfolio, due to the COVID-19 pandemic.

This material uncertainty extended across all UK property fund valuations issued by CBRE and was agreed to by all independent fund valuers. Given this uncertainty, the board of Henderson Investment Funds Limited should temporarily suspend dealing in the Janus Henderson UK Property PAIF and its associated Janus Henderson UK Property PAIF Feeder Fund (the 'fund') to protect the interests of all investors. This decision was consistent with new rules issued by the Financial Conduct Authority (FCA).

Dealing requests received since the 12-noon valuation point on 16 March 2020 have not been accepted during the suspension period. The decision to suspend dealing was taken in agreement with the depositary and the FCA was informed.

### Background to the suspension

The COVID-19 pandemic created significant market uncertainty. This in turn led the valuer of the company's direct property portfolio – CBRE – to declare that there was material uncertainty of valuations in relation to all the company's direct property assets. Given this material uncertainty and considering the FCA's updated rules in this regard, we believed that we needed to protect the interests of all investors by suspending dealing in the company and the Janus Henderson UK Property PAIF Feeder Fund.

The dealing suspension will allow the valuer to better understand the impact that the COVID-19 crisis is having on direct property market valuations.

### When might the funds reopen?

As of 31 May 2020, CBRE (and other fund valuation houses) had removed the material uncertainty clause from certain types of long income assets, which have tenants paying rent on long lease agreements. As at 8 September 2020, CBRE has advised that the material uncertainty clause will be removed from all properties held by the company and that the valuation report issued at the end of September will therefore be free from material valuation uncertainty.

A date for the reopening of the company and Janus Henderson UK PAIF Feeder Fund will be announced when this period of material uncertainty has passed and property valuations are more certain. The board and fund investment team will endeavour to satisfy themselves that the funds will not face resuspension in the short term. Clients will be notified ahead of the reopening. The suspension will cease as soon as practicable and will be formally reviewed at least every 28 days. Regular updates will be provided via the Janus Henderson website at [hgi.co/property-paif](http://hgi.co/property-paif).

### Fund performance and activity

Our approach of owning high-quality properties, seeking robust tenants on long leases in good locations – which in many cases we believe look set to benefit from long-term structural shifts in the market – has not changed.

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

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

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

### Property overview

The property portfolio is invested in a predominantly core set of locations and subsectors of the commercial property universe. The long-term strategy of the company has been to remain invested within high-quality assets that generally have robust rental income from a predominantly strong tenant base. The managers believe that there is good diversification within the direct portfolio in terms of scale of asset size, amount of assets in the company and sector spread.

As of 31 May 2020, the company was valued at £1.9bn.

### Performance

The company's total return which reflects the return from income (distributed or accumulated) and any changes in capital value. Up until February (the month before lockdown began), the company provided a 12-month total return of 2.7%. The company fell 1.5% based on Class I accumulation over the year under review, compared with a fall of 4.0% in the IA UK Direct Property Sector peer group benchmark.

The company is balanced, investing in many types of sub-markets. Retail and leisure, unsurprisingly, saw capital values generally decline over the year to 31 May 2020, and this is reflected in the overall return. The company does not hold any of the more vulnerable retail sectors including shopping centres, large fashion retail warehouse parks, or department stores such as Debenhams and House of Fraser.

Supermarkets and industrials, particularly logistics, continued to be the most resilient subsectors. Most alternatives continued to do well. They often lend themselves to a more long-term demographic story, rather than face the short-term market pressures. In addition, they are often quite long income in style, meaning that leases are usually longer, which is a useful extra credential.

We typically compare the company 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 fewer 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.

Over the year, the company announced a goal to take the portfolio to being operationally net zero carbon by 2030. This project has been worked on since 2012 and we have reached a point, with considerable initiatives completed and a huge number ongoing, where we want to set this target. We believe this target is achievable and is the right kind of goal for a company of this nature. The company was measured over the past year by GRESB, which assesses sustainability performance, and has four stars. The Carbon Trust will independently measure the company on the 2030 target.

### Portfolio review

The company ended the reporting year holding 65 properties, which accounted for 77.7% of the portfolio's value, while 16.7% was held in cash and cash equivalents. The sector breakdown shows standard retail at 2.2%, retail warehouses at 14.8%, supermarkets at 3.7%, outlet malls at 4.6%, industrials at 23.9%, offices at 16.5% and alternatives, which includes leisure, at 12.0%.

As of 31 May 2020, the company's average lease term, weighted by income, was 10.1 years versus a peer group average of 6.4 years. The vacancy rate stood at 7.3% versus the Investment Property Databank (IPD) peer group average of 7.9%. The geographical focus of the company remained biased towards London and the South East (58.4%). The top 10 tenants included well-known corporate names such as Kuehne & Nagel, Sainsbury's, Care UK, B&Q, University of Law and TK Maxx. The IPD Rental Information Service report judges the company to have a strong tenant base with a weighted credit risk score of 70.9% versus 68.6%.

Figures as of 31 May 2020, IPD Benchmark Report 2020 Q1, IPD Quarterly Benchmark Index 2020 Q1.

### Acquisitions and disposals

The company made 11 sales and no purchases during the year to 31 May 2020.

The sales were made up of:

Asda, Argos and Poundstretcher, Manchester  
7-9 Picadilly, Manchester  
TK Maxx, 10 The Hayes, Cardiff  
Greenwich View Place, London  
Marks and Spencer, Albert Street, Nottingham  
Museum Tavern, 49 Great Russell Street, Holborn  
Friend at Hand, Bloomsbury, 4 Herbrand Street, London  
Rutland Arms, 15, Lower Mall, Hammersmith  
B&Q, Bridge Road, Welwyn Garden City  
2 Roundwood Avenue, Stockley Park  
Sands 10 Industrial Estate, Hillbottom Road, High Wycombe

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

### Strategic asset management

During the year, the fund managers focused on enhancing the quality of the assets held and, where possible, enhancing capital value and income growth. 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 letting and rental 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 include:

#### Trojan Way, Croydon (retail warehouse)

Agreement for lease exchanged on a retail warehouse premises for storage and distribution purposes with a global online retailer.

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

Leases completed taking the office accommodation to fully let.

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

Various new leases completed and two lease renewals secured on a multi-let industrial estate in Luton, along with a short-term let to assist the local council with COVID-19 requirements.

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

Lease agreement signed with gym operator and new lease completed with a national retailer.

#### Robin Retail Park, Loire Drive, Wigan (retail park)

Lease agreement exchanged for a new Nando's restaurant along with two new leases completed and a rent review uplift secured at a retail warehouse.

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

New leases, a rent review and a lease renewal completed and planning secured for further development for an industrial estate.

#### Capital Business Park, Cambridge (office)

Part lease re-gear completed with existing tenant, rental increase secured on a nursery facility by way of rent review and a new cafe operator secured.

#### Kidwells Park, Kidwells Park Drive, Maidenhead (office)

New lettings completed at accommodation taking the property to fully let.

#### Bermondsey Square, London (office)

New lease completed on an office accommodation.

#### Beacon Retail Park, Milton Keynes (retail warehouse)

New lease and a lease renewal completed.

#### Wycombe Sands Industrial Estate, High Wycombe (industrial)

New lease completed on industrial premises.

### Outlook

In this most extraordinary time, we have focused hard on working with tenants and have a strong business base making up that rental income, which has been helpful.

The UK commercial property market saw some initial valuation shift when COVID-19 measures started to be felt across the country. However, many areas of the market have been, and we expect to remain, resilient. Industrial and logistics have been areas where this has been seen and we believe that they should remain strong options for a core fund like this. We are overweight to our benchmark in these sectors of the market.

There may be some structural shifts within offices as social distancing measures continue to be required and many occupiers discover that their staff can work successfully from home. We do not have a large weighting to offices, having considerably reduced it over the past four years. The offices that we hold are not higher-rise properties and should be easier to accommodate returning staff, we believe. We continued to see successful asset management in this sector, in the form of a new letting during the lockdown.

Retail, which was already going through a structural change, remains challenging. However, we expect retail warehousing to become more robust as it naturally lends itself to social distancing while allowing tenants to be open to trade. We expect this to be helpful.

We do not own shopping centres within the company. However, this area of the market along with leisure, particularly restaurants and hotels, are the most difficult and probably will be over the rest of this year, at least. Our leisure holdings are not large and we see this as an area that the market will find hardest to digest, both from an occupier and investment perspective.

Supermarkets remain strong within the portfolio and an overweight position for us. We expect this to be helpful over the next year.

Despite a hard macroeconomic backdrop, our full focus will be on successfully completing the considerable asset management that has been worked on within the company and protecting income.

## Comparative tables for the year ended 31 May 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	236.82	231.18	214.24
Return before operating charges*	0.30	11.11	21.86
Operating charges - non property expenses	(3.88)	(3.82)	(3.63)
Operating charges - property expenses	(0.96)	(0.90)	(0.57)
Return after operating charges*	(4.54)	6.39	17.66
Distributions on accumulation shares	(8.36)	(8.26)	(7.95)
Retained distributions on accumulation shares	7.56	7.51	7.23
Closing net asset value per share	231.48	236.82	231.18
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(1.92%)	2.76%	8.24%
<b>Other information</b>			
Closing net asset value (£000s)	69,816	151,957	211,606
Closing number of shares	30,161,427	64,167,018	91,533,548
Operating charges - non property expenses (annualised)	1.65%	1.65%	1.65%
Operating charges - property expenses (annualised)	0.41%	0.39%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	251.12	251.92	251.58
Lowest share price (pence)	234.60	228.84	212.48
	Class A income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	102.34	103.12	99.54
Return before operating charges*	(0.10)	4.62	8.79
Operating charges - non property expenses	(1.66)	(1.69)	(1.66)
Operating charges - property expenses	(0.41)	(0.40)	(0.26)
Return after operating charges*	(2.17)	2.53	6.87
Distributions on income shares	(3.23)	(3.31)	(3.29)
Closing net asset value per share	96.94	102.34	103.12
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.12%)	2.45%	6.90%
<b>Other information</b>			
Closing net asset value (£000s)	6,366	9,705	25,006
Closing number of shares	6,567,488	9,483,520	24,249,558
Operating charges - non property expenses (annualised)	1.65%	1.65%	1.65%
Operating charges - property expenses (annualised)	0.41%	0.39%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	107.09	112.39	113.20
Lowest share price (pence)	100.42	101.66	97.85

## Comparative tables (continued)

	<b>Class E accumulation 24/06/19 to 31/05/20 (pence per share)</b>
<b>Change in net assets per share</b>	
Opening net asset value share	234.90 <sup>1</sup>
Return before operating charges*	1.90
Operating charges - non property expenses	(2.57)
Operating charges - property expenses	(0.90)
Return after operating charges*	(1.57)
Distributions on accumulation shares	(8.37)
Retained distributions on accumulation shares	7.36
Closing net asset value per share	232.32
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(0.67%) <sup>2</sup>
<b>Other information</b>	
Closing net asset value (£000s)	2,384
Closing number of shares	1,026,301
Operating charges - non property expenses (annualised)	1.16%
Operating charges - property expenses (annualised)	0.41%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest share price (pence)	251.81
Lowest share price (pence)	234.87

<sup>1</sup> Class E accumulation launched on 24 June 2019 and this is the first published price

<sup>2</sup> Return after charges relates to the period 24 June 2019 to 31 May 2020 post conversion from the A accumulation share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

## Comparative tables (continued)

	<b>Class E income 24/06/19 to 31/05/20 (pence per share)</b>
<b>Change in net assets per share</b>	
Opening net asset value share	101.53 <sup>3</sup>
Return before operating charges*	0.47
Operating charges - non property expenses	(1.10)
Operating charges - property expenses	(0.38)
Return after operating charges*	(1.01)
Distributions on income shares	(3.14)
Closing net asset value per share	97.38
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(0.99%) <sup>4</sup>
<b>Other information</b>	
Closing net asset value (£000s)	804
Closing number of shares	825,460
Operating charges - non property expenses (annualised)	1.16%
Operating charges - property expenses (annualised)	0.41%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest share price (pence)	107.23
Lowest share price (pence)	100.75

<sup>3</sup> Class E income launched on 24 June 2019 and this is the first published price.

<sup>4</sup> Return after charges relates to the period 24 June 2019 to 31 May 2020 post conversion from the A income share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

## Comparative tables (continued)

	Class G accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	69.10	66.95	61.14
Return before operating charges*	0.12	3.25	6.76
Operating charges - non property expenses	(0.50)	(0.49)	(0.46)
Operating charges - property expenses	(0.28)	(0.26)	(0.16)
Return after operating charges*	(0.66)	2.50	6.14
Distributions on accumulation shares	(2.53)	(2.49)	(2.36)
Retained distributions on accumulation shares	2.17	2.14	2.03
Closing net asset value per share	68.08	69.10	66.95
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(0.96%)	3.73%	10.04%
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### Other information

Closing net asset value (£000s)	1	26	901
Closing number of shares	836	37,412	1,345,967
Operating charges - non property expenses (annualised)	0.73%	0.73%	0.73%
Operating charges - property expenses (annualised)	0.41%	0.39%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	73.74	71.77	69.39
Lowest share price (pence)	68.48	66.29	61.11

	Class G income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	57.74	57.71	54.83
Return before operating charges*	(0.14)	2.50	5.20
Operating charges - non property expenses	(0.41)	(0.42)	(0.40)
Operating charges - property expenses	(0.23)	(0.22)	(0.14)
Return after operating charges*	(0.78)	1.86	4.66
Distributions on income shares	(1.79)	(1.83)	(1.78)
Closing net asset value per share	55.17	57.74	57.71
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(1.35%)	3.22%	8.50%
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### Other information

Closing net asset value (£000s)	105,849	997	3,119
Closing number of shares	191,853,698	1,726,206	5,404,679
Operating charges - non property expenses (annualised)	0.73%	0.73%	0.73%
Operating charges - property expenses (annualised)	0.41%	0.39%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	60.64	60.46	60.32
Lowest share price (pence)	57.01	57.15	54.34



## Comparative tables (continued)

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	146.31	141.89	130.09
Return before operating charges*	0.23	6.87	13.95
Operating charges - non property expenses	(1.23)	(1.20)	(1.13)
Operating charges - property expenses	(0.60)	(0.56)	(0.35)
Return after operating charges*	(1.60)	5.11	12.47
Distributions on accumulation shares	(5.28)	(5.18)	(4.96)
Retained distributions on accumulation shares	4.55	4.49	4.29
Closing net asset value per share	143.98	146.31	141.89
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(1.09%)	3.60%	9.59%
<b>Other information</b>			
Closing net asset value (£000s)	134,724	185,463	181,174
Closing number of shares	93,570,840	126,760,665	127,686,827
Operating charges - non property expenses (annualised)	0.84%	0.84%	0.84%
Operating charges - property expenses (annualised)	0.41%	0.39%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	155.97	151.94	147.05
Lowest share price (pence)	144.96	140.47	129.59
	Class I income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	116.04	116.04	110.67
Return before operating charges*	(0.29)	5.05	10.18
Operating charges - non property expenses	(0.96)	(0.97)	(0.94)
Operating charges - property expenses	(0.47)	(0.45)	(0.29)
Return after operating charges*	(1.72)	3.63	8.95
Distributions on income shares	(3.57)	(3.63)	(3.58)
Closing net asset value per share	110.75	116.04	116.04
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(1.48%)	3.13%	8.09%
<b>Other information</b>			
Closing net asset value (£000s)	100,433	191,151	374,092
Closing number of shares	90,681,788	164,733,199	322,396,202
Operating charges - non property expenses (annualised)	0.84%	0.84%	0.84%
Operating charges - property expenses (annualised)	0.41%	0.39%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	121.77	121.46	121.28
Lowest share price (pence)	114.48	114.90	109.31

## Comparative tables (continued)

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	129.84	125.11	113.83
Return before operating charges*	0.38	6.07	12.41
Operating charges - non property expenses	(0.05)	(0.04)	(0.04)
Operating charges - property expenses	(0.53)	(0.49)	(0.31)
Return after operating charges*	(0.20)	5.54	12.06
Distributions on accumulation shares	(5.77)	(4.65)	(4.42)
Retained distributions on accumulation shares	4.71	3.84	3.64
Closing net asset value per share	128.58	129.84	125.11
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(0.15%)	4.43%	10.59%
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### Other information

Closing net asset value (£000s)	1	3,161	4,040
Closing number of shares	452	2,434,342	3,229,275
Operating charges - non property expenses (annualised)	0.04%	0.03%	0.03%
Operating charges - property expenses (annualised)	0.41%	0.39%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	139.10	134.84	129.65
Lowest share price (pence)	128.65	123.86	113.54

	Class Z income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	112.34	111.50	105.39
Return before operating charges*	(0.43)	4.68	9.73
Operating charges - non property expenses	(0.04)	(0.03)	(0.03)
Operating charges - property expenses	(0.46)	(0.43)	(0.28)
Return after operating charges*	(0.93)	4.22	9.42
Distributions on income shares	(4.03)	(3.38)	(3.31)
Closing net asset value per share	107.38	112.34	111.50
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(0.83%)	3.78%	8.94%
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### Other information

Closing net asset value (£000s)	1	16,834	13,416
Closing number of shares	478	14,985,364	12,032,907
Operating charges - non property expenses (annualised)	0.04%	0.03%	0.03%
Operating charges - property expenses (annualised)	0.41%	0.39%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	118.36	117.56	116.49
Lowest share price (pence)	110.84	110.41	104.26

## Comparative tables (continued)

	Class F gross accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	116.71	111.70	101.64
Return before operating charges*	0.15	5.48	10.36
Operating charges - non property expenses	(0.04)	(0.03)	(0.03)
Operating charges - property expenses	(0.48)	(0.44)	(0.27)
Return after operating charges*	(0.37)	5.01	10.06
Distributions on accumulation shares	(4.44)	(4.27)	(3.95)
Retained distributions on accumulation shares	4.44	4.27	3.95
Closing net asset value per share	116.34	116.71	111.70
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(0.32%)	4.49%	9.90%
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### Other information

Closing net asset value (£000s)	1,410,923	1,851,185	2,178,870
Closing number of shares	1,212,710,679	1,586,080,528	1,950,704,189
Operating charges - non property expenses (annualised)	0.03%	0.03%	0.03%
Operating charges - property expenses (annualised)	0.41%	0.39%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	125.65	120.98	115.54
Lowest share price (pence)	115.62	110.56	100.71

	Class G gross income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	103.62	103.59	98.33
Return before operating charges*	0.30	5.10	10.16
Operating charges - non property expenses	(0.75)	(0.75)	(0.72)
Operating charges - property expenses	(0.42)	(0.40)	(0.26)
Return after operating charges*	(0.87)	3.95	9.18
Distributions on income shares	(3.83)	(3.92)	(3.92)
Closing net asset value per share	98.92	103.62	103.59
* after direct transaction costs of:	-	-	-

### Performance

Return after charges	(0.84%)	3.81%	9.34%
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### Other information

Closing net asset value (£000s)	29	34	113
Closing number of shares	29,179	32,606	108,837
Operating charges - non property expenses (annualised)	0.73%	0.73%	0.73%
Operating charges - property expenses (annualised)	0.41%	0.39%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	108.87	108.53	108.30
Lowest share price (pence)	102.32	102.59	97.45

## Comparative tables (continued)

	Class I gross accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value share	110.88	107.04	98.19
Return before operating charges*	0.17	5.17	9.96
Operating charges - non property expenses	(0.93)	(0.91)	(0.85)
Operating charges - property expenses	(0.45)	(0.42)	(0.26)
Return after operating charges*	(1.21)	3.84	8.85
Distributions on accumulation shares	(4.04)	(3.91)	(3.73)
Retained distributions on accumulation shares	4.04	3.91	3.73
Closing net asset value per share	109.67	110.88	107.04
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(1.09%)	3.59%	9.01%
<b>Other information</b>			
Closing net asset value (£000s)	24,796	38,905	34,128
Closing number of shares	22,609,030	35,086,762	31,883,693
Operating charges - non property expenses (annualised)	0.84%	0.84%	0.84%
Operating charges - property expenses (annualised)	0.41%	0.39%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	118.66	114.98	110.78
Lowest share price (pence)	109.84	105.95	97.29

Retained distributions disclosed on net accumulation share classes include income tax suffered and therefore are lower than the actual distributions paid to Investors. This affects the performance when compared to the related income share class.

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 on a bid basis which will differ from those on the Performance summary

The company suspended dealing in its shares on 16 March 2020. The highest and lowest share prices represent the period of 1 June 2019 to 15 March 2020.

### Operating charges

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

### Share class launches and closures

The following share classes were launched in the year:

Share Class	Launch date
Class E accumulation	24 June 2019
Class E income	24 June 2019

There were no share classes closed in the year.

Share Class conversions	Conversion date
Class A accumulation to Class E accumulation	24 June 2019
Class A income to Class E income	24 June 2019

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

## 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 company. 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:

	2020 %	2019 %	Estimated OCF from 5 May 2020 <sup>1</sup> %
<b>Class A</b>			
Non-property expense ratio - OCF	1.65 <sup>2</sup>	1.65	1.68
Property expense ratio	0.41	0.39	0.41
Real estate expense ratio	2.06	2.04	2.09
<b>Class E<sup>3</sup></b>			
Non-property expense ratio - OCF	1.16 <sup>2</sup>	n/a	1.18
Property expense ratio	0.41	n/a	0.41
Real estate expense ratio	1.57	n/a	1.59
<b>Class F</b>			
Non-property expense ratio - OCF	0.03	0.03	n/a
Property expense ratio	0.41	0.39	n/a
Real estate expense ratio	0.44	0.42	n/a
<b>Class G</b>			
Non-property expense ratio - OCF	0.73 <sup>4</sup>	0.73	0.75
Property expense ratio	0.41	0.39	0.41
Real estate expense ratio	1.14	1.12	1.14
<b>Class I</b>			
Non-property expense ratio - OCF	0.84 <sup>5</sup>	0.84	0.86
Property expense ratio	0.41	0.39	0.41
Real estate expense ratio	1.25	1.23	1.27
<b>Class Z</b>			
Non-property expense ratio - OCF	0.04 <sup>6</sup>	0.03	0.04
Property expense ratio	0.41	0.39	0.41
Real estate expense ratio	0.45	0.42	0.45

The OCF and PER represent the total fund expenses and the total property expenses paid by the company 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.

<sup>1</sup> The estimated ongoing charge is based on the new General Administration Charge (GAC) rates to the year ended 31 May 2020.

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

<sup>3</sup> Class E accumulation and Class E income launched on 24 June 2019 therefore prior year is nil.

<sup>4</sup> The GAC on Class G increased from 0.045% to 0.060% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

<sup>5</sup> The GAC on Class I increased from 0.075% to 0.090% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

<sup>6</sup> The GAC on Class Z increased from 0.023% to 0.030% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

## Risk and reward profile

The company currently has 13 types of share class in issue, Class A (accumulation and income), Class E (accumulation and income), Class G (accumulation and income), Class I (accumulation and income), Class Z (accumulation and income), 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 company focuses on a particular asset class
- The company focuses on a particular country

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

**Buy-Sell Spread** This company is dual priced. The price at which you buy shares in the company will incorporate the transaction costs incurred in buying physical properties. When you sell shares in the company 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 company is not fixed and may vary over time depending on the composition of the company.

**Charges to Capital** Some or all of the ongoing charges may be taken from capital, which may erode capital or reduce potential for capital growth.

**Counterparties** The company could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the company.

**Country or Region** If a company 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 company 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 company 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). In exceptional circumstances the company may have to suspend 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 company's properties may become unable to pay their rent. As a result, the company's income may be impacted and further costs incurred.

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

## Portfolio statement as at 31 May 2020

Investment	Market value £000	Percentage of total net assets %
<b>Direct Properties 77.74% (31/05/2019: 71.59%)</b>		
<b>Market values between £50m and £150m 26.41%</b>		
<b>(31/05/2019: 21.37%)</b>		
Capital Business Park, Cambridge		
Dalton Park Outlet, Murton, County Durham		
Kuehne and Nagel, Commercial Park, Derby		
3 King George Close, Romford		
Robin Retail Park, Loire Drive, Wigan		
Tower Retail Park, Crayford Road, Crayford		
Bilton Way, Dallow Road, Luton		
Crendon Industrial Estate, Thame, London		
	490,253	26.41
<b>Market values between £25m and £50m 13.35% (31/05/2019: 17.67%)</b>		
2-14 Bunhill Row, London		
Kidwells Park, Kidswell Park Drive, Maidenhead		
Eddie Stobart Manor Park, Eastgate Road, Runcorn, Cheshire		
Blue Planet, Lowlands Road, Chatterley Valley		
22-24 Worple Road, London		
Sainsbury's, Butterley, Ripley		
John Lewis, 330 Purley Way, Croydon		
	247,751	13.35
<b>Market values under £25m 37.98% (31/05/2019: 32.55%)</b>		
Hanover Buildings, 56/84 Rose Street, Edinburgh		
Tesco Superstore, Sizer Way, Hythe, Southampton		
Bermondsey Square, London		
Penrhyn Kingston Limited		
99-101, London Road, Croydon		
Cribbs Causeway Centre, The Laurels, Bristol		
142-146 High Road, Kilburn, London		
Maidenhead Retail Park, Stafferton, Maidenhead		
Silver Sea, Cairdean House, Edinburgh		
Beacon Retail Park, Milton Keynes		
Bedford Riverside, Bedford		
Foxbridge House, Orpington, Kent		
Bowes House, Hailsham, East Sussex		
1/2 Hardwick Street, London		
Premier Foods, Centrium, St.Albans		
B&Q, Mucklow Hill, Halesowen, Birmingham		
Currys, 12 Trojan Way, Croydon		
Hounslow Business Park, Southampton		
BP, D2 Business Park, Dyce Drive, Aberdeen		
Cineworld, Mary Ann Street, Cardiff		
Gallery Apartments, Glasgow		
The Maltings, Salisbury		
Trojan Way, Croydon		
7-19 Amhurst Road, Hackney		
Laura Ashley, Bardon		
Iron Bridge Studios, Exeter, Devon		
Centron, Crompton Way, Crawley		
Milsom Place, Milsom Street, Bath		
Heathcote Industrial Estate, 10/10a Heathcote Way, Warwick		
Technology Drive, Broughton Road, Rugby		

## Portfolio statement (continued)

Investment	Market value £000	Percentage of total net assets %
<b>Market values under £25m (continued)</b>		
Wycombe Sands Industrial Estate, High Wycombe		
Chaucer House, The Office Park, Leatherhead, Surrey		
DFS, Crittalls Corner, Sidcup		
Inverurie Retail Park, 5 Oldmeldrum Road, Inverurie		
31 Clerkenwell Close and 8 Bowling Green Lane, London		
Homebase, 300 London Road, High Wycombe		
Waterside Retail Park, Ashbourne, Derbyshire		
B&Q Unit, Riverside Retail Park, Taunton		
Timet, 120 Holford Drive, Birmingham		
Kingsteignton Retail Park, Newton Abbot, Kingsteignton		
38 Brushfield Street, London		
Gilesgate Durham		
Eccleshall Retail Park, Eccleshall		
Odeon Cinema, Kilmarnock		
99-115 Lordship Lane, East Dulwich, London		
Prospect House, St George's Road, London		
Solar Panels, 2 Solartron Road, Farnborough		
	<u>705,003</u>	<u>37.98</u>
<b>Direct properties</b>	<u>1,443,007</u>	<u>77.74</u>
<b>Treasury Bills 1.61% (31/05/2019: 0.00%)</b>		
GBP 30,000,000 UK Treasury 0.00% 01/06/2020	29,952	1.61
	<u>29,952</u>	<u>1.61</u>
<b>Special Purpose Vehicles 3.17% (31/05/2019: 2.85%)</b>		
Double Click, Crewe s.a.r.l. <sup>1,5,6</sup>	30,397	1.64
Click Cabot Park, s.a.r.l. <sup>1,5,6</sup>	13,530	0.73
Click Corby s.a.r.l. <sup>1,5,6</sup>	12,029	0.65
Capital Business Park s.a.r.l. <sup>2,5,6</sup>	2,123	0.12
Gilesgate Durham Limited <sup>3,5,6</sup>	508	0.03
Penryn Kingston Limited <sup>2,4,5,6</sup>	-	-
The Square Bermondsey Limited <sup>3,5,6</sup>	58	-
	<u>58,645</u>	<u>3.17</u>
<b>Investment assets</b>		
	<b>1,531,604</b>	<b>82.52</b>
Finance lease adjustment	17,259	0.93
Other net assets	22,912	1.23
Cash equivalents - Certificates of deposit	141,076	7.60
Cash equivalents - Collective investment scheme	143,276	7.72
<b>Total net assets</b>	<b>1,856,127</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.



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Cash equivalents 15.30% (31/05/2019: 25.35%)</b>		
	<b>Certificates of Deposit 7.60% (31/05/2019: 13.74%)</b>		
GBP 10,500,000	Australia & New Zealand Bank Group 0.45% 05/08/2020	10,506	0.57
GBP 9,500,000	Bank of Montreal 0.48% 10/06/2020	9,501	0.51
GBP 14,500,000	Barclays Bank 0.68% 05/06/2020	14,501	0.78
GBP 10,000,000	Citibank 0.40% 07/08/2020	10,005	0.54
GBP 13,500,000	Crédit Industriel et Commercial 0.535% 11/09/2020	13,513	0.73
GBP 10,000,000	Crédit Industriel et Commercial 0.62% 05/08/2020	10,009	0.54
GBP 15,500,000	DEN Danske Bank Aktieselskab 0.255% 26/08/2020	15,504	0.84
GBP 7,500,000	First Abu Dhabi Bank 0.45% 14/09/2020	7,506	0.40
GBP 9,500,000	Svenska Handelsbanken 0.74% 30/06/2020	9,506	0.51
GBP 10,000,000	MUFG Bank 0.74% 01/06/2020	10,000	0.54
GBP 11,000,000	Société Générale 0.45% 01/09/2020	11,008	0.59
GBP 9,500,000	Société Générale 0.67% 31/07/2020	9,509	0.51
GBP 10,000,000	UBS 1.00% 30/06/2020	10,008	0.54
		141,076	7.60
	<b>Collective Investment Scheme 7.72% (31/05/2019: 11.61%)</b>		
143,276,000	Deutsche Global Liquidity Managed Sterling Fund Platinum Class	143,276	7.72
	<b>Cash equivalents</b>	<b>284,352</b>	<b>15.32</b>

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

for the year ended 31 May 2020

The Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook (COLL) requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view, in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014, United Kingdom Generally Accepted Accounting Practice (UK GAAP) (United Kingdom Accounting Standards, comprising FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland), of the financial affairs of the company and 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 (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared by Henderson Investment Funds Limited, comply with the above requirements;
- make best judgements and estimates that are reasonable; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in operation for the foreseeable future.

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

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

for the year ended 31 May 2020

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited  
London  
18 September 2020

# Independent Auditors' report to the shareholders of Janus Henderson UK Property PAIF ('the company')

## Report on the audit of the financial statements

### Opinion

In our opinion, Janus Henderson UK Property PAIF's group financial statements and company financial statements (the 'financial statements'):

- give a true and fair view of the financial position of the group and the company as at 31 May 2020 and of the net revenue and the net capital losses on the scheme property of the group and the company 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 is an Open Ended Investment Company ('OEIC') with a single sub-fund and 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 company balance sheets as at 31 May 2020; the consolidated and company statements of total return, the consolidated and company statements of change in net assets attributable to shareholders and the consolidated and company 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Emphasis of matter – Significant estimation uncertainty in relation to the valuation of investment property

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in notes 1n (Estimates and judgments) and 1c (Basis of valuation of investments) to the financial statements. These notes explain that there is significant estimation uncertainty in relation to the valuation of investment properties of £1,516m included in the consolidated balance sheet and the investment properties of £1,460m included in the company balance sheet as at 31 May 2020. The third party valuers engaged by management have included a material valuation uncertainty clause in their report. This clause highlights that less certainty, and consequently a higher degree of caution, should be attached to the valuation as a result of the COVID-19 pandemic.

### Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company'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.

# Independent Auditors' report to the shareholders of Janus Henderson UK Property PAIF ('the company') (continued)

## Authorised Corporate Director's Report

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

## Responsibilities for the financial statements and the audit

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

As explained more fully in the Statement of Authorised Corporate Director's (ACD) responsibilities set out on page 22, 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 the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the group or the company, or has no realistic alternative but to do so.

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

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

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

### Use of this report

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

### Other required reporting

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

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

#### Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
18 September 2020

## Consolidated statement of total return for the year ended 31 May 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	4		(90,482)		9,339
Revenue	5	100,569		123,387	
Expenses	6	(26,073)		(24,027)	
Interest payable and similar charges	7	(818)		(820)	
Net revenue before taxation		73,678		98,540	
Taxation	8	(487)		(539)	
Net revenue after taxation			<u>73,191</u>		<u>98,001</u>
<b>Total return before distributions</b>			(17,292)		107,340
Distributions	9		(77,042)		(102,938)
<b>Change in net assets attributable to shareholders from investment activities</b>			<u>(94,333)</u>		<u>4,402</u>

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

for the year ended 31 May 2020

	2020		2019	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>2,449,418</b>		<b>3,026,465</b>
Amounts receivable on issue of shares	199,722		595,674	
Amounts payable on cancellation of shares	(781,727)		(1,275,667)	
		(582,005)		(679,993)
Dilution adjustment		15,721		9,742
Change in net assets attributable to shareholders from investment activities		(94,333)		4,402
Retained distribution on accumulation shares		67,325		88,801
Unclaimed distribution		1		1
<b>Closing net assets attributable to shareholders</b>		<u><b>1,856,127</b></u>		<u><b>2,449,418</b></u>

## Consolidated balance sheet as at 31 May 2020

	Note	2020 £000	2019 £000
<b>Assets:</b>			
Fixed assets:			
Tangible assets:			
Land and buildings	21	1,515,541	1,799,534
Property under construction	21	-	29,300
Investments	22	32,075	2,123
Current assets:			
Debtors	10	21,959	24,036
Cash and bank balances	11	26,301	92,569
Cash equivalents	12	284,352	620,859
<b>Total assets</b>		<b>1,880,228</b>	<b>2,568,421</b>
<b>Liabilities:</b>			
Provisions for liabilities	14	-	1,474
Creditors:			
Bank overdraft	13	-	73,707
Distribution payable		2,446	2,875
Finance lease payable	16	17,259	17,263
Other creditors	15	4,396	23,684
<b>Total liabilities</b>		<b>24,101</b>	<b>119,003</b>
<b>Net assets attributable to shareholders</b>		<b>1,856,127</b>	<b>2,449,418</b>

## 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)

18 September 2020

## Company statement of total return for the year ended 31 May 2020

	Note	2020 £000	2019 £000
Income			
Net capital (losses)/gains	4	(89,735)	11,762
Revenue	5	98,944	120,243
Expenses	6	(25,682)	(23,846)
Interest payable and similar charges	7	(818)	(819)
Net revenue before taxation		72,444	95,578
Taxation	8	-	-
Net revenue after taxation		72,444	95,578
<b>Total return before distributions</b>		(17,291)	107,340
Distributions	9	(77,042)	(102,938)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(94,333)</b>	<b>4,402</b>

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

for the year ended 31 May 2020

	2020 £000	2019 £000
<b>Opening net assets attributable to shareholders</b>	<b>2,449,418</b>	<b>3,026,465</b>
Amounts receivable on issue of shares	199,722	595,674
Amounts payable on cancellation of shares	(781,727)	(1,275,667)
	(582,005)	(679,993)
Dilution adjustment	15,721	9,742
Change in net assets attributable to shareholders from investment activities	(94,333)	4,402
Retained distribution on accumulation shares	67,325	88,801
Unclaimed distribution	1	1
<b>Closing net assets attributable to shareholders</b>	<b>1,856,127</b>	<b>2,449,418</b>

## Company balance sheet as at 31 May 2020

	Note	2020 £000	2019 £000
Fixed assets:			
Tangible assets:			
Land and buildings	21	1,460,266	1,741,384
Property under construction	21	-	29,300
Investments	22	32,075	2,123
Investment in subsidiaries	23	56,522	67,800
Current assets:			
Debtors	10	21,823	24,306
Cash and bank balances	11	25,582	91,819
Cash equivalents	12	284,352	620,859
<b>Total assets</b>		<b>1,880,620</b>	<b>2,577,591</b>
<b>Liabilities:</b>			
Provisions for liabilities	14	-	1,474
Creditors:			
Bank overdraft	13	-	73,707
Distributions payable		2,446	2,875
Finance lease payable	16	17,259	17,263
Other creditors	15	4,788	32,854
<b>Total liabilities</b>		<b>24,493</b>	<b>128,173</b>
<b>Net assets attributable to shareholders</b>		<b>1,856,127</b>	<b>2,449,418</b>

## 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)

18 September 2020



## Consolidated and Company statement of cash flows for the year ended 31 May 2020

	Note	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
<b>Cash flows from operating activities</b>					
Total return before distribution		(17,291)	(17,291)	107,340	107,340
Adjustments for:					
Taxation		487	-	539	-
Interest payable and similar charges		818	818	820	819
Transaction charges paid from capital		22	22	8	8
Losses/(gains) on investments		90,558	98,961	(9,161)	(11,584)
Increase in debtors		(2,361)	(2,063)	(2,018)	(7,219)
(Decrease)/increase in creditors		(5,406)	(14,076)	(3,269)	4,351
<b>Cash generated from operations</b>		<b>66,827</b>	<b>66,371</b>	<b>94,259</b>	<b>93,715</b>
Interest payable and similar charges		(1)	(1)	(3)	(2)
Distribution paid on income shares		(9,774)	(9,774)	(15,265)	(15,265)
Taxation paid		(487)	-	(539)	-
<b>Net cash generated from operating activities</b>		<b>56,565</b>	<b>56,596</b>	<b>78,452</b>	<b>78,448</b>
<b>Cash flows from investing activities</b>					
Purchases of investments		(87,815)	(87,815)	(66,335)	(66,335)
Sales of investments		280,577	280,577	620,603	620,603
<b>Net cash inflow from investing activities</b>		<b>192,762</b>	<b>192,762</b>	<b>554,268</b>	<b>554,268</b>
<b>Cash flows from financing activities</b>					
Issue of shares		91,776	91,776	73,299	73,299
Cancellation of shares		(685,071)	(685,071)	(749,699)	(749,699)
Dilution adjustment		15,721	15,721	9,742	9,742
Finance lease payments		(4)	(4)	(3)	(3)
Interest payable and similar charges		(817)	(817)	(817)	(817)
<b>Net cash outflow from financing activities</b>		<b>(578,395)</b>	<b>(578,395)</b>	<b>(667,478)</b>	<b>(667,478)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(329,068)</b>	<b>(329,037)</b>	<b>(34,758)</b>	<b>(34,762)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>639,721</b>	<b>638,971</b>	<b>674,479</b>	<b>673,733</b>
<b>Cash and cash equivalents at end of year</b>	13	<b>310,653</b>	<b>309,934</b>	<b>639,721</b>	<b>638,971</b>

## 1 Accounting policies

### (a) Basis of preparation

The financial statements of Janus Henderson UK Property PAIF Fund (the 'company') 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.

COLL 5.6.20R (3) requires ACDs of funds investing in immovables to ensure that the Independent Valuer values all properties on the basis of a full valuation with a physical internal inspection at least once a year. As a result of COVID-19, CBRE has been unable to complete these internal physical inspections on a number of properties within the Janus Henderson UK Property PAIF. The FCA has issued a statement and verbally confirmed to CBRE that external inspections will be sufficient in the short term.

Below are the properties where an annual internal inspection has not been completed (as at end Jun):

Property	Date of last internal inspection
GE, Technology Drive, Rugby	05/04/2019
31 Clerkenwell Close, London EC1	15/04/2019
2-14 Bunhill Row, London EC1	15/04/2019
Bermondsey Square, London	21/05/2019
Solar Panels, Farnborough	08/05/2019
Gallery Apartments, Glasgow	31/05/2019
Bedford Riverside, Bedford	03/06/2019
Inverurie Retail Park	07/06/2019

### Going concern

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a pandemic on the 11th March 2020, has impacted global financial markets.

The ACD has examined significant areas of possible financial risk and has not identified any material uncertainties which would cast significant doubt on the company's ability to continue as a going concern for a period of not less than twelve months from the date of the approval of the financial statements. The ACD has satisfied themselves that the company has adequate resources to continue in operational existence for the foreseeable future.

Based on the above and after due consideration, the ACD believes it is still appropriate to continue to adopt the going concern basis in preparing the financial statements.

### (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 company and its subsidiary undertakings. During the current and prior year, the company 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 company 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 company's intention is to transfer the properties to become direct holdings of the company and to liquidate the residual SPV entities as soon as practicable have been included within Investments in subsidiaries in the company'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 company's intention is not to transfer the properties to become direct holdings of the company have been included within Investments in subsidiaries in the company'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 company 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 company'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 2020.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

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

##### Direct properties (continued)

As at 16 March 2020, CBRE determined there to be material valuation uncertainty as set out in the RICS Valuation - Global Standards, in response to the pandemic COVID-19. The inclusion of the 'material valuation uncertainty' declaration does not mean that the valuation cannot be relied upon. CBRE have included this declaration to ensure transparency of the fact that, in the current extraordinary circumstances, less certainty can be attached to the valuation than would otherwise be the case.

As a result, the ACD suspended dealing in the company to protect the interests of all investors. The suspension is being formally reviewed at least every 28 days and will remain in place until the period of material valuation uncertainty has passed.

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 finance lease 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.

##### Special Purpose Vehicles

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

SPVs where the company's intention is to transfer the properties to become direct holdings of the company and to liquidate the residual SPV entities as soon as practicable have been included within Investments in subsidiaries in the company's Balance sheet and have been consolidated in the group financial statements. These SPVs are fair valued by the Sub-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 company as at the year end and liquidation process is due to commence or is in progress have been included within Investments in the company'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.

##### Listed investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last valuation day of the accounting year (31 May 2020) in accordance with the provisions of the scheme particulars.

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

##### 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.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (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 company 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.

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

Dividends from SPVs are recognised once declared, as either revenue or capital depending on the nature and circumstances of the dividends receivable.

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.

#### (e) Service charges

Where a property is occupied by a tenant, the gross revenue and expenses are included within service charge income and service charge expenses in the Statement of Total Return. For vacant properties, the net service charge is met by the company on an accruals basis and is included within service charge expenses.

#### (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, refurbishment expenditure and capital surrender premiums 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 company. 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 company 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.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (f) Treatment of expenses (including ACD expenses) (continued)

##### 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 and doubtful 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. In the current circumstances relating to COVID-19, there is no change in policy as provisions are still decided on a case by case basis.

#### (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 company 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 payments are 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 company, 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 company comprise Certificates of deposit and Collective investment schemes. Refer to note 12 for more details.

#### (l) Cash flow statement

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

#### (m) Dilution adjustment

The company is dual priced on a full-spread basis. For the purposes of the financial statements, a calculation is performed based on spread percentages to allocate an implied dilution adjustment which is disclosed separately in the Statement of change in net assets.

#### (n) Estimates and judgements

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, the calculation of finance lease balances and the provision for bad debts 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.

## Notes to the financial statements (continued)

### 2 Distribution Policy

The distribution policy of the company 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 company 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 company 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 company 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 company 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 company's assets are in commercial properties. The company 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 company may also enter into derivatives and forward transactions for the purpose of efficient portfolio management and currency hedging.

The risk management policy and process for the company 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 company 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 company'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.

## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (a) Market risk

Market risk is the risk of loss resulting from fluctuations in the market value of positions in the company 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 company in property 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 (IPD Rental Information Service).

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 company's investments will fluctuate as a result of changes in foreign currency exchange rates.

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

#### 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:

	<b>Floating rate financial assets £000</b>	<b>Fixed rate financial assets £000</b>	<b>Non-interest bearing assets £000</b>	<b>Total £000</b>
<b>2020</b>				
UK sterling	56,253	141,076	1,682,899	1,880,228
<b>Total</b>	<b>56,253</b>	<b>141,076</b>	<b>1,682,899</b>	<b>1,880,228</b>
	<b>Floating rate financial assets £000</b>	<b>Fixed rate financial assets £000</b>	<b>Non-interest bearing assets £000</b>	<b>Total £000</b>
<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>



## Notes to the financial statements (continued)

### 3 Risk (continued)

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

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
<b>2020</b>				
UK sterling	-	-	24,101	24,101
<b>Total</b>	<b>-</b>	<b>-</b>	<b>24,101</b>	<b>24,101</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>

#### Sensitivity analysis

The net floating rate assets held by the group at the year end were £56,253,000 (2019: £18,862,000). 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 2020 would increase by £281,265 (2019: £94,310). 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 2020 would decrease by £281,265 (2019: £94,310). The impact on the net asset value of the group would be insignificant at the current or prior accounting year.

#### Interest rate risk - Company

The company's exposure to interest rate risk is considered significant. The interest rate risk profile of the company'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>2020</b>				
UK sterling	55,534	141,076	1,684,010	1,880,620
<b>Total</b>	<b>55,534</b>	<b>141,076</b>	<b>1,684,010</b>	<b>1,880,620</b>
	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>
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
<b>2020</b>				
UK sterling	-	-	24,493	24,493
<b>Total</b>	<b>-</b>	<b>-</b>	<b>24,493</b>	<b>24,493</b>



## Notes to the financial statements (continued)

### 3 Risk (continued)

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

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2019				
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>

#### Sensitivity analysis

The net floating rate assets held by the company at the year end were £55,534,000 (2019: £18,112,000). 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 2020 would increase by £277,670 (2019: £90,560). 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 2020 would decrease by £277,670 (2019: £90,560). The impact on the net asset value of the company 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 company 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.

#### Other market price risk

Other market price risk is the risk that the value of the company'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 company might hold including financial instruments. It represents the potential loss the company 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 company's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the company's investment objectives and policies.

#### Coronavirus risk

The current COVID-19 pandemic has the potential to magnify the key existing risks associated with direct property investment.

**i. Property Valuation:** on 16 March 2020 the Standing Independent Valuer to the company issued a material uncertainty clause covering the whole direct property portfolio. This in turn caused the company to suspend dealing with immediate effect. The portfolio is well placed to benefit from certainty returning because of its focus on core, good quality assets with strong tenants. As at 8 September 2020, CBRE has advised that the material uncertainty clause will be removed from all properties held by the fund and that the valuation report issued at the end of September will therefore be free from material valuation uncertainty.

**ii. Rental Collection:** As a result of lockdown many businesses are unable to operate and therefore may be unable to pay their rent on time or at all. We have offered tenants the ability to pay monthly to ease cash flow issues and are also discussing rental deferrals/rent free periods for those who need it most. Minimal income has been written off and this is a reflection on the fund's focus on high quality tenants.

**iii. Liquidity:** Lockdown is also materially impacting the property transaction market as prospective buyers are unable to complete on site due diligence of potential purchases. This may impact the company's ability to raise cash ahead of any lifting of the suspension in dealing.

#### Sensitivity analysis

The values of commercial properties are driven by their expected rental yield. The current expected yield by sector is shown in the following table, along with the potential impact to values if all the properties in the sector increased or decreased based on a risk based percentage.

Sector	Expected Yield	Risk % by Sector	Value if increase by risk %	NAV Impact	Value if decrease by risk %	NAV Impact
Industrial	5.72%	0.25%	23,175,000	1.25%	(21,525,000)	(1.16%)
Offices	5.54%	0.50%	37,430,000	2.02%	(31,070,000)	(1.67%)
Retail Warehouses & Student Housing	6.43%	0.75%	45,330,000	2.44%	(36,220,000)	(1.95%)
Leisure & Retail	6.10%	1.00%	59,950,000	3.23%	(42,325,000)	(2.28%)

## Notes to the financial statements (continued)

### 3 Risk (continued)

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

##### Leverage

The company 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 company through non-fully funded exposure to underlying markets or securities. The company also has the power to invest directly or indirectly in vehicles, for example unregulated collective investment schemes, which may be highly leveraged.

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

##### Development risk

The company 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 company.

#### (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 company 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 company 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 company'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 company cash and cash equivalents balances at the year end.

Property credit risk may arise from tenant default in the company's properties through inability to meet rental payments, as a result the company'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 company 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.

#### Credit Ratings - Group

	Market value £000	Percentage of total net assets %
<b>2020</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)*	171,028	9.21
<b>Total debt securities</b>	<b>171,028</b>	<b>9.21</b>
Direct properties	1,515,541	81.65
Equities and SPVs	2,123	0.12
<b>Investment assets</b>	<b>1,688,692</b>	<b>90.98</b>
Collective investment schemes	143,276	7.72
Other net assets	24,159	1.30
<b>Total net assets</b>	<b>1,856,127</b>	<b>100.00</b>

## Notes to the financial statements (continued)

### 3 Risk (continued)

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

2019	Market value £000	Percentage of total net assets %
<b>Investments</b>		
Investment grade (AAA - BBB)*	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 liabilities	(2,398)	(0.10)
<b>Total net assets</b>	<b>2,449,418</b>	<b>100.00</b>

\* Certificates of deposit and UK Treasury Bills are included within above investment grade have been rated based on the rating of the issuer.

#### Credit Ratings - Company

2020	Market value £000	Percentage of total net assets %
<b>Investments</b>		
Investment grade (AAA - BBB)*	171,028	9.21
<b>Total debt securities</b>	<b>171,028</b>	<b>9.21</b>
Direct properties	1,460,266	78.67
Investment in subsidiaries	56,522	3.05
Equities and SPVs	2,123	0.12
<b>Investment assets</b>	<b>1,689,939</b>	<b>91.05</b>
Collective investment schemes	143,276	7.72
Other net assets	22,912	1.23
<b>Total net assets</b>	<b>1,856,127</b>	<b>100.00</b>

2019	Market value £000	Percentage of total net assets %
<b>Investments</b>		
Investment grade (AAA - BBB)*	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 liabilities	(12,048)	(0.49)
<b>Total net assets</b>	<b>2,449,418</b>	<b>100.00</b>

\* Certificates of deposit and UK Treasury Bills are included within above investment grade have been rated based on the rating of the issuer.

## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (c) Liquidity risk

Liquidity risk is the risk that an investment in the company's portfolio cannot be sold either in time or at an acceptable price thereby impacting the ability of the company 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 company is experiencing significant levels of redemption requests, this may mean the company 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 company to protect liquidity. Dealing is temporarily suspended following a statement from the appointed independent valuer that they have material uncertainty around the valuation of UK physical properties across the market, and therefore by inference the assets in the portfolio, due to the COVID-19 pandemic. The suspension is being formally reviewed at least every 28 days and will cease as soon as practicable.

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 focused on managing the company's liquidity and consequently the company is invested in a number of short term money market products including UK Treasury Bills, certificates of deposit and short term money market funds 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 company's liquidity management. The company 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.

#### 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	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
<b>2020</b>				
Bank overdraft	-	-	-	-
Distribution payable	-	2,446	-	-
Finance lease liability	-	796	2,832	13,631
Other creditors	-	4,396	-	-
<b>Total</b>	<b>-</b>	<b>7,638</b>	<b>2,832</b>	<b>13,631</b>
	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	-	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>

## Notes to the financial statements (continued)

### 3 Risk (continued)

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

##### Liquidity risk - Company

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2020</b>				
Bank overdraft	-	-	-	-
Distribution payable	-	2,446	-	-
Finance lease liability	-	796	2,832	13,631
Other creditors	-	4,788	-	-
Provisions for liabilities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>8,030</b>	<b>2,832</b>	<b>13,631</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2019</b>				
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>

#### (d) Brexit risk

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

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

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 as at 30/06/2020 stands at 4.6% 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 company and its investments are adversely affected by market movements, potential decline in the value of the British Pound, and any downgrading of United Kingdom sovereign credit rating. This uncertainty may have an adverse effect on the economy generally and on the ability of relevant funds and their investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to the relevant funds.

## Notes to the financial statements (continued)

### 4 Net capital (losses)/gains

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

	<b>Group 2020 £000</b>	<b>Company 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2019 £000</b>
Capital repayment of share premium	-	9,150	-	-
Capital management fee rebates	135	135	114	114
Investment in direct properties*	(90,512)	(87,636)	30,816	28,716
Investment in subsidiaries*	-	(11,278)	-	4,523
Non-derivative securities*	(84)	(84)	(21,583)	(21,583)
Transaction costs	(22)	(22)	(8)	(8)
<b>Net capital (losses)/gains</b>	<b>(90,482)</b>	<b>(89,735)</b>	<b>9,339</b>	<b>11,762</b>
<b>*The above includes:</b>				
Realised gains	10,886	10,886	115,862	115,862
Unrealised losses	(101,482)	(109,884)	(106,629)	(104,206)
	<b>(90,596)</b>	<b>(98,998)</b>	<b>9,233</b>	<b>11,656</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 2020 £000</b>	<b>Company 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2019 £000</b>
Bank interest	123	123	292	292
Certificates of deposit	1,815	1,815	3,253	3,253
Dividends from subsidiaries	-	2,624	-	-
Overseas dividends *	1,316	1,316	1,305	1,305
Rental income	91,955	87,706	110,839	107,695
Service charge income	5,360	5,360	4,668	4,668
UK dividends	-	-	239	239
UK PID income	-	-	2,791	2,791
<b>Total revenue</b>	<b>100,569</b>	<b>98,944</b>	<b>123,387</b>	<b>120,243</b>

\* distributions from overseas funds.

## Notes to the financial statements (continued)

### 6 Expenses

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>				
Annual management charge	4,598	4,598	7,359	7,359
General administration charge*	768	768	1,139	1,139
	<u>5,366</u>	<u>5,366</u>	<u>8,498</u>	<u>8,498</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>				
Depositary fees	217	217	277	277
Safe custody fees	12	12	20	20
	<u>229</u>	<u>229</u>	<u>297</u>	<u>297</u>
<b>Other expenses:</b>				
Doubtful debts	6,575	6,575	-	-
Legal and professional fees	4,865	4,474	3,713	3,532
Service charges**	8,663	8,663	11,118	11,118
Valuation fees	375	375	401	401
	<u>20,478</u>	<u>20,087</u>	<u>15,232</u>	<u>15,051</u>
<b>Total expenses</b>	<u><b>26,073</b></u>	<u><b>25,682</b></u>	<u><b>24,027</b></u>	<u><b>23,846</b></u>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through GAC, is £57,411 (2019: £46,449).

\*\* Service charges includes £5,360,743 of service charges that have been recovered and £3,302,420 of void costs charged by the company.

### 7 Interest payable and similar charges

The interest payable and similar charges comprise:

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
Finance charge on leased assets	817	817	817	817
Interest payable	1	1	3	2
<b>Total interest payable and similar charges</b>	<u><b>818</b></u>	<u><b>818</b></u>	<u><b>820</b></u>	<u><b>819</b></u>

## Notes to the financial statements (continued)

### 8 Taxation

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

The tax credit comprises:

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
UK corporation tax	487	-	539	-
<b>Total tax</b>	<b>487</b>	<b>-</b>	<b>539</b>	<b>-</b>

#### b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for a PAIF of 20% (2019: 20%).

The differences are explained below:

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
Net revenue before taxation	73,678	72,444	98,540	95,578
Corporation tax at 20% (2019: 20%)	14,736	14,489	19,708	19,116
Effects of:				
Income being paid as property distributions	(14,297)	(14,297)	(18,421)	(18,421)
Expenses not deductible for tax purposes	246	246	98	98
Other non taxable income	240	-	(53)	-
UK dividends*	-	-	(48)	(48)
Income being paid as interest distributions	(438)	(438)	(745)	(745)
<b>Tax credit for the year (note 8a)</b>	<b>487</b>	<b>-</b>	<b>539</b>	<b>-</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 (2019: 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 2020 £000</b>	<b>Company 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2019 £000</b>
Interim income	5,498	5,498	8,239	8,239
Interim accumulation	53,388	53,388	67,611	67,611
Final income	1,580	1,580	1,769	1,769
Final accumulation	13,937	13,937	21,190	21,190
Income tax	2,267	2,267	3,191	3,191
	<u>76,670</u>	<u>76,670</u>	<u>102,000</u>	<u>102,000</u>
Amounts deducted on cancellation of shares	485	485	2,760	2,760
Amounts received on issue of shares	(113)	(113)	(1,822)	(1,822)
<b>Total distributions</b>	<u><b>77,042</b></u>	<u><b>77,042</b></u>	<u><b>102,938</b></u>	<u><b>102,938</b></u>
Net revenue after taxation	73,191	72,444	98,001	95,578
Annual management charge paid from capital	4,598	4,598	7,359	7,359
Undistributed revenue carried forward	(747)	-	(2,422)	1
<b>Total distributions</b>	<u><b>77,042</b></u>	<u><b>77,042</b></u>	<u><b>102,938</b></u>	<u><b>102,938</b></u>

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

### 10 Debtors

	<b>Group 2020 £000</b>	<b>Company 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2019 £000</b>
Accrued revenue	3,478	2,464	1,339	1,339
Amounts receivable for issue of shares	-	-	4,545	4,545
Amounts receivable from managing agents	540	-	235	-
Intercompany debtor	-	1,615	-	441
Lease incentive debtor	6,372	6,372	4,304	4,304
Rent free periods debtor	8,083	8,083	8,412	8,412
Amounts due on sale of properties	1,681	1,681	1,268	1,268
Service charge debtor	121	121	1,301	1,301
Other debtor	222	25	68	24
VAT receivable	1,462	1,462	2,564	2,672
<b>Total debtors</b>	<u><b>21,959</b></u>	<u><b>21,823</b></u>	<u><b>24,036</b></u>	<u><b>24,306</b></u>

There are amounts due after more than one year, which includes £5,779,280 (2019: £3,818,632) for lease incentives and £7,817,511 (2019: £8,411,860) for rent free periods. Included within debtors are bad debt provisions of £7,301,437 (2019: £726,175).

### 11 Cash and bank balances

	<b>Group 2020 £000</b>	<b>Company 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2019 £000</b>
Cash and bank balances	26,301	25,582	92,569	91,819
<b>Total cash and bank balances</b>	<u><b>26,301</b></u>	<u><b>25,582</b></u>	<u><b>92,569</b></u>	<u><b>91,819</b></u>

## Notes to the financial statements (continued)

### 12 Cash equivalents

	<b>Group 2020 £000</b>	<b>Company 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2019 £000</b>
Certificates of deposit	141,076	141,076	336,583	336,583
Collective investment scheme	143,276	143,276	284,276	284,276
<b>Total cash equivalents</b>	<b>284,352</b>	<b>284,352</b>	<b>620,859</b>	<b>620,859</b>

### 13 Components of cash and cash equivalents

	<b>Group 2020 £000</b>	<b>Company 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2019 £000</b>
Bank overdraft*	-	-	(73,707)	(73,707)
Cash and bank balances	26,301	25,582	92,569	91,819
Cash equivalents	284,352	284,352	620,859	620,859
<b>Total cash and cash equivalents</b>	<b>310,653</b>	<b>309,934</b>	<b>639,721</b>	<b>638,971</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

The provision relates to development incentive payments accrued under development or asset management agreements.

	<b>Group 2020 £000</b>	<b>Company 2020 £000</b>
Carrying amount at beginning of the year	1,474	1,474
Additions during the year	250	250
Amounts charged against the provision	(1,724)	(1,724)
<b>Carrying amount at end of year</b>	<b>-</b>	<b>-</b>

### 15 Other creditors

	<b>Group 2020 £000</b>	<b>Company 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2019 £000</b>
Accrued annual management charge	333	333	493	493
Accrued depositary's fee	17	17	21	21
Accrued other expenses	188	188	157	157
Amounts payable for cancellation of shares	-	-	15,465	15,465
Income tax payable	75	-	75	-
Intercompany creditor	-	1,144	-	9,900
Other creditors	332	-	532	-
Prepaid rental income	3,228	3,106	6,941	6,818
VAT payable	223	-	-	-
<b>Total other creditors</b>	<b>4,396</b>	<b>4,788</b>	<b>23,684</b>	<b>32,854</b>

## Notes to the financial statements (continued)

### 16 Finance lease payable

The following 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 company 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.

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<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 but not later than five years	3,283	3,283	3,283	3,283
Later than five years	89,838	89,838	90,660	90,660
Minimum lease payments	<b>93,942</b>	<b>93,942</b>	<b>94,764</b>	<b>94,764</b>
Future finance charges	(76,683)	(76,683)	(77,501)	(77,501)
<b>Total lease liabilities</b>	<b>17,259</b>	<b>17,259</b>	<b>17,263</b>	<b>17,263</b>

The present value of finance lease liabilities are as follows:

Not later than one year	796	796	797	797
Later than one year but not later than five years	2,832	2,832	2,832	2,832
Later than five years	13,631	13,631	13,634	13,634
<b>Minimum lease payments</b>	<b>17,259</b>	<b>17,259</b>	<b>17,263</b>	<b>17,263</b>

### Finance lease amortisation

Finance lease at the beginning of the year	17,263	17,263	17,266	17,266
Finance lease at the end of the year	17,259	17,259	17,263	17,263
<b>Finance lease amortisation</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>

### 17 Contingent liabilities and commitments

**Commitments**  
At the Balance sheet date, the company 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.

<b>Property</b>	<b>Group and Company</b>	<b>Group and Company</b>
	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
22-24 Worples Road, London	899	1,919
Bedford Riverside	-	1,550
Bermondsey Square	603	-
Bilton Way, Dallow Road, Luton	-	1,208
Capital Park, Cambridge	3,388	-
Crendon Industrial Estate, Thame, London	65	-
Gilesgate, Durham	-	5
Homebase, 300 London Road, High Wycombe	-	524
John Lewis, Croydon	11,831	10,390
The Maltings, Salisbury	8,406	-
Toys 'R' Us, Croydon	3,152	-
<b>Total capital expenditure</b>	<b>28,344</b>	<b>15,596</b>

## Notes to the financial statements (continued)

### 17 Contingent liabilities and commitments (continued)

#### Contingent liabilities

In the event that a supermarket tenant occupies one of the stores Dalton Park, a top up payment is due to the developer. It is estimated that the value of the top up payment will be £2.6m (2019: nil), which is payable 10 days after the tenant starts trading. It is currently possible but uncertain as to whether the tenant will occupy the store, and therefore this has been disclosed as a contingent liability.

### 18 Related party transactions

Henderson Investment Funds Limited as ACD to the company is deemed to be a related party in respect of their dealings with the company. All transactions and balances associated with the ACD are disclosed within the 'company statement of total return', the 'company statement of change in net assets attributable to shareholders' and the 'company balance sheet' on pages 27 and 28 and notes 6, 9, 10 and 15 on pages 43 to 45 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

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

	Intercompany creditor £000	Intercompany debtor £000	Market Value £000	Revenue received £000
<b>2020</b>				
Click Cabot Park s.a.r.l	548	-	13,530	2,000
Click Corby s.a.r.l	595	-	12,029	3,000
Double click, Crewe s.a.r.l	1	-	30,397	6,000
The Square Bermondsey Limited	-	447	57	-
Gilesgate Durham	-	1,168	508	774
Penrhyn Kingston <sup>1</sup>	-	-	-	-
Cambridge Business Park s.a.r.l.	-	-	2,123	-
	<b>1,144</b>	<b>1,615</b>	<b>58,644</b>	<b>11,774</b>
	Intercompany creditor £000	Intercompany debtor £000	Market Value £000	Revenue received £000
<b>2019</b>				
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 <sup>1</sup>	-	-	-	-
Cambridge Business Park s.a.r.l.	-	-	2,123	-
	<b>9,900</b>	<b>441</b>	<b>69,923</b>	<b>158</b>

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

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

## Notes to the financial statements (continued)

### 19 Shareholders' funds

The company currently has 6 share classes available; Class A, Class E, Class F, Class G, Class I (Institutional) and Class Z. The annual management charge on these share classes is as follows:

	2020	2019
	%	%
Class A	1.50	1.50
Class E <sup>1</sup>	1.00	-
Class F <sup>2</sup>	-	-
Class G	0.675	0.675
Class I	0.75	0.75
Class Z <sup>3</sup>	-	-

<sup>1</sup> Class E launched on 24 June 2019.

<sup>2</sup> Charges for managing Class F are levied within the Janus Henderson UK Property PAIF Feeder Fund.

<sup>3</sup> Charges for managing Class Z shares are levied outside the company and are agreed between the ACD and investors.

### Shares reconciliation as at 31 May 2020

	Class A accumulation	Class A income	Class E accumulation	Class E income	Class G accumulation
Opening number of shares	64,167,018	9,483,520	-	-	37,412
Issues during the year	1,460,244	1,028,545	30,449	19,930	-
Cancellations during the year	(5,279,013)	(2,990,339)	(94,241)	(95,451)	(36,576)
Shares converted during the year	(30,186,822)	(954,238)	1,090,093	900,981	-
<b>Closing shares in issue</b>	<b>30,161,427</b>	<b>6,567,488</b>	<b>1,026,301</b>	<b>825,460</b>	<b>836</b>
	Class G income	Class I accumulation	Class I income	Class Z accumulation	Class Z income
Opening number of shares	1,726,206	126,760,665	164,733,199	2,434,342	14,985,364
Issues during the year	1,471,235	8,475,221	9,160,918	7,372	-
Cancellations during the year	(2,307,912)	(31,774,246)	(60,453,091)	(2,441,262)	(14,984,886)
Shares converted during the year	190,964,169	(9,890,800)	(22,759,238)	-	-
<b>Closing shares in issue</b>	<b>191,853,698</b>	<b>93,570,840</b>	<b>90,681,788</b>	<b>452</b>	<b>478</b>
	Class F gross accumulation	Class G gross income	Class I gross accumulation		
Opening number of shares	1,586,080,528	32,606	35,086,762		
Issues during the year	141,439,069	-	3,419,363		
Cancellations during the year	(514,808,918)	(3,427)	(15,869,670)		
Shares converted during the year	-	-	(27,425)		
<b>Closing shares in issue</b>	<b>1,212,710,679</b>	<b>29,179</b>	<b>22,609,030</b>		

## Notes to the financial statements (continued)

### 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 company 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 Company

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	29,952	-	-	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total financial instruments at fair value</b>	<b>29,952</b>	<b>-</b>	<b>-</b>	<b>-</b>

At the year end, the treasury bond holding has been included in level 1. In the prior year, the company did not hold any relevant financial instruments.

### 21 Investment property

	Group	Company	Group	Company
	2020 £000	2020 £000	2019 £000	2019 £000
<b>Land and buildings</b>				
Carrying value of land and buildings at the beginning of the year*	1,799,534	1,741,384	2,237,487	2,181,437
Additions	15,287	15,287	59,598	59,598
Disposals	(238,667)	(238,667)	(505,834)	(505,834)
Transferred in from property under construction	31,675	31,675	-	-
Transferred out to property under construction	-	-	(16,700)	(16,700)
Net gains from disposal	10,924	10,924	122,469	122,469
Net losses from fair value adjustments	(103,212)	(100,337)	(97,486)	(99,586)
<b>Carrying value of land and buildings at the end of the year</b>	<b>1,515,541</b>	<b>1,460,266</b>	<b>1,799,534</b>	<b>1,741,384</b>

## Notes to the financial statements (continued)

### 21 Investment property (continued)

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
<b>Property under construction</b>				
Carrying value of property under construction at the beginning of the year*	29,300	29,300	-	-
Additions	598	598	6,729	6,729
Transferred out to land and buildings	(31,675)	(31,675)	-	-
Transferred in from land and buildings	-	-	16,700	16,700
Net gains from fair value adjustments	1,777	1,777	5,871	5,871
<b>Carrying value of property under construction at the end of the year</b>	<b>-</b>	<b>-</b>	<b>29,300</b>	<b>29,300</b>

\* Includes properties held under finance leases.

### 22 Investments

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
Treasury bills	29,952	29,952	-	-
Capital Business Park s.a.r.l	2,123	2,123	2,123	2,123
	<b>32,075</b>	<b>32,075</b>	<b>2,123</b>	<b>2,123</b>

### 23 Investments in subsidiaries

At 31 May 2020, the company 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 2020 £000	Net assets £000
Click Cabot Park s.a.r.l	Subsidiary	100%	Property management	172	13,530
Click Corby s.a.r.l	Subsidiary	100%	Property management	(489)	12,029
Double Click Crewe s.a.r.l	Subsidiary	100%	Property management	15	30,397
The Square Bermondsey Limited	Subsidiary	100%	Property management	12	58
Gilesgate Durham Limited	Subsidiary	100%	Property management	786	508
				<b>496</b>	<b>56,522</b>

At 31 May 2019, the company 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 2019 £000	Net assets £000
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)

### 24 Operating leases

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

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
No later than 1 year	90,639	88,045	83,097	79,977
Later than 1 year and no later than 5 years	297,777	290,651	283,446	276,102
Later than 5 years	569,910	567,395	480,206	475,408
<b>Total</b>	<b>958,326</b>	<b>946,091</b>	<b>846,749</b>	<b>831,487</b>

### 25 Direct transaction costs - Group and Company

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
<b>Trades in the year</b>				
Direct properties	285	39,083	239,724	509,741
Debt securities	71,781	-	41,908	-
Equities	-	-	-	114,814
<b>Trades in the year before transaction costs</b>	<b>72,066</b>	<b>39,083</b>	<b>281,632</b>	<b>624,555</b>
<b>Transaction costs</b>				
<b>Direct property costs</b>				
Stamp Duty	13	2,411	-	-
Legal Fees	1	236	557	619
Agents Fees	-	125	1,061	2,496
Other Fees	-	-	8	154
<b>Total direct property costs</b>	<b>14</b>	<b>2,772</b>	<b>1,626</b>	<b>3,269</b>
<b>Commissions</b>				
Debt Securities	-	-	-	-
Equities	-	-	-	44
<b>Total commissions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44</b>
<b>Taxes</b>				
Debt Securities	-	-	-	-
Equities	-	-	-	-
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Debt Securities	-	-	-	-
Equities	-	-	-	-
<b>Total other expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>14</b>	<b>2,772</b>	<b>1,626</b>	<b>3,313</b>
<b>Total net trades in the year after transaction costs</b>	<b>72,080</b>	<b>41,855</b>	<b>280,006</b>	<b>621,242</b>



## Notes to the financial statements (continued)

### 25 Direct transaction costs - Group and Company (continued)

	Purchases		Sales	
	2020 %	2019 %	2020 %	2019 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Direct property costs</b>				
Stamp Duty	4.56	6.17	-	-
Legal Fees	0.35	0.60	0.23	0.12
Agents Fees	-	0.32	0.44	0.49
Other Fees	-	-	-	0.03
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	-	-	-	0.04
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
	<b>2020</b>	<b>2019</b>		
	<b>%</b>	<b>%</b>		
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Direct property costs	0.08	0.21		
Commissions	-	-		
Taxes	-	-		
Other expenses	-	-		
<b>Total costs</b>	<b>0.08</b>	<b>0.21</b>		

There were no in specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: nil).

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

The portfolio dealing spread as at 31 May 2020 is 6.05% (2019: 6.20%). The portfolio dealing spread is calculated at a 12 noon valuation point.

## Notes to the financial statements (continued)

### 26 Events after the Balance Sheet date

The company has completed two property sales post balance sheet date of 31 May 2020:

25 June 2020 - sale of Foxbridge House, Orpington, Kent for £21,000,000. The market value of the property as at 31 May 2020 was £21,000,000.

8 September 2020 - sale of B&Q, Mucklow Hill, Halesowen, Birmingham for £19,500,000. The market value as at 31 May 2020 was £20,100,000.

Due to COVID-19 and the resultant market volatility, we have assessed the impact to the company's net asset value after the balance sheet date. The impact to NAV per share is shown in the following table:

	Price 31 May 2020	Price 16 September 2020	Movement %
Class A accumulation	229.51	228.99	(0.23)
Class A income	96.84	95.29	(1.60)
Class E accumulation	230.34	230.07	(0.12)
Class E income	97.25	95.86	(1.43)
Class G accumulation	67.51	67.50	(0.01)
Class G income	55.11	54.37	(1.34)
Class I accumulation	142.76	142.71	(0.04)
Class I income	110.61	109.11	(1.36)
Class Z accumulation	127.47	127.69	0.17
Class Z income	107.18	105.82	(1.27)
Class F gross accumulation	115.16	115.67	0.44
Class G gross income	98.86	97.52	(1.36)
Class I gross accumulation	108.61	108.79	0.17

### Dealing Suspension Review and Update

Since the formal dealing suspension review regular discussions have taken place with CBRE, the appointed independent valuer of the Janus Henderson UK Property PAIF.

CBRE has advised that the material uncertainty clause will be removed from all properties held by the company and that the valuation report issued at the end of September will therefore be free from material valuation uncertainty.

The ACD for the company, has again formally reviewed the dealing suspension in light of this news. However, despite the removal of the material uncertainty clause, the Board has agreed with the company's depositary that the Janus Henderson UK Property PAIF (and its Feeder Fund) should remain suspended to allow for the raising of additional liquidity to ensure the company is able to meet both known redemption requests on reopening and to have sufficient liquidity to substantially reduce the risk of re-suspension in the short term. The investment team have been able to complete property sales during the period of suspension as noted above, but the property market remains challenging compared to prior to the pandemic. Further property sales are underway, and their progress is being monitored closely to ensure the broad balance of the portfolio and the company credentials remain. The investment team are working hard to ensure they achieve the best price possible on behalf of investors.

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

### Interim distribution (accounting date 31 August 2019, paid on 31 October 2019)

Group 1: shares purchased prior to 1 June 2019

Group 2: shares purchased on or after 1 June 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/10/19	Total distribution per share 31/10/18
<b>Class A accumulation - Property income</b>						
Group 1	0.8130	0.1626	0.6504	-	0.6504	0.7076
Group 2	0.6586	0.1317	0.5269	0.1235	0.6504	0.7076
<b>Class A accumulation - Interest income</b>						
Group 1	0.0405	-	0.0405	-	0.0405	0.0423
Group 2	0.0328	-	0.0328	0.0077	0.0405	0.0423
<b>Class A accumulation - Dividend income</b>						
Group 1	1.0512	-	1.0512	-	1.0512	1.0662
Group 2	0.8517	-	0.8517	0.1995	1.0512	1.0662
<b>Class A accumulation - Total</b>					1.7421	1.8161
<b>Class A income - Property income</b>						
Group 1	0.3514	0.0703	0.2811	-	0.2811	0.3156
Group 2	0.1426	0.0285	0.1141	0.1670	0.2811	0.3156
<b>Class A income - Interest income</b>						
Group 1	0.0175	-	0.0175	-	0.0175	0.0189
Group 2	0.0071	-	0.0071	0.0104	0.0175	0.0189
<b>Class A income - Dividend income</b>						
Group 1	0.4543	-	0.4543	-	0.4543	0.4756
Group 2	0.1845	-	0.1845	0.2698	0.4543	0.4756
<b>Class A income - Total</b>					0.7529	0.8101
<b>Class E accumulation - Property income</b>						
Group 1	1.0255	0.2051	0.8204	-	0.8204	-
Group 2	0.3709	0.0742	0.2967	0.5237	0.8204	-
<b>Class E accumulation - Interest income</b>						
Group 1	0.0505	-	0.0505	-	0.0505	-
Group 2	0.0183	-	0.0183	0.0322	0.0505	-
<b>Class E accumulation - Dividend income</b>						
Group 1	0.8284	-	0.8284	-	0.8284	-
Group 2	0.2996	-	0.2996	0.5288	0.8284	-
<b>Class E accumulation - Total<sup>1</sup></b>					1.6993	-
<b>Class E income - Property income</b>						
Group 1	0.4433	0.0887	0.3546	-	0.3546	-
Group 2	0.1463	0.0292	0.1171	0.2375	0.3546	-

## Distribution tables (continued)

### Interim distribution (accounting date 31 August 2019, paid on 31 October 2019) (continued)

Group 1: shares purchased prior to 1 June 2019

Group 2: shares purchased on or after 1 June 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/10/19	Total distribution per share 31/10/18
<b>Class E income - Interest income</b>						
Group 1	0.0218	-	0.0218	-	0.0218	-
Group 2	0.0072	-	0.0072	0.0146	0.0218	-
<b>Class E income - Dividend income</b>						
Group 1	0.3580	-	0.3580	-	0.3580	-
Group 2	0.1182	-	0.1182	0.2398	0.3580	-
<b>Class E income - Total<sup>2</sup></b>					0.7344	
<b>Class G accumulation - Property income</b>						
Group 1	0.4008	0.0802	0.3206	-	0.3206	0.3294
Group 2	0.4008	0.0802	0.3206	-	0.3206	0.3294
<b>Class G accumulation - Interest income</b>						
Group 1	0.0205	-	0.0205	-	0.0205	0.0170
Group 2	0.0205	-	0.0205	-	0.0205	0.0170
<b>Class G accumulation - Dividend income</b>						
Group 1	0.1619	-	0.1619	-	0.1619	0.1678
Group 2	0.1619	-	0.1619	-	0.1619	0.1678
<b>Class G accumulation - Total</b>					0.5030	0.5142
<b>Class G income - Property income</b>						
Group 1	0.3348	0.0670	0.2678	-	0.2678	0.2839
Group 2	0.3348	0.0670	0.2678	-	0.2678	0.2839
<b>Class G income - Interest income</b>						
Group 1	0.0172	-	0.0172	-	0.0172	0.0147
Group 2	0.0172	-	0.0172	-	0.0172	0.0147
<b>Class G income - Dividend income</b>						
Group 1	0.1354	-	0.1354	-	0.1354	0.1447
Group 2	0.1354	-	0.1354	-	0.1354	0.1447
<b>Class G income - Total</b>					0.4204	0.4433
<b>Class I accumulation - Property income</b>						
Group 1	0.7924	0.1585	0.6339	-	0.6339	0.6653
Group 2	0.3984	0.0797	0.3187	0.3152	0.6339	0.6653
<b>Class I accumulation - Interest income</b>						
Group 1	0.0404	-	0.0404	-	0.0404	0.0346
Group 2	0.0203	-	0.0203	0.0201	0.0404	0.0346

## Distribution tables (continued)

### Interim distribution (accounting date 31 August 2019, paid on 31 October 2019) (continued)

Group 1: shares purchased prior to 1 June 2019

Group 2: shares purchased on or after 1 June 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/10/19	Total distribution per share 31/10/18
<b>Class I accumulation - Dividend income</b>						
Group 1	0.3693	-	0.3693	-	0.3693	0.3819
Group 2	0.1856	-	0.1856	0.1837	0.3693	0.3819
<b>Class I accumulation - Total</b>					1.0436	1.0818
<b>Class I income - Property income</b>						
Group 1	0.6284	0.1257	0.5027	-	0.5027	0.5441
Group 2	0.3248	0.0650	0.2598	0.2429	0.5027	0.5441
<b>Class I income - Interest income</b>						
Group 1	0.0321	-	0.0321	-	0.0321	0.0283
Group 2	0.0166	-	0.0166	0.0155	0.0321	0.0283
<b>Class I income - Dividend income</b>						
Group 1	0.2929	-	0.2929	-	0.2929	0.3123
Group 2	0.1513	-	0.1513	0.1416	0.2929	0.3123
<b>Class I income - Total</b>					0.8277	0.8847
<b>Class Z accumulation - Property income</b>						
Group 1	0.9570	0.1914	0.7656	-	0.7656	0.7870
Group 2	0.2871	0.0574	0.2297	0.5359	0.7656	0.7870
<b>Class Z accumulation - Interest income</b>						
Group 1	0.0495	-	0.0495	-	0.0495	0.0381
Group 2	0.0149	-	0.0149	0.0346	0.0495	0.0381
<b>Class Z accumulation - Dividend income</b>						
Group 1	0.0785	-	0.0785	-	0.0785	0.0962
Group 2	0.0235	-	0.0235	0.0550	0.0785	0.0962
<b>Class Z accumulation - Total</b>					0.8936	0.9213
<b>Class Z income - Property income</b>						
Group 1	0.8281	0.1656	0.6625	-	0.6625	0.7015
Group 2	0.8281	0.1656	0.6625	-	0.6625	0.7015
<b>Class Z income - Interest income</b>						
Group 1	0.0428	-	0.0428	-	0.0428	0.0339
Group 2	0.0428	-	0.0428	-	0.0428	0.0339
<b>Class Z income - Dividend income</b>						
Group 1	0.0679	-	0.0679	-	0.0679	0.0857
Group 2	0.0679	-	0.0679	-	0.0679	0.0857
<b>Class Z income - Total</b>					0.7732	0.8211

## Distribution tables (continued)

### Interim distribution (accounting date 31 August 2019, paid on 31 October 2019) (continued)

Group 1: shares purchased prior to 1 June 2019

Group 2: shares purchased on or after 1 June 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/10/19	Total distribution per share 31/10/18
<b>Class F gross accumulation - Property income</b>						
Group 1	0.8986	-	0.8986	-	0.8986	0.8814
Group 2	0.8986	-	0.8986	-	0.8986	0.8814
<b>Class F gross accumulation - Interest income</b>						
Group 1	0.0466	-	0.0466	-	0.0466	0.0341
Group 2	0.0466	-	0.0466	-	0.0466	0.0341
<b>Class F gross accumulation - Dividend income</b>						
Group 1	0.0735	-	0.0735	-	0.0735	0.0861
Group 2	0.0735	-	0.0735	-	0.0735	0.0861
<b>Class F gross accumulation - Total</b>					1.0187	1.0016
<b>Class G gross income - Property Income</b>						
Group 1	0.6059	-	0.6059	-	0.6059	0.6928
Group 2	0.6059	-	0.6059	-	0.6059	0.6928
<b>Class G gross income - Interest Income</b>						
Group 1	0.0318	-	0.0318	-	0.0318	0.0267
Group 2	0.0318	-	0.0318	-	0.0318	0.0267
<b>Class G gross income - Dividend Income</b>						
Group 1	0.2433	-	0.2433	-	0.2433	0.2618
Group 2	0.2433	-	0.2433	-	0.2433	0.2618
<b>Class G gross income - Total</b>					0.8810	0.9813
<b>Class I gross accumulation - Property income</b>						
Group 1	0.6030	-	0.6030	-	0.6030	0.6273
Group 2	0.3416	-	0.3416	0.2614	0.6030	0.6273
<b>Class I gross accumulation - Interest income</b>						
Group 1	0.0306	-	0.0306	-	0.0306	0.0260
Group 2	0.0173	-	0.0173	0.0133	0.0306	0.0260
<b>Class I gross accumulation - Dividend income</b>						
Group 1	0.2798	-	0.2798	-	0.2798	0.2881
Group 2	0.1585	-	0.1585	0.1213	0.2798	0.2881
<b>Class I gross accumulation - Total</b>					0.9134	0.9414

<sup>1</sup> Class E accumulation launched on 24 June 2019.

<sup>2</sup> Class E income launched on 24 June 2019.

## Distribution tables (continued)

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

Group 1: shares purchased prior to 1 September 2019

Group 2: shares purchased on or after 1 September 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/01/20	Total distribution per share 31/01/19
<b>Class A accumulation - Property income</b>						
Group 1	1.0635	0.2127	0.8508	-	0.8508	0.7092
Group 2	0.4671	0.0934	0.3737	0.4771	0.8508	0.7092
<b>Class A accumulation - Interest income</b>						
Group 1	0.0293	-	0.0293	-	0.0293	0.0672
Group 2	0.0129	-	0.0129	0.0164	0.0293	0.0672
<b>Class A accumulation - Dividend income</b>						
Group 1	1.0849	-	1.0849	-	1.0849	1.0691
Group 2	0.4765	-	0.4765	0.6084	1.0849	1.0691
<b>Class A accumulation - Total</b>					1.9650	1.8455
<b>Class A income - Property income</b>						
Group 1	0.4563	0.0913	0.3650	-	0.3650	0.3139
Group 2	0.1773	0.0355	0.1418	0.2232	0.3650	0.3139
<b>Class A income - Interest income</b>						
Group 1	0.0126	-	0.0126	-	0.0126	0.0298
Group 2	0.0049	-	0.0049	0.0077	0.0126	0.0298
<b>Class A income - Dividend income</b>						
Group 1	0.4655	-	0.4655	-	0.4655	0.4732
Group 2	0.1809	-	0.1809	0.2846	0.4655	0.4732
<b>Class A income - Total</b>					0.8431	0.8169
<b>Class E accumulation - Property income</b>						
Group 1	1.3784	0.2757	1.1027	-	1.1027	-
Group 2	0.5910	0.1182	0.4728	0.6299	1.1027	-
<b>Class E accumulation - Interest income</b>						
Group 1	0.0464	-	0.0464	-	0.0464	-
Group 2	0.0199	-	0.0199	0.0265	0.0464	-
<b>Class E accumulation - Dividend income</b>						
Group 1	0.7577	-	0.7577	-	0.7577	-
Group 2	0.3249	-	0.3249	0.4328	0.7577	-
<b>Class E accumulation - Total<sup>1</sup></b>					1.9068	-
<b>Class E income - Property income</b>						
Group 1	0.5915	0.1183	0.4732	-	0.4732	-
Group 2	0.1950	0.0390	0.1560	0.3172	0.4732	-

## Distribution tables (continued)

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

Group 1: shares purchased prior to 1 September 2019

Group 2: shares purchased on or after 1 September 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/01/20	Total distribution per share 31/01/19
<b>Class E income - Interest income</b>						
Group 1	0.0199	-	0.0199	-	0.0199	-
Group 2	0.0066	-	0.0066	0.0133	0.0199	-
<b>Class E income - Dividend income</b>						
Group 1	0.3252	-	0.3252	-	0.3252	-
Group 2	0.1072	-	0.1072	0.2180	0.3252	-
<b>Class E income - Total<sup>2</sup></b>					0.8183	
<b>Class G accumulation - Property income</b>						
Group 1	0.4778	0.0956	0.3822	-	0.3822	0.3255
Group 2	0.4778	0.0956	0.3822	-	0.3822	0.3255
<b>Class G accumulation - Interest income</b>						
Group 1	0.0179	-	0.0179	-	0.0179	0.0250
Group 2	0.0179	-	0.0179	-	0.0179	0.0250
<b>Class G accumulation - Dividend income</b>						
Group 1	0.1604	-	0.1604	-	0.1604	0.1696
Group 2	0.1604	-	0.1604	-	0.1604	0.1696
<b>Class G accumulation - Total</b>					0.5605	0.5201
<b>Class G income - Property income</b>						
Group 1	0.3963	0.0793	0.3170	-	0.3170	0.2786
Group 2	0.3963	0.0793	0.3170	-	0.3170	0.2786
<b>Class G income - Interest income</b>						
Group 1	0.0149	-	0.0149	-	0.0149	0.0214
Group 2	0.0149	-	0.0149	-	0.0149	0.0214
<b>Class G income - Dividend income</b>						
Group 1	0.1332	-	0.1332	-	0.1332	0.1450
Group 2	0.1332	-	0.1332	-	0.1332	0.1450
<b>Class G income - Total</b>					0.4651	0.4450
<b>Class I accumulation - Property income</b>						
Group 1	0.9631	0.1926	0.7705	-	0.7705	0.6664
Group 2	0.4576	0.0915	0.3661	0.4044	0.7705	0.6664
<b>Class I accumulation - Interest income</b>						
Group 1	0.0333	-	0.0333	-	0.0333	0.0514
Group 2	0.0158	-	0.0158	0.0175	0.0333	0.0514



## Distribution tables (continued)

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

Group 1: shares purchased prior to 1 September 2019

Group 2: shares purchased on or after 1 September 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/01/20	Total distribution per share 31/01/19
<b>Class I accumulation - Dividend income</b>						
Group 1	0.3779	-	0.3779	-	0.3779	0.3840
Group 2	0.1796	-	0.1796	0.1983	0.3779	0.3840
<b>Class I accumulation - Total</b>					1.1817	1.1018
<b>Class I income - Property income</b>						
Group 1	0.7585	0.1517	0.6068	-	0.6068	0.5410
Group 2	0.5374	0.1075	0.4299	0.1769	0.6068	0.5410
<b>Class I income - Interest income</b>						
Group 1	0.0262	-	0.0262	-	0.0262	0.0417
Group 2	0.0186	-	0.0186	0.0076	0.0262	0.0417
<b>Class I income - Dividend income</b>						
Group 1	0.2977	-	0.2977	-	0.2977	0.3117
Group 2	0.2108	-	0.2108	0.0869	0.2977	0.3117
<b>Class I income - Total</b>					0.9307	0.8944
<b>Class Z accumulation - Property income</b>						
Group 1	1.1124	0.2225	0.8899	-	0.8899	0.7885
Group 2	0.3513	0.0703	0.2810	0.6089	0.8899	0.7885
<b>Class Z accumulation - Interest income</b>						
Group 1	0.0420	-	0.0420	-	0.0420	0.0542
Group 2	0.0132	-	0.0132	0.0288	0.0420	0.0542
<b>Class Z accumulation - Dividend income</b>						
Group 1	0.0854	-	0.0854	-	0.0854	0.0979
Group 2	0.0262	-	0.0262	0.0592	0.0854	0.0979
<b>Class Z accumulation - Total</b>					1.0173	0.9406
<b>Class Z income - Property income</b>						
Group 1	0.9560	0.1912	0.7648	-	0.7648	0.6976
Group 2	0.9560	0.1912	0.7648	-	0.7648	0.6976
<b>Class Z income - Interest income</b>						
Group 1	0.0361	-	0.0361	-	0.0361	0.0480
Group 2	0.0361	-	0.0361	-	0.0361	0.0480
<b>Class Z income - Dividend income</b>						
Group 1	0.0734	-	0.0734	-	0.0734	0.0867
Group 2	0.0734	-	0.0734	-	0.0734	0.0867
<b>Class Z income - Total</b>					0.8743	0.8323

## Distribution tables (continued)

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

Group 1: shares purchased prior to 1 September 2019

Group 2: shares purchased on or after 1 September 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/01/20	Total distribution per share 31/01/19
<b>Class F gross accumulation - Property income</b>						
Group 1	1.0436	-	1.0436	-	1.0436	0.8953
Group 2	1.0436	-	1.0436	-	1.0436	0.8953
<b>Class F gross accumulation - Interest income</b>						
Group 1	0.0395	-	0.0395	-	0.0395	0.0491
Group 2	0.0395	-	0.0395	-	0.0395	0.0491
<b>Class F gross accumulation - Dividend income</b>						
Group 1	0.0802	-	0.0802	-	0.0802	0.0888
Group 2	0.0802	-	0.0802	-	0.0802	0.0888
<b>Class F gross accumulation - Total</b>					1.1633	1.0332
<b>Class G gross income - Property Income</b>						
Group 1	0.7272	-	0.7272	-	0.7272	0.6403
Group 2	0.7272	-	0.7272	-	0.7272	0.6403
<b>Class G gross income - Interest Income</b>						
Group 1	0.0259	-	0.0259	-	0.0259	0.0394
Group 2	0.0259	-	0.0259	-	0.0259	0.0394
<b>Class G gross income - Dividend Income</b>						
Group 1	0.2467	-	0.2467	-	0.2467	0.2617
Group 2	0.2467	-	0.2467	-	0.2467	0.2617
<b>Class G gross income - Total</b>					0.9998	0.9414
<b>Class I gross accumulation - Property income</b>						
Group 1	0.7500	-	0.7500	-	0.7500	0.6295
Group 2	0.4504	-	0.4504	0.2996	0.7500	0.6295
<b>Class I gross accumulation - Interest income</b>						
Group 1	0.0254	-	0.0254	-	0.0254	0.0388
Group 2	0.0153	-	0.0153	0.0101	0.0254	0.0388
<b>Class I gross accumulation - Dividend income</b>						
Group 1	0.2862	-	0.2862	-	0.2862	0.2897
Group 2	0.1719	-	0.1719	0.1143	0.2862	0.2897
<b>Class I gross accumulation - Total</b>					1.0616	0.9580

<sup>1</sup> Class E accumulation launched on 24 June 2019.

<sup>2</sup> Class E income launched on 24 June 2019.

## Distribution tables (continued)

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

Group 1: shares purchased prior to 1 December 2019

Group 2: shares purchased on or after 1 December 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 30/04/20	Total distribution per share 30/04/19
<b>Class A accumulation - Property income</b>						
Group 1	1.2435	0.2487	0.9948	-	0.9948	0.7267
Group 2	0.5070	0.1014	0.4056	0.5892	0.9948	0.7267
<b>Class A accumulation - Interest income</b>						
Group 1	0.0135	-	0.0135	-	0.0135	0.0649
Group 2	0.0055	-	0.0055	0.0080	0.0135	0.0649
<b>Class A accumulation - Dividend income</b>						
Group 1	1.1006	-	1.1006	-	1.1006	1.0964
Group 2	0.4488	-	0.4488	0.6518	1.1006	1.0964
<b>Class A accumulation - Total</b>					2.1089	1.8880
<b>Class A income - Property income</b>						
Group 1	0.5293	0.1059	0.4234	-	0.4234	0.3191
Group 2	0.0311	0.0062	0.0249	0.3985	0.4234	0.3191
<b>Class A income - Interest income</b>						
Group 1	0.0058	-	0.0058	-	0.0058	0.0285
Group 2	0.0003	-	0.0003	0.0055	0.0058	0.0285
<b>Class A income - Dividend income</b>						
Group 1	0.4683	-	0.4683	-	0.4683	0.4816
Group 2	0.4628	-	0.4628	0.0055	0.4683	0.4816
<b>Class A income - Total</b>					0.8975	0.8292
<b>Class E accumulation - Property income</b>						
Group 1	1.5343	0.3069	1.2274	-	1.2274	-
Group 2	0.6586	0.1317	0.5269	0.7005	1.2274	-
<b>Class E accumulation - Interest income</b>						
Group 1	0.0288	-	0.0288	-	0.0288	-
Group 2	0.0123	-	0.0123	0.0165	0.0288	-
<b>Class E accumulation - Dividend income</b>						
Group 1	0.7991	-	0.7991	-	0.7991	-
Group 2	0.3431	-	0.3431	0.4560	0.7991	-
<b>Class E accumulation - Total<sup>1</sup></b>					2.0553	
<b>Class E income - Property income</b>						
Group 1	0.6533	0.1307	0.5226	-	0.5226	-
Group 2	0.3766	0.0753	0.3013	0.2213	0.5226	-

## Distribution tables (continued)

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

Group 1: shares purchased prior to 1 December 2019

Group 2: shares purchased on or after 1 December 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 30/04/20	Total distribution per share 30/04/19
<b>Class E income - Interest income</b>						
Group 1	0.0123	-	0.0123	-	0.0123	-
Group 2	0.0071	-	0.0071	0.0052	0.0123	-
<b>Class E income - Dividend income</b>						
Group 1	0.3402	-	0.3402	-	0.3402	-
Group 2	0.1961	-	0.1961	0.1441	0.3402	-
<b>Class E income - Total<sup>2</sup></b>					0.8751	-
<b>Class G accumulation - Property income</b>						
Group 1	0.5203	0.1041	0.4162	-	0.4162	0.3415
Group 2	0.5203	0.1041	0.4162	-	0.4162	0.3415
<b>Class G accumulation - Interest income</b>						
Group 1	0.0119	-	0.0119	-	0.0119	0.0251
Group 2	0.0119	-	0.0119	-	0.0119	0.0251
<b>Class G accumulation - Dividend income</b>						
Group 1	0.1762	-	0.1762	-	0.1762	0.1790
Group 2	0.1762	-	0.1762	-	0.1762	0.1790
<b>Class G accumulation - Total</b>					0.6043	0.5456
<b>Class G income - Property income</b>						
Group 1	0.4284	0.0857	0.3427	-	0.3427	0.2900
Group 2	0.1865	0.0373	0.1492	0.1935	0.3427	0.2900
<b>Class G income - Interest income</b>						
Group 1	0.0098	-	0.0098	-	0.0098	0.0213
Group 2	0.0098	-	0.0098	-	0.0098	0.0213
<b>Class G income - Dividend income</b>						
Group 1	0.1450	-	0.1450	-	0.1450	0.1520
Group 2	0.1450	-	0.1450	-	0.1450	0.1520
<b>Class G income - Total</b>					0.4975	0.4633
<b>Class I accumulation - Property income</b>						
Group 1	1.0639	0.2128	0.8511	-	0.8511	0.6733
Group 2	0.5371	0.1074	0.4297	0.4214	0.8511	0.6733
<b>Class I accumulation - Interest income</b>						
Group 1	0.0220	-	0.0220	-	0.0220	0.0510
Group 2	0.0111	-	0.0111	0.0109	0.0220	0.0510

## Distribution tables (continued)

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

Group 1: shares purchased prior to 1 December 2019

Group 2: shares purchased on or after 1 December 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 30/04/20	Total distribution per share 30/04/19
<b>Class I accumulation - Dividend income</b>						
Group 1	0.4012	-	0.4012	-	0.4012	0.4051
Group 2	0.4012	-	0.4012	-	0.4012	0.4051
<b>Class I accumulation - Total</b>					1.2743	1.1294
<b>Class I income - Property income</b>						
Group 1	0.8313	0.1663	0.6650	-	0.6650	0.5424
Group 2	0.4114	0.0823	0.3291	0.3359	0.6650	0.5424
<b>Class I income - Interest income</b>						
Group 1	0.0172	-	0.0172	-	0.0172	0.0411
Group 2	0.0085	-	0.0085	0.0087	0.0172	0.0411
<b>Class I income - Dividend income</b>						
Group 1	0.3135	-	0.3135	-	0.3135	0.3264
Group 2	0.1551	-	0.1551	0.1584	0.3135	0.3264
<b>Class I income - Total</b>					0.9957	0.9099
<b>Class Z accumulation - Property income</b>						
Group 1	2.1888	0.4378	1.7510	-	1.7510	0.7964
Group 2	2.1888	0.4378	1.7510	-	1.7510	0.7964
<b>Class Z accumulation - Interest income</b>						
Group 1	0.0591	-	0.0591	-	0.0591	0.0549
Group 2	0.0591	-	0.0591	-	0.0591	0.0549
<b>Class Z accumulation - Dividend income</b>						
Group 1	0.1049	-	0.1049	-	0.1049	0.1168
Group 2	0.1049	-	0.1049	-	0.1049	0.1168
<b>Class Z accumulation - Total</b>					1.9150	0.9681
<b>Class Z income - Property income</b>						
Group 1	1.8666	0.3733	1.4933	-	1.4933	0.6996
Group 2	1.8666	0.3733	1.4933	-	1.4933	0.6996
<b>Class Z income - Interest income</b>						
Group 1	0.0504	-	0.0504	-	0.0504	0.0482
Group 2	0.0504	-	0.0504	-	0.0504	0.0482
<b>Class Z income - Dividend income</b>						
Group 1	0.0895	-	0.0895	-	0.0895	0.1026
Group 2	0.0895	-	0.0895	-	0.0895	0.1026
<b>Class Z income - Total</b>					1.6332	0.8504

## Distribution tables (continued)

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

Group 1: shares purchased prior to 1 December 2019

Group 2: shares purchased on or after 1 December 2019

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 30/04/20	Total distribution per share 30/04/19
<b>Class F gross accumulation - Property income</b>						
Group 1	1.1233	-	1.1233	-	1.1233	0.9377
Group 2	1.1233	-	1.1233	-	1.1233	0.9377
<b>Class F gross accumulation - Interest income</b>						
Group 1	0.0292	-	0.0292	-	0.0292	0.0517
Group 2	0.0292	-	0.0292	-	0.0292	0.0517
<b>Class F gross accumulation - Dividend income</b>						
Group 1	0.0996	-	0.0996	-	0.0996	0.1097
Group 2	0.0996	-	0.0996	-	0.0996	0.1097
<b>Class F gross accumulation - Total</b>					1.2521	1.0991
<b>Class G gross income - Property Income</b>						
Group 1	0.7931	-	0.7931	-	0.7931	0.6792
Group 2	0.7931	-	0.7931	-	0.7931	0.6792
<b>Class G gross income - Interest Income</b>						
Group 1	0.0170	-	0.0170	-	0.0170	0.0389
Group 2	0.0170	-	0.0170	-	0.0170	0.0389
<b>Class G gross income - Dividend Income</b>						
Group 1	0.2623	-	0.2623	-	0.2623	0.2724
Group 2	0.2623	-	0.2623	-	0.2623	0.2724
<b>Class G gross income - Total</b>					1.0724	0.9905
<b>Class I gross accumulation - Property income</b>						
Group 1	0.8194	-	0.8194	-	0.8194	0.6329
Group 2	0.4419	-	0.4419	0.3775	0.8194	0.6329
<b>Class I gross accumulation - Interest income</b>						
Group 1	0.0167	-	0.0167	-	0.0167	0.0386
Group 2	0.0090	-	0.0090	0.0077	0.0167	0.0386
<b>Class I gross accumulation - Dividend income</b>						
Group 1	0.3048	-	0.3048	-	0.3048	0.3047
Group 2	0.1644	-	0.1644	0.1404	0.3048	0.3047
<b>Class I gross accumulation - Total</b>					1.1409	0.9762

<sup>1</sup> Class E accumulation launched on 24 June 2019

<sup>2</sup> Class E income launched on 24 June 2019.

## Distribution tables (continued)

### Final distribution (accounting date 31 May 2020, paid on 31 July 2020)

Group 1: shares purchased prior to 1 March 2020

Group 2: shares purchased on or after 1 March 2020

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/07/20	Total distribution per share 31/07/19
<b>Class A accumulation - Property income</b>						
Group 1	0.8678	0.1736	0.6942	-	0.6942	0.8665
Group 2	0.7816	0.1563	0.6253	0.0689	0.6942	0.8665
<b>Class A accumulation - Interest income</b>						
Group 1	-	-	-	-	-	0.0140
Group 2	-	-	-	-	-	0.0140
<b>Class A accumulation - Dividend income</b>						
Group 1	1.0540	-	1.0540	-	1.0540	1.0785
Group 2	0.9493	-	0.9493	0.1047	1.0540	1.0785
<b>Class A accumulation - Total</b>					1.7482	1.9590
<b>Class A income - Property income</b>						
Group 1	0.3661	0.0732	0.2929	-	0.2929	0.3776
Group 2	0.3131	0.0626	0.2505	0.0424	0.2929	0.3776
<b>Class A income - Interest income</b>						
Group 1	-	-	-	-	-	0.0061
Group 2	-	-	-	-	-	0.0061
<b>Class A income - Dividend income</b>						
Group 1	0.4447	-	0.4447	-	0.4447	0.4699
Group 2	0.3802	-	0.3802	0.0645	0.4447	0.4699
<b>Class A income - Total</b>					0.7376	0.8536
<b>Class E accumulation - Property income</b>						
Group 1	1.1426	0.2285	0.9141	-	0.9141	-
Group 2	0.9434	0.1887	0.7547	0.1594	0.9141	-
<b>Class E accumulation - Interest income</b>						
Group 1	0.0142	-	0.0142	-	0.0142	-
Group 2	0.0116	-	0.0116	0.0026	0.0142	-
<b>Class E accumulation - Dividend income</b>						
Group 1	0.7675	-	0.7675	-	0.7675	-
Group 2	0.6337	-	0.6337	0.1338	0.7675	-
<b>Class E accumulation - Total<sup>1</sup></b>					1.6958	
<b>Class E income - Property income</b>						
Group 1	0.4825	0.0965	0.3860	-	0.3860	-
Group 2	0.4368	0.0874	0.3494	0.0366	0.3860	-

## Distribution tables (continued)

### Final distribution (accounting date 31 May 2020, paid on 31 July 2020) (continued)

Group 1: shares purchased prior to 1 March 2020

Group 2: shares purchased on or after 1 March 2020

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/07/20	Total distribution per share 31/07/19
<b>Class E income - Interest income</b>						
Group 1	0.0060	-	0.0060	-	0.0060	-
Group 2	0.0054	-	0.0054	0.0006	0.0060	-
<b>Class E income - Dividend income</b>						
Group 1	0.3240	-	0.3240	-	0.3240	-
Group 2	0.2933	-	0.2933	0.0307	0.3240	-
<b>Class E income - Total<sup>2</sup></b>					0.7160	-
<b>Class G accumulation - Property income</b>						
Group 1	0.4058	0.0812	0.3246	-	0.3246	0.3867
Group 2	0.4058	0.0812	0.3246	-	0.3246	0.3867
<b>Class G accumulation - Interest income</b>						
Group 1	0.0074	-	0.0074	-	0.0074	0.0112
Group 2	0.0074	-	0.0074	-	0.0074	0.0112
<b>Class G accumulation - Dividend income</b>						
Group 1	0.1690	-	0.1690	-	0.1690	0.1665
Group 2	0.1690	-	0.1690	-	0.1690	0.1665
<b>Class G accumulation - Total</b>					0.5010	0.5644
<b>Class G income - Property income</b>						
Group 1	0.3314	0.0663	0.2651	-	0.2651	0.3259
Group 2	0.3314	0.0663	0.2651	-	0.2651	0.3259
<b>Class G income - Interest income</b>						
Group 1	0.0060	-	0.0060	-	0.0060	0.0094
Group 2	0.0060	-	0.0060	-	0.0060	0.0094
<b>Class G income - Dividend income</b>						
Group 1	0.1379	-	0.1379	-	0.1379	0.1402
Group 2	0.1379	-	0.1379	-	0.1379	0.1402
<b>Class G income - Total</b>					0.4090	0.4755
<b>Class I accumulation - Property income</b>						
Group 1	0.8271	0.1654	0.6617	-	0.6617	0.7693
Group 2	0.7506	0.1501	0.6005	0.0612	0.6617	0.7693
<b>Class I accumulation - Interest income</b>						
Group 1	0.0124	-	0.0124	-	0.0124	0.0209
Group 2	0.0113	-	0.0113	0.0011	0.0124	0.0209



## Distribution tables (continued)

### Final distribution (accounting date 31 May 2020, paid on 31 July 2020) (continued)

Group 1: shares purchased prior to 1 March 2020

Group 2: shares purchased on or after 1 March 2020

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/07/20	Total distribution per share 31/07/19
<b>Class I accumulation - Dividend income</b>						
Group 1	0.3803	-	0.3803	-	0.3803	0.3852
Group 2	0.3451	-	0.3451	0.0352	0.3803	0.3852
<b>Class I accumulation - Total</b>					1.0544	1.1754
<b>Class I income - Property income</b>						
Group 1	0.6410	0.1282	0.5128	-	0.5128	0.6150
Group 2	0.5800	0.1160	0.4640	0.0488	0.5128	0.6150
<b>Class I income - Interest income</b>						
Group 1	0.0096	-	0.0096	-	0.0096	0.0167
Group 2	0.0087	-	0.0087	0.0009	0.0096	0.0167
<b>Class I income - Dividend income</b>						
Group 1	0.2946	-	0.2946	-	0.2946	0.3080
Group 2	0.2665	-	0.2665	0.0281	0.2946	0.3080
<b>Class I income - Total</b>					0.8170	0.9397
<b>Class Z accumulation - Property income</b>						
Group 1	1.0230	0.2046	0.8184	-	0.8184	0.8849
Group 2	1.0230	0.2046	0.8184	-	0.8184	0.8849
<b>Class Z accumulation - Interest income</b>						
Group 1	0.0059	-	0.0059	-	0.0059	0.0290
Group 2	0.0059	-	0.0059	-	0.0059	0.0290
<b>Class Z accumulation - Dividend income</b>						
Group 1	0.0645	-	0.0645	-	0.0645	0.0950
Group 2	0.0645	-	0.0645	-	0.0645	0.0950
<b>Class Z accumulation - Total</b>					0.8888	1.0089
<b>Class Z income - Property income</b>						
Group 1	0.8604	0.1721	0.6883	-	0.6883	0.7716
Group 2	0.8604	0.1721	0.6883	-	0.6883	0.7716
<b>Class Z income - Interest income</b>						
Group 1	0.0049	-	0.0049	-	0.0049	0.0253
Group 2	0.0049	-	0.0049	-	0.0049	0.0253
<b>Class Z income - Dividend income</b>						
Group 1	0.0541	-	0.0541	-	0.0541	0.0828
Group 2	0.0541	-	0.0541	-	0.0541	0.0828
<b>Class Z income - Total</b>					0.7473	0.8797

## Distribution tables (continued)

### Final distribution (accounting date 31 May 2020, paid on 31 July 2020) (continued)

Group 1: shares purchased prior to 1 March 2020

Group 2: shares purchased on or after 1 March 2020

	Gross revenue	Income tax (20%)	Distribution per share	Equalisation	Total distribution per share 31/07/20	Total distribution per share 31/07/19
<b>Class F gross accumulation - Property income</b>						
Group 1	0.9040	-	0.9040	-	0.9040	1.0192
Group 2	0.9040	-	0.9040	-	0.9040	1.0192
<b>Class F gross accumulation - Interest income</b>						
Group 1	0.0194	-	0.0194	-	0.0194	0.0283
Group 2	0.0194	-	0.0194	-	0.0194	0.0283
<b>Class F gross accumulation - Dividend income</b>						
Group 1	0.0823	-	0.0823	-	0.0823	0.0908
Group 2	0.0823	-	0.0823	-	0.0823	0.0908
<b>Class F gross accumulation - Total</b>					1.0057	1.1383
<b>Class G gross income - Property income</b>						
Group 1	0.6180	-	0.6180	-	0.6180	0.7389
Group 2	0.6180	-	0.6180	-	0.6180	0.7389
<b>Class G gross income - Interest income</b>						
Group 1	0.0111	-	0.0111	-	0.0111	0.0174
Group 2	0.0111	-	0.0111	-	0.0111	0.0174
<b>Class G gross income - Dividend income</b>						
Group 1	0.2475	-	0.2475	-	0.2475	0.2538
Group 2	0.2475	-	0.2475	-	0.2475	0.2538
<b>Class G gross income - Total</b>					0.8766	1.0101
<b>Class I gross accumulation - Property income</b>						
Group 1	0.6291	-	0.6291	-	0.6291	0.7276
Group 2	0.5796	-	0.5796	0.0495	0.6291	0.7276
<b>Class I gross accumulation - Interest income</b>						
Group 1	0.0095	-	0.0095	-	0.0095	0.0155
Group 2	0.0088	-	0.0088	0.0007	0.0095	0.0155
<b>Class I gross accumulation - Dividend income</b>						
Group 1	0.2892	-	0.2892	-	0.2892	0.2928
Group 2	0.2664	-	0.2664	0.0228	0.2892	0.2928
<b>Class I gross accumulation - Total</b>					0.9278	1.0359

<sup>1</sup> Class E accumulation launched on 24 June 2019.

<sup>2</sup> Class E income launched on 24 June 2019.

## 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 2020.

### 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 company 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 company, 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 2020	100%	100%
Actual level as at 31 May 2019	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 2020. 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 2019.

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson UK Property PAIF</b>	2,012	3,061
<b>of which</b>		
Fixed Remuneration	2,012	1,470
Variable Remuneration	2,000	1,591
<b>Janus Henderson UK Property PAIF Remuneration Code Staff</b>	50	568
<b>of which</b>		
Senior Management (4)	25	228
Other Code Staff (5)	25	340

- 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.
- 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.
- 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.
- Senior Management includes the Janus Henderson Executive Committee and other Group Board members and the board of HIFL.
- Other Code Staff includes all other AIFMD Code Staff not covered by the above, including Investment Fund Managers who manage AUM within 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

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

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

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