



# ANNUAL REPORT & ACCOUNTS

For the year ended  
30 November 2018

Janus Henderson  
— INVESTORS —

**Janus Henderson Global Equity Fund**  
(formerly Henderson Global Growth Fund)



# Who are Janus Henderson Investors?

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

Formed in 2017 from the merger between Janus Capital Group and Henderson Group, we are committed to adding value through active management. For us, active is more than our investment approach – it is the way we translate ideas into action, how we communicate our views and the partnerships we build in order to create the best outcomes for clients.

We are proud to offer a highly diversified range of products, harnessing the intellectual capital of some of the industry's most innovative and formative thinkers. Our expertise encompasses the major asset classes, we have investment teams situated around the world and we serve intermediary, institutional and individual investors globally. As at 30 September 2018, we had approximately US\$378bn in assets under management, more than 2,000 employees and offices in 28 cities 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.

At Janus Henderson, we believe in the sharing of expert insight for better investment and business decisions. We call this ethos *Knowledge. Shared. Knowledge. Shared* is reflected both in how our investment teams interact and in our commitment to empowering clients in their decision-making. In our view, knowledge is powerful when it is shared.

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\* These collectively comprise the Authorised Fund Manager's report.

## Authorised Fund Manager's report for the year ended 30 November 2018

We are pleased to present the Annual Report & Accounts for Janus Henderson Global Equity Fund (Formerly Henderson Global Growth Fund) (the 'fund') for the year ended 30 November 2018.

### Authorised status

The fund is an authorised unit trust scheme under section 243 of FSMA 2000 Act, and is a UCITS scheme complying with the investment and borrowing power rules in chapter 5 of the Collective Investment Scheme sourcebook (COLL) issued by the Financial Conduct Authority.

### Brexit update

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

### Other information

On 15 December 2017, the fund changed its name from Henderson Global Growth Fund to Janus Henderson Global Equity Fund.

Janus Henderson World Select Fund merged into Janus Henderson Global Equity Fund on 20 September 2018.

### Service providers

	Name	Address	Regulator
<b>Authorised Fund Manager</b>	<b>Henderson Investment Funds Limited</b> Member of the Investment Association  The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Telephone - 020 7818 1818 Dealing - 0845 608 8703 Enquiries - 0800 832 832	Authorised and regulated by the Financial Conduct Authority
<b>Directors of the Authorised Fund Manager</b>	C Chaloner (to 28.09.18) R Chaudhuri A Crooke (from 08.06.18) G Foggin G Fogo (from 04.02.19) S Hillenbrand (from 04.01.19) H J de Sausmarez G Kitchen (to 31.03.18) R Thompson (from 17.01.19) P Wagstaff (to 26.09.18)		
<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>Unitholder Administrator</b>	<b>DST Financial Services International Limited and DST Financial Services Europe Limited</b>	DST House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>Trustee and Depositary</b>	<b>NatWest Trustee and Depositary Services Limited</b> The ultimate holding company is the Royal Bank of Scotland Group plc	250 Bishopsgate London EC2M 4AA	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
<b>Independent Auditor</b>	<b>PricewaterhouseCoopers LLP</b>	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
<b>Legal Adviser</b>	<b>Eversheds Sutherland (International) LLP</b>	One Wood Street London EC2V 7WS	The Law Society

## Authorised Fund Manager's report (continued)

### Investment Fund Managers

Ian Warmerdam and Ronan Kelleher

### Investment objective and policy

To achieve above average long term capital growth.

The fund will invest principally in a concentrated portfolio of global securities with a bias to those companies that have developed strong franchises and competitive advantages. These companies will typically operate in markets that the Manager believes will offer sustainably high levels of growth.

The fund may also invest in other transferable securities, money market instruments, deposits and cash and near cash, units in collective investment schemes and forward foreign exchange contracts.

Derivatives and foreign exchange contracts may be used for the purposes of efficient portfolio management only and cash and near cash will be used for the purposes of redemptions and efficient management only. It is not anticipated that the use of derivatives for these purposes will alter the risk profile of the fund.

### Performance summary

	30 Nov 17 - 30 Nov 18	30 Nov 16 - 30 Nov 17	30 Nov 15 - 30 Nov 16	30 Nov 14 - 30 Nov 15	30 Nov 13 - 30 Nov 14
	%	%	%	%	%
<b>Janus Henderson Global Equity Fund</b>	6.6	18.3	18.7	8.9	15.6
<b>MSCI All Country World Index</b>	5.6	15.7	25.6	2.0	13.6

Source: Morningstar, bid to bid and net of fees as at 12 noon valuation point, based on accumulation units. Benchmark values are as at close of business.

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

## Significant portfolio changes for the year ended 30 November 2018

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Netflix	14,992	Facebook	17,008
Intercontinental Hotels	12,616	Cognex	10,510
Novo Nordisk 'B'	11,725	AmerisourceBergen 'A'	9,136
Intercontinental Exchange	11,323	Continental	7,718
Electronic Arts	9,749	The Walt Disney Company	7,475
Adobe Systems	5,657	ProSiebenSat.1 Media	7,268
Auto Trader	5,560	Colgate-Palmolive	6,468
Naspers 'N'	5,448	Netflix	5,983
Berkshire Hathaway 'B'	4,448	Auto Trader	5,699
Continental	4,319	Drägerwerk Preference Shares	5,494
<b>Total purchases</b>	<b>120,098</b>	<b>Total sales</b>	<b>141,269</b>

## Authorised Fund Manager's report (continued)

### Investment review

The fund returned 6.6% over the year to 30 November 2018, outperforming its benchmark, the MSCI All Country World Index, which returned 5.6%.

From a sector perspective, holdings in the information technology sector were strong contributors to the fund's absolute and relative performance. Stock selection in financials and industrials was also notably positive. There were no significant detractors at the sector level.

Microsoft was the fund's most significant positive contributor over the year. The company is best known for its software for consumers and enterprise. Its monopolistic positions in these markets through products such as Office have helped to create a very cash generative, profitable business. Indeed, free cash flow is well in excess of net profits. Microsoft has a major opportunity in cloud services, with spend on cloud currently a small portion of the huge Enterprise IT market. CEO Satya Nadella's impressive capital allocation record gives us confidence that Microsoft will be able to capitalise on this opportunity, and Microsoft therefore remains a high conviction position in the fund.

Irish contract research organisation (CRO) Icon was also a notable positive performer. CROs help pharmaceutical and biotech clients launch new drugs by managing the clinical trial process. The complexity of running clinical trials has increased markedly in the last 20 years, with regulators requiring more data and longer treatment periods to prove the safety and efficacy of drugs. The resulting increase in costs encouraged the outsourcing of more and more of this work to specialised CROs, but with the addressable market less than 50% penetrated currently, and with the top five firms only accounting for 40% of this, this is a long-term trend we see continuing for many years to come. Icon sets itself apart within its industry by having an exceptional record of operational performance, an innovative approach to adopting new technologies and a balance sheet that provides significant financial flexibility.

Three of the fund's payments-related holdings, MasterCard, Visa and American Express, were among the fund's strongest contributors. While cash still dominates when it comes to global payments, we believe the increasing adoption of card-based payments looks set to continue. Key factors supporting the increased use of cards include the growth of online retailing, innovations such as mobile point of sale technology and the growing use of prepaid cards. We believe that the growing use of paperless payments over time, and a continuing shift away from cash as a medium of exchange, offers long-term investors attractive growth opportunities. Each of these three companies has a strong franchise, strong financials and a strong management – three characteristics we require to consider a company high-quality and, after considering valuation, attractive to own for the long term.

The most notable detractor over the year was Tiger Brands, a South African packaged foods company. Tiger Brands was forced to recall some products owing to a suspected outbreak of listeria at certain company-owned facilities. However, as long-term investors, we believe that Tiger Brands has a high-quality management team, franchise and financials. Moreover, think that the response to this issue was appropriately managed and we're hopeful that Tiger should recover over time. The company enjoys very strong market positions in its native South Africa, while it is also selectively pursuing expansion across sub-Saharan Africa, looking to benefit from the favourable demographics that exist in the region. For these reasons, we retained our holding in the stock.

Turnover remained low, in keeping with our long-term approach. However, we did take new positions over the year. One such example is Electronic Arts (EA), a video game company. EA has a very strong brand, developing and publishing games such as FIFA, Madden NFL, The Sims and the Star Wars franchise. Video games often now incorporate internet connectivity and offer in-game purchases, which, through features such as FIFA Ultimate Team, create strong recurring revenue potential both through consoles and mobile devices.

We also added Novo Nordisk 'B', a Danish biotech and pharmaceutical company. Novo Nordisk 'B' is a global leader in the diabetes care market, granting the company important pricing power in an industry under pressure on drug prices and subject to less expensive, alternative competition. Dietary and lifestyle factors have caused the proportion of the global population with diabetes increase over the years, thereby increasing the need for treatment and care. Despite this, of the world's approximately 415m diabetes sufferers, less than 50% are treated. We believe Novo Nordisk 'B' is well positioned to meet this demand, especially as it moves towards providing insulin treatments on a weekly, rather than daily basis, which is less stressful for diabetes patients.

One of our most recent new positions is Intercontinental Exchange (ICE), a leading financial markets exchanges and clearing house operator. In our view, ICE is well positioned to benefit from positive volume trends in over-the-counter derivatives trading, as well as through the provision of data and clearing services. Other positions added included Intercontinental Hotels, Adobe Systems and Netflix.

We sold our position in Facebook in July. We have been concerned with the company's engagement with corporate governance and social issues for some time. While we believe Facebook is taking these matters seriously, the requirement for incremental investment in security and further spend guided towards other areas promises margin compression, and we therefore decided to exit the stock. We also sold AmerisourceBergen 'A' as recent results highlighted that the downtrend in the pharmaceutical distribution business now appears more structural rather than cyclical. Other positions exited included Cognex, Colgate-Palmolive, ProSiebenSat.1 Media, Valeo and The Walt Disney Company.

As ever, the fund's strategy is to avoid making major macroeconomic calls, and to instead focus 'bottom-up' on finding companies with underappreciated growth and high barriers to entry at attractive valuations. Through purchasing undervalued securities that are able to benefit from strong secular tailwinds of growth, we aim to generate attractive returns over the longer term.

## Comparative tables for the year ended 30 November 2018

	2018 (pence per unit)	Accumulation 2017 (pence per unit)	2016 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	2,960.70	2,474.81	2,097.18
Return before operating charges*	265.35	543.76	423.95
Operating charges	(65.48)	(57.87)	(46.32)
Return after operating charges*	199.87	485.89	377.63
Distributions on accumulation units	-	-	-
Retained distributions on accumulation units	-	-	-
Closing net asset value per unit	3,160.57	2,960.70	2,474.81
* after direct transaction costs of:	0.85	2.08	0.52
<b>Performance</b>			
Return after charges	6.75%	19.63%	18.01%
<b>Other information</b>			
Closing net asset value (£000s)	376,342	304,238	272,048
Closing number of units	11,907,398	10,275,886	10,992,705
Operating charges	2.09%	2.09%	2.09%
Direct transaction costs	0.03%	0.08%	0.02%
<b>Prices</b>			
Highest unit price (pence)	3,530.12	3,149.88	2,646.87
Lowest unit price (pence)	2,880.11	2,417.13	1,896.36

### Class B accumulation 2018 (pence per unit)

<b>Change in net assets per unit</b>	
Opening net asset value per unit	1,147.37 <sup>1</sup>
Return before operating charges*	(60.48)
Operating charges	(3.44)
Return after operating charges*	(63.92)
Distributions on accumulation units	-
Retained distributions on accumulation units	-
Closing net asset value per unit	1,083.45
* after direct transaction costs of:	0.29
<b>Performance</b>	
Return after charges	(5.57%)
<b>Other information</b>	
Closing net asset value (£000s)	9,545
Closing number of units	880,976
Operating charges	1.70%
Direct transaction costs	0.03%
<b>Prices</b>	
Highest unit price (pence)	1,205.65
Lowest unit price (pence)	1,027.75

<sup>1</sup> Class B accumulation launched on 20 September 2018 and this is the first published price.



## Comparative tables (continued)

	Class I accumulation		
	2018	2017	2016
	(pence per unit)	(pence per unit)	(pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	252.90	208.78	174.74
Return before operating charges*	22.73	46.13	35.62
Operating charges	(2.29)	(2.01)	(1.58)
Return after operating charges*	20.44	44.12	34.04
Distributions on accumulation units	(0.94)	(0.52)	(0.69)
Retained distributions on accumulation units	0.94	0.52	0.69
Closing net asset value per unit	273.34	252.90	208.78
* after direct transaction costs of:	0.07	0.18	0.04
<b>Performance</b>			
Return after charges	8.08%	21.13%	19.48%
<b>Other information</b>			
Closing net asset value (£000s)	240,475	209,091	153,017
Closing number of units	87,977,248	82,676,965	73,290,836
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.03%	0.08%	0.02%
<b>Prices</b>			
Highest unit price (pence)	291.93	257.84	218.38
Lowest unit price (pence)	247.00	203.96	155.11

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

Performance values are at close of business and may differ from the performance summary.

### Operating charges

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

### Unit class launches and closures

The following unit class launched in the year:

Unit class	Launch date
Class B accumulation	20 September 2018

There were no unit classes closed in the year.

## Ongoing charge figure

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

	<b>2018</b> %	<b>2017</b> %
<b>Accumulation</b>	2.09	2.09
<b>B accumulation</b>	1.70 <sup>1</sup>	n/a
<b>I accumulation</b>	0.85	0.85

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

<sup>1</sup> Class B accumulation launched on 20 September 2018.

## Risk and reward profile

The fund currently has 3 types of unit class in issue; Accumulation, B accumulation and I accumulation. Each unit class has the same risk and reward profile which is as follows:



The Synthetic Risk and Reward Indicator (SRRI) is calculated based on historical volatility over a rolling 5 year period<sup>1</sup>, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment in the fund can go up or down. When you sell your units they may be worth less than you paid for them.

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

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events which could amplify everyday risk and trigger other risks.

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

There has been no change to the risk ratings during the year.

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

<sup>1</sup> Class B accumulation launched on 20 September 2018. As this share class does not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

## Portfolio statement as at 30 November 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 97.83% (2017: 95.72%)</b>		
	<b>Austria 1.93% (2017: 1.78%)</b>		
	<b>Industrials 1.93% (2017: 1.78%)</b>		
320,649	Andritz	12,111	1.93
	<b>Denmark 2.24% (2017: 0.00%)</b>		
	<b>Health Care 2.24% (2017: 0.00%)</b>		
385,842	Novo Nordisk 'B'	14,046	2.24
	<b>France 0.00% (2017: 1.86%)</b>		
	<b>Consumer Discretionary 0.00% (2017: 1.86%)</b>		
	<b>Germany 3.47% (2017: 7.88%)</b>		
	<b>Consumer Discretionary 1.89% (2017: 4.75%)</b>		
101,333	Continental	11,848	1.89
	<b>Health Care 1.58% (2017: 3.13%)</b>		
223,493	Fresenius	9,895	1.58
	<b>India 3.63% (2017: 3.12%)</b>		
	<b>Financials 3.63% (2017: 3.12%)</b>		
1,016,339	Housing Development Finance	22,767	3.63
	<b>Ireland 3.94% (2017: 3.02%)</b>		
	<b>Health Care 3.94% (2017: 3.02%)</b>		
217,769	Icon	24,694	3.94
	<b>Netherlands 0.41% (2017: 0.00%)</b>		
	<b>Information Technology 0.41% (2017: 0.00%)</b>		
19,300	ASML Holdings	2,554	0.41
	<b>South Africa 5.91% (2017: 6.95%)</b>		
	<b>Communication Services 2.03% (2017: 1.65%)</b>		
81,443	Naspers 'N'	12,719	2.03
	<b>Consumer Staples 3.88% (2017: 5.30%)</b>		
1,115,914	Shoprite	12,436	1.99
782,661	Tiger Brands	11,856	1.89
		24,292	3.88
	<b>Taiwan 3.96% (2017: 3.44%)</b>		
	<b>Consumer Staples 2.14% (2017: 1.87%)</b>		
7,307,000	Uni-President Enterprises	13,425	2.14
	<b>Information Technology 1.82% (2017: 1.57%)</b>		
1,987,000	Taiwan Semiconductor Manufacturing	11,401	1.82

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>United Kingdom 9.79% (2017: 7.93%)</b>		
	<b>Communication Services 3.60% (2017: 3.70%)</b>		
3,091,181	Auto Trader	13,552	2.16
2,059,247	Rightmove	9,011	1.44
		<u>22,563</u>	<u>3.60</u>
	<b>Consumer Discretionary 4.54% (2017: 1.88%)</b>		
164,000	ET-China.com <sup>1</sup>	-	-
301,243	Intercontinental Hotels	12,652	2.02
343,953	Whitbread	15,815	2.52
		<u>28,467</u>	<u>4.54</u>
	<b>Consumer Staples 0.00% (2017: 0.89%)</b>		
	<b>Materials 1.65% (2017: 1.46%)</b>		
5,253,897	Elementis	10,319	1.65
	<b>United States 62.55% (2017: 59.74%)</b>		
	<b>Communication Services 10.56% (2017: 7.34%)</b>		
285,335	Activision Blizzard	11,153	1.78
4,031	Alphabet 'A'	3,504	0.56
24,175	Alphabet 'C'	20,756	3.32
331,410	Comcast 'A' Special	10,140	1.62
115,051	Electronic Arts	7,577	1.21
57,866	Netflix	12,976	2.07
		<u>66,106</u>	<u>10.56</u>
	<b>Consumer Discretionary 5.92% (2017: 7.86%)</b>		
9,391	Amazon.com	12,462	1.99
201,012	Aptiv	11,326	1.81
8,959	Booking Holdings	13,271	2.12
		<u>37,059</u>	<u>5.92</u>
	<b>Consumer Staples 2.22% (2017: 5.00%)</b>		
124,531	Estée Lauder 'A'	13,885	2.22
	<b>Financials 10.44% (2017: 5.47%)</b>		
329,319	American Express	28,971	4.62
127,710	Berkshire Hathaway 'B'	21,815	3.48
228,631	Intercontinental Exchange	14,636	2.34
		<u>65,422</u>	<u>10.44</u>
	<b>Health Care 3.25% (2017: 3.45%)</b>		
51,118	Cooper	11,163	1.78
146,796	CVS Health	9,224	1.47
		<u>20,387</u>	<u>3.25</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Industrials 8.93% (2017: 8.16%)</b>			
73,153	FedEx	13,126	2.10
43,542	Roper Industries	10,151	1.62
140,208	Union Pacific	16,898	2.70
274,810	Xylem	15,712	2.51
		<u>55,887</u>	<u>8.93</u>
<b>Information Technology 19.01% (2017: 20.61%)</b>			
56,465	Adobe Systems	11,104	1.77
174,644	Apple	24,445	3.91
248,152	Cognizant Technology Solutions	13,844	2.21
105,978	MasterCard	16,707	2.67
336,879	Microsoft	29,278	4.68
57,464	PayPal	3,864	0.62
177,867	Visa	19,743	3.15
		<u>118,985</u>	<u>19.01</u>
<b>Real Estate 2.22% (2017: 1.85%)</b>			
107,963	American Tower	13,910	2.22
		<u>13,910</u>	<u>2.22</u>
	<b>Investment assets</b>	<b>612,742</b>	<b>97.83</b>
	Other net assets	13,620	2.17
	<b>Total net assets</b>	<b>626,362</b>	<b>100.00</b>

<sup>1</sup> Suspended, delisted or unquoted securities

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

Prior year comparative percentages have changed for some sectors due to reclassification within these sectors.

## Statement of Authorised Fund Manager's responsibilities

for the year ended 30 November 2018

The Financial Conduct Authority's Collective Investment Schemes Sourcebook requires the Authorised Fund Manager to prepare financial statements for each annual accounting year which give a true and fair view, 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), of the financial affairs of the fund and of its revenue/expenditure for the year. In preparing the financial statements the Authorised Fund Manager is required to:

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

The Authorised Fund Manager is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and the Regulations. The Authorised Fund Manager is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement of the Trustee's responsibilities and report of the Trustee to the unitholders of Janus Henderson Global Equity Fund (the 'Scheme')

for the year ended 30 November 2018

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

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

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

The Trustee must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited  
London  
8 February 2019

# Independent Auditors' report to the Unitholders of Janus Henderson Global Equity Fund

for the year ended 30 November 2018

## Report on the audit of the financial statements

### Opinion

In our opinion, Janus Henderson Global Equity Fund's financial statements:

- give a true and fair view of the financial position of the Trust as at 30 November 2018 and of the net expenses and the net capital gains on its scheme property 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 Trust Deed.

We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the balance sheet as at 30 November 2018; the statement of total return and the statement of change in net assets attributable to unitholders for the year then ended; the distribution table; 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

- the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust'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 Trust'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 Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

### Authorised Fund Manager's Report

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



# Independent Auditors' report to the Unitholders of Janus Henderson Global Equity Fund

(continued)

## Responsibilities for the financial statements and the audit

### Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of Authorised Fund Manager's responsibilities set out on page 11, the Authorised Fund Manager 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 Fund Manager 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 Fund Manager is responsible for assessing the Trust'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 Fund Manager either intend to wind up or terminate the Trust, or have 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 Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook 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

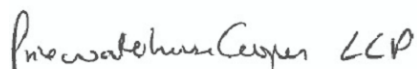
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

### 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 and returns.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
8 February 2019

## Statement of total return for the year ended 30 November 2018

	Note	2018		2017	
		£000	£000	£000	£000
Income					
Net capital gains	4		33,658		88,822
Revenue	5	7,396		5,908	
Expenses	6	<u>(8,624)</u>		<u>(7,879)</u>	
Net expense before taxation		(1,228)		(1,971)	
Taxation	7	<u>(841)</u>		<u>(658)</u>	
Net expense after taxation			<u>(2,069)</u>		<u>(2,629)</u>
Total return before distributions			31,589		86,193
Distributions	8		(828)		(432)
<b>Change in net assets attributable to unitholders from investment activities</b>			<u><b>30,761</b></u>		<u><b>85,761</b></u>

## Statement of change in net assets attributable to unitholders

for the year ended 30 November 2018

		2018		2017	
		£000	£000	£000	£000
<b>Opening net assets attributable to unitholders</b>			<b>513,329</b>		<b>425,065</b>
Amounts receivable on issue of units		15,249		35,682	
Amounts receivable on merger*		115,059		-	
Amounts payable on cancellation of units		<u>(48,910)</u>		<u>(33,674)</u>	
			81,398		2,008
Dilution adjustment			46		63
Change in net assets attributable to unitholders from investment activities			30,761		85,761
Retained distributions on accumulation units			828		432
<b>Closing net assets attributable to unitholders</b>			<u><b>626,362</b></u>		<u><b>513,329</b></u>

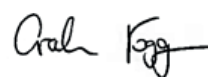
\* The fund merged with Janus Henderson World Select Fund on 20 September 2018.

## Balance sheet as at 30 November 2018

	Note	2018 £000	2017 £000
<b>Assets:</b>			
Investments		612,742	491,371
Current assets:			
Debtors	9	951	1,056
Cash and bank balances	10	17,171	24,995
<b>Total assets</b>		<b>630,864</b>	<b>517,422</b>
<b>Liabilities:</b>			
Provisions for liabilities	11	33	-
Creditors:			
Bank overdrafts		3,307	2,735
Other creditors	12	1,162	1,358
<b>Total liabilities</b>		<b>4,502</b>	<b>4,093</b>
<b>Net assets attributable to unitholders</b>		<b>626,362</b>	<b>513,329</b>

## Directors' statement

In accordance with the requirements of the Collective Investment Schemes sourcebook as issued and amended by the Financial Conduct Authority, we hereby certify the investment report and financial statements on behalf of the Directors of Henderson Investment Funds Limited.



G Foggin  
(Director)



R Chaudhuri  
(Director)

8 February 2019

## 1 Accounting policies

### (a) Basis of preparation

The financial statements of Janus Henderson Global Equity Fund (formerly Henderson Global Growth Fund) (the 'fund') have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (IMA) in May 2014 (the 'SORP'), the Financial Reporting Standard 102 ('FRS 102'), the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') and the Trust Deed. The financial statements have been prepared on a going concern basis.

### (b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last valuation day of the accounting year (30 November 2018) in accordance with the provisions of the scheme particulars.

The AFM has appointed the Janus Henderson EMEA Pricing Committee whose function is to review and approve fair value pricing decisions on a regular basis and report to the Board of Directors on suspended, defaulted, delisted, unquoted or manually priced securities, taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

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

### (c) Revenue recognition

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

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

Bank interest is recognised on an accruals basis.

Dividends received from US REITs are allocated between revenue and capital for distribution purposes. The split is based on the year end tax reporting data issued by the US REIT with the revenue element being subject to UK corporation tax. Where the split of revenue and capital has not been announced at the accounting date then the income is treated as an ordinary dividend until such time as this is known.

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

### (d) Treatment of expenses (including Authorised Fund Manager expenses)

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

### Annual Management Charge (AMC)

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

### General Administration Charge

All fees with the exception of the AMC, Trustee, professional fees and safe custody fees have been replaced by a single ad valorem charge, the General Administration Charge (GAC). The Authorised Fund Manager believes that this creates more efficiency around the charging process than more traditional methods. The GAC is calculated as a percentage of the scheme property and the amount each unit class in the fund will pay will depend on the costs attributable to each unit 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 Authorised Fund Manager by each unit class monthly.

### Allocation of revenue and expenses to multiple unit classes

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

### (e) Exchange rates

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

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (f) Taxation

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

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

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

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

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

On 1 April 2018, India introduced a taxation regime for long-term capital gains. As a result of this, the fund introduced an accrual for incremental Indian capital gains earned since 1 April 2018 on Indian securities.

#### (g) Cash flow statement

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

#### (h) Treatment of derivatives

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

#### Forward foreign currency contracts

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

### 2 Distribution Policy

The distribution policy of the fund is to accumulate all available revenue, after the deduction of expenses properly chargeable against revenue, subject to any expense which may currently be transferred to capital. The fund pays dividend distributions.

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

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

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

The fund makes an annual distribution (31 January) to unitholders.

The Authorised Fund Manager reserves the right not to accumulate income if the income yield is low (generally less than 1% p.a.). Any such accumulated income will be carried forward to the next period.

#### Equalisation

No income equalisation is applied to the fund.

### 3 Risk

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

## Notes to the financial statements (continued)

### 3 Risk (continued)

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

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

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

- Charles River system's Compliance module for investment restrictions monitoring;
- Nasdaq BWISE operational risk database;
- RiskMetrics, UBS Delta, Style Research, Cognity and Barra for market risk measurement; and
- Bloomberg for market data and price checking.

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

#### (a) Market risk

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

The investments of the fund are subject to normal market fluctuations and other risks inherent in investing in securities, in pursuance of the investment objective and policy.

Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can be relatively high. The fund may hold a relatively concentrated portfolio, as such the returns may be impacted more by fluctuations in the value of underlying securities and be more volatile.

Also, the fund may invest in technology stocks, where potential volatility may increase the risk to the value of these investments in which above average price movements can be expected. Technology and technology-related industries may also be subject to greater government regulation than many other industries. Accordingly, changes in government policies and the need for regulatory approvals may have a materially adverse effect on these industries. Additionally, these companies may be subject to risks of developing technologies, competitive pressures and the risk of obsolescence caused by other scientific advances. Many companies in the technology sector are smaller companies whose securities may be less liquid than those of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in securities of larger companies.

The global exposure of the fund is measured using the commitment approach; the commitment approach means that financial derivative instruments are converted into the market value of the equivalent position in the underlying asset(s). The fund may use derivatives and foreign exchange contracts for the purposes of efficient portfolio management only; it is not expected that the use of derivatives for this purpose will alter the risk profile of the fund. The fund does not employ significant leverage; this is consistent with the prior year.

#### Currency risk

Currency risk is the risk that the value of the fund's investments will fluctuate as a result of changes in foreign currency exchange rates. When a proportion of the fund's assets and income are denominated in currencies other than sterling the fund's financial statements can be affected by movements in exchange rates.

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

## Notes to the financial statements (continued)

### 3 Risk (continued)

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

##### Currency risk (continued)

	Investment assets	Other net assets	Total net assets
	£000	£000	£000
<b>2018</b>			
<b>Currency</b>			
Danish krone	14,046	14	14,060
Euro	36,407	426	36,833
Indian rupee	22,767	(32)	22,735
Japanese yen	-	3	3
South African rand	37,011	-	37,011
Taiwan dollar	24,826	1,331	26,157
UK sterling	61,349	11,526	72,875
US dollar	416,336	352	416,688
<b>Total</b>	<b>612,742</b>	<b>13,620</b>	<b>626,362</b>
<b>2017</b>			
<b>Currency</b>			
Euro	59,164	653	59,817
Indian rupee	15,999	-	15,999
Japanese yen	-	1	1
South African rand	35,686	-	35,686
Swiss franc	-	3	3
Taiwan dollar	17,648	249	17,897
UK sterling	40,717	20,633	61,350
US dollar	322,157	419	322,576
<b>Total</b>	<b>491,371</b>	<b>21,958</b>	<b>513,329</b>

##### Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £553,487,000 (2017: £451,979,000). A 10% increase in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing the return for the year ended 30 November 2018 and the net assets as at 30 November 2018 by £55,348,700 (2017: £45,197,900). A 10% decrease in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of decreasing the return for the year ended 30 November 2018 and the net assets as at 30 November 2018 by £55,348,700 (2017: £45,197,900).

##### Other price risk

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

##### Leverage

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

##### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Some securities such as bonds are directly impacted by interest rate movements but others are indirectly affected. The majority of the fund's financial assets are investments which neither pay interest nor have a maturity date.

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

## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (b) Credit and counterparty risk

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

The fund may only buy and sell investments through brokers which have been approved by the Authorised Fund Manager as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in brokers' financial ratings are periodically reviewed by the Janus Henderson Credit Risk Committee and the Credit Risk Committee also approves new counterparties and sets exposure limits.

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

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

#### (c) Liquidity risk

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

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

The Authorised Fund Manager manages the fund's cash positions to ensure it can meet its liabilities. The Authorised Fund Manager receives daily reports of subscriptions and redemptions enabling the Authorised Fund Manager to raise cash from the fund's portfolio in order to meet redemption request. In addition the Authorised Fund Manager monitors market liquidity of all securities, seeking to ensure the fund maintains sufficient liquidity to meet known and potential redemption activity. The fund's cash balances are monitored daily by the Authorised Fund Manager. When investments cannot be realised in time to meet any potential liability, the fund may borrow up to 10% of its property to ensure settlement.

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2018</b>				
Provisions for liabilities	-	32	-	-
Bank overdrafts	3,307	-	-	-
Other creditors	-	1,163	-	-
<b>Total</b>	<b>3,307</b>	<b>1,195</b>	<b>-</b>	<b>-</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2017</b>				
Bank overdrafts	2,735	-	-	-
Other creditors	-	1,358	-	-
<b>Total</b>	<b>2,735</b>	<b>1,358</b>	<b>-</b>	<b>-</b>

#### (d) Brexit Risk

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



## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (d) Brexit Risk (continued)

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

This mid to long term uncertainty may have an adverse effect on the economy generally and on the ability of relevant funds and their investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to the fund.

### 4 Net capital gains

Net capital gains on investments during the year comprise:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Forward currency contracts	20	30
Non-derivative securities	33,668	89,035
Other currency losses	(27)	(240)
Transaction costs	(3)	(3)
<b>Net capital gains</b>	<b>33,658</b>	<b>88,822</b>

### 5 Revenue

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Bank interest	39	14
Overseas dividends	6,151	4,926
Overseas REIT revenue	223	237
UK dividends	983	731
<b>Total revenue</b>	<b>7,396</b>	<b>5,908</b>

### 6 Expenses

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager and agents of either of them:</b>		
Annual management charge	6,514	5,942
GAC*	2,011	1,858
	<u>8,525</u>	<u>7,800</u>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee fees	37	32
Safe custody fees	57	47
	<u>94</u>	<u>79</u>
<b>Other expenses:</b>		
Professional fees	5	-
	<u>5</u>	<u>-</u>
<b>Total expenses</b>	<b>8,624</b>	<b>7,879</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £7,681 (2017: £7,458).

## Notes to the financial statements (continued)

### 7 Taxation

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

The tax charge comprises:

	2018 £000	2017 £000
<b>Current tax</b>		
Overseas withholding tax	808	658
Capital gains tax	33	-
<b>Total tax (note 7b)</b>	<b>841</b>	<b>658</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 an authorised unit trust of 20% (2017: 20%). The differences are explained below:

	2018 £000	2017 £000
Net expense before taxation	(1,228)	(1,971)
Corporation tax at 20% (2017: 20%)	(246)	(394)
Effects of:		
Capital gains tax***	33	-
Irrecoverable overseas tax	808	658
Overseas dividends*	(1,230)	(985)
Tax effect of expensed double taxation relief	(6)	(7)
UK dividends**	(197)	(147)
Unused management expenses	1,679	1,533
<b>Tax charge for the year (note 7a)</b>	<b>841</b>	<b>658</b>

\* Certain overseas dividends are not subject to corporation tax from 1 July 2009 due to changes enacted in the Finance Act 2009.

\*\* As an authorised unit trust this item is not subject to corporation tax.

\*\*\* From 1 April 2018, non-resident investors will pay capital gains tax on long-term capital gains on Indian securities. At 31 October 2018 the fund has accrued £33,000 for potential Indian capital gains tax exposure.

Unit trusts 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 (2017: nil).

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

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £26,545,034 (2017: £24,865,959) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

### 8 Distributions

	2018 £000	2017 £000
Final accumulation ***	828	432
<b>Total distributions</b>	<b>828</b>	<b>432</b>
Net expense after taxation	(2,069)	(2,629)
Capital gains tax	33	-
Revenue shortfall	2,864	3,061
<b>Total distributions</b>	<b>828</b>	<b>432</b>

Details of the distribution per unit are set out in the distribution table on page 27.

\*\*\* Class I accumulation has made a distribution, Class A & B accumulation are in a deficit position and therefore have made no distribution.

## Notes to the financial statements (continued)

### 9 Debtors

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Accrued revenue	394	292
Amounts receivable for issue of units	53	276
Amounts receivable from merger fund	76	-
Overseas withholding tax reclaimable	428	488
<b>Total debtors</b>	<b>951</b>	<b>1,056</b>

### 10 Cash and bank balances

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Cash and bank balances	17,171	24,995
<b>Total cash and bank balances</b>	<b>17,171</b>	<b>24,995</b>

### 11 Provisions for liabilities

The provisions for liabilities comprise:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Capital gains tax accrual	33	-
<b>Total provisions for liabilities</b>	<b>33</b>	<b>-</b>

### 12 Other creditors

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Accrued annual management charge	629	510
Accrued Trustee's fee	4	4
Accrued other expenses	233	161
Amounts payable for cancellation of units	296	683
<b>Total other creditors</b>	<b>1,162</b>	<b>1,358</b>

### 13 Contingent liabilities and commitments

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

### 14 Related party transactions

Henderson Investment Funds Limited as Authorised Fund Manager to the fund is deemed to be a related party because it provides key management personnel services to the fund. All transactions and balances associated with the Authorised Fund Manager are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to unitholders' and the 'Balance sheet' on pages 14 and 15 and notes 6, 9 and 12 on pages 21 to 23 including all issues and cancellations where the Authorised Fund Manager acted as principal.

Transactions with the Authorised Fund Manager are as follows:

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

There were no material unitholders at the year end (2017: nil).

## Notes to the financial statements (continued)

### 15 Unitholders' funds

The fund currently has 3 unit classes available; Accumulation, B accumulation and I accumulation. The annual management charge on each unit class is as follows:

	2018	2017
	%	%
Accumulation	1.50	1.50
B accumulation	1.50	n/a
I accumulation	0.75	0.75

The net asset value of each unit class, the net asset value per unit and the number of units in each unit class are given in the comparative tables on pages 4 to 5. The distribution per unit class is given in the distribution table on page 27. All unit classes have the same rights on winding up.

### Units reconciliation as at 30 November 2018

	Accumulation	Class B accumulation	Class I accumulation
Opening number of units	10,275,886	-	82,676,965
Issues during the year	2,412,800	899,611	14,602,149
Cancellations during the year	(727,860)	(18,635)	(9,924,258)
Units converted during the year	(53,428)	-	622,392
<b>Closing units in issue</b>	<b>11,907,398</b>	<b>880,976</b>	<b>87,977,248</b>

### 16 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 30 November 2018 (2017: nil).

The fund had no exposure to derivatives as at 30 November 2018 (2017: nil)

### 17 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

## Notes to the financial statements (continued)

### 17 Fair value disclosure (continued)

#### Fair value hierarchy

	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	612,742	-	491,371	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	<u>612,742</u>	<u>-</u>	<u>491,371</u>	<u>-</u>

### 18 Direct transaction costs

	Purchases		Sales	
	2018 £000	2017 £000	2018 £000	2017 £000
<b>Trades in the year</b>				
Equities	119,935	138,169	141,302	148,294
<b>Trades in the year before transaction costs</b>	<u>119,935</u>	<u>138,169</u>	<u>141,302</u>	<u>148,294</u>
<b>Transaction costs</b>				
<b>Commissions</b>				
Equities	34	149	31	145
<b>Total commissions</b>	<u>34</u>	<u>149</u>	<u>31</u>	<u>145</u>
<b>Taxes</b>				
Equities	129	116	-	8
<b>Total taxes</b>	<u>129</u>	<u>116</u>	<u>-</u>	<u>8</u>
<b>Other expenses</b>				
Equities	-	-	2	6
<b>Total other expenses</b>	<u>-</u>	<u>-</u>	<u>2</u>	<u>6</u>
<b>Total transaction costs</b>	<u>163</u>	<u>265</u>	<u>33</u>	<u>159</u>
<b>Total net trades in the year after transaction costs</b>	<u>120,098</u>	<u>138,434</u>	<u>141,269</u>	<u>148,135</u>

	Purchases		Sales	
	2018 %	2017 %	2018 %	2017 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.03	0.11	0.02	0.10
<b>Taxes</b>				
Equities	0.11	0.08	-	0.01
<b>Other expenses</b>				
Equities	-	-	-	-
	<u>2018 %</u>	<u>2017 %</u>		
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.01	0.06		
Taxes	0.02	0.03		
Other expenses	-	-		
<b>Total costs</b>	<u>0.03</u>	<u>0.09</u>		

## Notes to the financial statements (continued)

### 18 Direct transaction costs (continued)

There were merger/in-specie transfers of £108,874,939 (transaction costs: nil) during the year (2017: nil). There were no corporate actions during the year (2017: nil).

There were no direct transaction costs associated with derivatives in the year (2017: nil).

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

The portfolio dealing spread as at 30 November 2018 was 0.05% (2017: 0.04%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

### 19 Events after the Balance sheet date

There were no material post Balance sheet events which require disclosure within these financial statements.

## Distribution table for the year ended 30 November 2018 (in pence per unit)

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

Group 1 : units purchased prior to 1 December 2017

Group 2 : units purchased on or after 1 December 2017

	Distribution per unit	Total distribution per unit 31/01/19	Total distribution per unit 31/01/18
<b>Accumulation</b>			
Group 1	-	-	
Group 2	-	-	
<b>Class B accumulation<sup>1</sup></b>			
Group 1	-	-	
Group 2	-	-	
<b>Class I accumulation</b>			
Group 1	0.9410	0.9410	0.5224
Group 2	0.9410	0.9410	0.5224

<sup>1</sup> Class B accumulation launched on 20 September 2018.

## Appendix - additional information (unaudited)

### Remuneration policy

Following the implementation of the UCITS V in the UK from 18 March 2016, all authorised UCITS Management Companies are required to comply with the UCITS Remuneration Code. Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of Henderson Investment Funds Limited (HIFL) must make relevant remuneration disclosures in the first full performance year following the implementation date.

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

Janus Henderson Global Equity Fund is managed by HIFL, which is a subsidiary of Janus Henderson Group plc.

The Compensation Committee of Janus Henderson Group plc has established a Remuneration Policy, one of the guiding principles of which is to ensure that the remuneration of its employees is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of each AFM and the funds they manage. This policy applies to HIFL and Janus Henderson Global Equity 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 2017.

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson Global Equity Fund</b>	1,943	846
<b>of which</b>		
Fixed Remuneration	1,943	373
Variable Remuneration	1,933	473
Carried Interest	n/a	
<b>Janus Henderson Global Equity Fund Remuneration Code Staff</b>	174	750
<b>of which</b>		
Senior Management (4)	27	80
Other Code Staff (5)	147	670

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



## Further information

### Unitholder 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 units 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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