



# ANNUAL REPORT & ACCOUNTS

For the year ended  
31 March 2020

Janus Henderson  
— INVESTORS —

Janus Henderson Sustainable/Responsible Funds



# 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 350 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 31 March 2020, we had £237.4bn 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.

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

We are pleased to present the Annual Report and Accounts for Janus Henderson Sustainable/Responsible Funds (the 'Company') for the year ended 31 March 2020.

### **Authorised status**

The Company is an open-ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC15 and authorised by the Financial Conduct Authority (FCA) with effect from 14 October 1998. It is a UCITS scheme structured as an umbrella company, comprising of three sub-funds ('funds') complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the company is governed by the OEIC regulations, COLL, its Instrument of Incorporation and Prospectus.

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

### **Fund liabilities**

The assets of each fund will be treated as separate from those of every other fund and will be invested in accordance with the investment objective and investment policy applicable to that fund. The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other fund and shall not be available for any such purpose.

### **Brexit update**

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

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

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

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

### **Value assessment**

The board of Henderson Investment Funds Limited present the value assessment report for the period to 31 December 2019, made available on our website [www.janushenderson.com](http://www.janushenderson.com).

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.

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

### Director's statement

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



G Foggin  
(Director)

19 June 2020

### Service providers

	Name	Address	Regulator
<b>Authorised Corporate Director</b>	<b>Henderson Investment Funds Limited</b> Member of The Investment Association  The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Dealing – 0845 608 8703 Enquiries – 0800 832 832	Authorised and regulated by the Financial Conduct Authority
<b>Directors of the ACD</b>	R Chaudhuri (from 17.03.20) A Crooke G Foggin G Fogo S Hillenbrand H J de Sausmarez P Shea (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>Shareholder Administrator</b>	<b>SS&amp;C Financial Services International Limited and SS&amp;C Financial Services Europe Limited</b>	SS&C House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	<b>NatWest Trustee and Depository Services Limited</b> The ultimate holding company is the Royal Bank of Scotland Group plc	250 Bishopsgate London EC2M 4AA	Authorised and regulated by the Prudential Regulation Authority and regulated by the Financial Conduct 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

Global equities ended sharply lower over the year to 31 March as the spread of COVID-19 caused turmoil in markets in the first quarter of 2020. The MSCI World Index dropped 5.3% in sterling terms and 9.9% in US dollar terms. Stocks made solid gains before that, as US/China trade relations improved – the two sides agreed a ‘phase one’ deal in December, which they signed a month later – and because of supportive monetary policy from major central banks in response to concerns around global economic growth.

In the UK, the FTSE All Share Index declined 18.5% in sterling terms. Uncertainty around the UK’s plans to leave the European Union kept equities largely rangebound in 2019, although shares rallied in December after the Conservative Party’s decisive win in the general election calmed some Brexit worries. The spread of COVID-19 led to sharp sell-offs in February and March because of the expected hit to economic growth and as global supply chains were disrupted. Shares rose towards the end of March after the Bank of England cut interest rates to a record low and restarted quantitative easing, while the government announced financial support for struggling businesses and workers. UK gross domestic product (GDP) growth was lacklustre before the global pandemic emerged, and early indications are that COVID-19 has had a significant impact. The flash composite purchasing managers’ index (PMI) – a measure of economic conditions – plunged to 37.1 in March from 53.0 in February. Any reading below 50 indicates the majority of companies reported shrinking business activity. The number of people claiming unemployment benefit surged in March, particularly after the government asked all but essential workers to stay at home.

European equities fell, with the FTSE World Europe ex UK Index dropping 8.0% in sterling terms and 10.7% in euros. Looser monetary policy from major global central banks boosted shares in 2019, as did the thaw in US/China relations and the decline in Brexit worries. European stocks fell sharply, alongside other global markets, towards the end of February as COVID-19 spread. The declines accelerated in March as Europe became the epicentre of the pandemic – Italy recorded over three times as many deaths as China by the end of the month. Spain was also among the worst affected. Stocks rose at the end of March after governments announced financial support. The eurozone economy was under pressure before the pandemic – quarterly GDP growth dropped to 0.1% in the final three months of 2019 from 0.3% in the third quarter. The eurozone flash composite PMI plummeted to 31.4 in March from 51.6 in February as many eurozone countries enforced widespread shutdowns to contain the virus.

US stocks, as measured by the S&P 500 Index, declined 2.2% in sterling terms and 7.0% in US dollars. The major US indices repeatedly breached all-time highs in 2019 and early 2020, on optimism around US/China relations and after three interest rate cuts from the US Federal Reserve (Fed). Shares plunged from the end of February because of COVID-19 and the declines gathered pace in March. Two more interest rate cuts from the Fed, the return of quantitative easing and a US\$2trn congressional stimulus package – the largest such bailout in US history – helped to restore some calm in global markets. The US economy was relatively stable in 2019, although the pandemic is expected to have a large impact. The flash composite PMI for March fell to a record low 40.5 from 49.6 in February, while the number of people claiming unemployment benefit rose more than tenfold in a single week during the month.

Japanese stocks, as measured by the FTSE World Japan Index, fell 2.2% in sterling terms and 9.2% in yen. A weakening of the yen – which traditionally boosts Japan’s export-dependent economy – in the autumn and winter months, the improved US/China relations and government plans for a US\$121bn fiscal stimulus boosted shares in 2019. Worries about the COVID-19 outbreak in China dragged down equities in January. The declines continued in February and in early March. Stocks started to rise towards the end of March after the Bank of Japan doubled the scope of its equity-buying programme while Prime Minister Shinzo Abe promised economic support of ‘unprecedented scale’ to mitigate the effects of COVID-19. Japan’s economy was struggling before the pandemic emerged – GDP shrank by 1.8% in the fourth quarter compared with the previous three months, after a rise in sales tax in October. The Jibun Bank PMI dropped to 44.8 in March from 47.8 in February.

Asia-Pacific markets weakened, with the MSCI AC Asia Pacific Ex Japan Index falling 10.7% in sterling terms and 15.0% in US dollars. Stocks tended to follow the rise and fall of US/China trade tensions in 2019. Equities slumped in the first quarter of 2020 as COVID-19 spread, although stimulus measures across the region, and elsewhere, helped shares to rise towards the end of March. Australian equities fell sharply because of concerns that the pandemic would push the economy into recession. Sharp losses on South Korea’s benchmark Kospi Index triggered an automatic trading suspension on 12 March – the first time in almost 20 years – and again the following week. South Korea was the worst-affected country outside China during the initial stages of the outbreak. Equities fell in Hong Kong, with the economy still struggling to recover from the effects of anti-government protests in 2019. Stocks fell in Taiwan although the government’s quick response to the outbreak limited the virus’s spread.

Emerging markets were lower, with the MSCI Emerging Markets Index down 13.2% in sterling terms and 17.4% in US dollars. Accommodative monetary policy from central banks in major emerging economies, including India, Russia and Brazil and Mexico, supported shares in 2019, as did optimism around US/China trade relations. Markets plunged in the first quarter as COVID-19 spread, with emerging economies expected to be particularly badly hit. Shares in China were marginally lower overall (MSCI China -0.9% in sterling) as the government appeared to bring the outbreak under control. Equities sank in India (MSCI India -27.3%) as the pandemic imperilled the country’s recovery from an economic slump. Stocks in Argentina (MSCI Argentina -48.4%) plunged as the pandemic increased the risk that the country would default on its debt obligations. Equities tumbled in South Africa (MSCI South Africa -33.6%) after the country lost its last investment-grade credit rating, which helped push the rand to a record low against the US dollar.

Within fixed income, JPM Global Government Bond Index rose 12.8% in sterling terms and 7.4% in US dollars. Yields in core government markets – the US, UK, Germany and Japan – generally decreased early in the year (prices increased, reflecting their inverse relationship with yields), because of weakening global economic growth rates, trade disputes, geopolitical risks and Brexit uncertainty. Optimism around US/China relations caused a gradual sell-off in bond markets over the fourth quarter of 2019. Yields slumped in the first quarter as investors became increasingly risk averse because of COVID-19 – US benchmark 10-year Treasury yields hit record lows in early March. Governments’ stimulus measures spurred a brief rise in March, although yields resumed their declines towards the end of the month. The corporate debt market was strong in 2019. Issuance by investment-grade companies surged in March as they looked to bolster their finances because of the pandemic, although the high-yield debt market dried up as borrowing costs leapt.

## Market review (continued)

In commodity markets, global crude oil prices ended sharply lower. Prices were largely rangebound in 2019, with rises tending to be brief. They plunged in the first quarter of 2020 – global benchmarks West Texas Intermediate and Brent crude were close to, or below, US\$20 a barrel at the end of March – as the COVID-19 pandemic caused a collapse in demand. A failure by the Organization of the Petroleum Exporting Countries and Russia to agree production cuts in March, as a response to the fall in demand, exacerbated the decline in prices. Gold prices rose strongly over the year. The precious metal – considered a ‘safe haven’ investment in times of uncertainty – benefited from concerns around trade and global economic growth in 2019. Prices surged in the first quarter of 2020 – they hit a seven-year high of about US\$1,700 a troy ounce in early March – as alarm about the pandemic grew.



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

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

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the 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 the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

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

## Statement of Depositary's responsibilities and report of the Depositary to the shareholders of Janus Henderson Sustainable/Responsible Funds ('the Company')

for the year ended 31 March 2020

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited  
London  
19 June 2020

# Independent Auditors' report to the shareholders of Janus Henderson Sustainable/Responsible Funds

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Janus Henderson Sustainable/Responsible Funds (the 'Company'):

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

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

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

### Reporting on other information

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

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

# Independent Auditors' report to the shareholders of Janus Henderson Sustainable/ Responsible Funds (continued)

## Authorised Corporate Director's Report

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

## Responsibilities for the financial statements and the audit

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

As explained more fully in the Statement of Authorised Corporate Director's (ACD) responsibilities set out on page 5, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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  
19 June 2020

## 1 Accounting policies

### (a) Basis of preparation

The financial statements of Janus Henderson Sustainable/Responsible Funds (the 'Company') comprise the financial statements of each of the funds. They have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Management Association (IMA) in May 2014, the Financial Reporting Standard 102 (FRS 102), the Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook (COLL) and the Company's Instrument of Incorporation and Prospectus.

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

### (b) Basis of valuation of investments

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

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

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

### (c) Revenue recognition

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

Dividends on unquoted stocks are credited to revenue when the dividend is announced.

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

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

Bank interest is recognised on an accruals basis.

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

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.

Revenue earned on derivatives is accounted for on an accruals basis.

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

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

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

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

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

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

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

## Aggregated notes to the financial statements (continued)

### 1 Accounting policies (continued)

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

##### Annual Management Charge (AMC)

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

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

##### General Administration Charge

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

#### (e) Exchange rates

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

#### (f) Taxation

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

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

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

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

#### (g) Cash flow statement

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

#### (h) Hedged share classes

Class I Euro (hedged) accumulation and Class A Euro (hedged) accumulation on Janus Henderson Global Sustainable Equity Fund are both hedged share classes. Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes and sterling which is the base currency of the fund.

Any benefits or losses of the hedging transactions accrue to shareholders in that hedged share class only. The ACD will review the relevant hedging positions on a regular basis and, if considered appropriate, make adjustments to correct the allocations across share classes.

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

## Aggregated notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (i) Treatment of derivatives

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

#### Forward foreign currency contracts

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

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

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

The gains or losses from the hedge are calculated on a daily basis, and are allocated to both capital and revenue of the share class based upon the relationship of the prior day capital/revenue split, with the revenue element impacting upon that class's potential distributable revenue.

#### (j) Dilution adjustment

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

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

### 2 Distribution Policy

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

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

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

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 funds make biannual distributions (31 May and 30 November) to shareholders.

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

#### Equalisation

Income equalisation applies to Janus Henderson UK Responsible Income Fund only.

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

### 3 Risk

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

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

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

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

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

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

#### (a) Market risk

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

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

The funds may be unable to invest in certain sectors and companies due to ethical screening that they undertake. This may mean that they are more sensitive to price swings than other funds.

There can be no assurance that any appreciation in the value of investments will occur. There is no certainty that the investment objective of the funds will actually be achieved and no warranty of representation is given to this effect.

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

Where the investment objective of a fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the AMC may be charged against capital instead of against income. This treatment of the AMC will increase the amount of income (which may be taxable) available for distribution to shareholders in the fund concerned but may constrain capital growth.

The funds may use derivatives for the purposes of hedging and efficient portfolio management only, it is not expected that the use of derivatives for these purposes will alter the risk profile of the funds.

#### Currency risk

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

A proportion of the funds' assets and revenue are denominated in currencies other than sterling (the funds' functional currency and the one in which financial statements are reported). As a result, movements in exchange rates may affect the sterling value of those items. The ACD regularly reviews currency risk.

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



## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

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

##### **Hedged share class on Janus Henderson Global Sustainable Equity Fund**

The hedged share class allows the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in the foreign class and sterling which is the base currency of the fund.

Any benefits or losses of the hedging transactions should accrue to shareholders in the hedged share class, to income and capital as relevant. The ACD will review the relevant hedging positions on a regular basis. The currency transactions will not cause the hedged class to be leveraged. The value of the share class to be hedged will be made up of both capital and income elements and the ACD intends to hedge between 95-105% of the value of the hedged share class. Adjustments to any hedge to keep within this target range will only be made when the required adjustment is material. As such the hedged class shares will not be completely protected from all currency fluctuations.

Hedging transactions may be entered into if the Euro is declining or increasing in value relative to sterling.

Where such hedging is undertaken it may substantially protect investors in the class against a decrease in the value of sterling relative to the Euro but it may also preclude investors from benefiting from an increase in the value of sterling.

The gains or losses from the hedge are calculated on a daily basis, and are allocated to both the capital and revenue of the share class based upon the relationship of the prior day capital/revenue split, with the revenue element impacting upon that class's potential distributable revenue.

##### **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.

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of the capital may fall, and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit rating (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds.

From time to time Janus Henderson Institutional Global Responsible Managed Fund may hold sub-investment grade bonds. Such bonds have a lower credit rating than investment grade bonds and carry a higher degree of risk.

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

##### **Other market price risk**

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

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

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

In response to the COVID-19 pandemic, the FRC (Financial Reporting Council) has issued guidance to companies to ensure that they maintain sufficient capital reserves, which in some circumstances could result in cancelled dividend payments already announced to the market. In order to assess and mitigate the risk of not receiving income accrued at the end of the year, procedures are in place to monitor the effect of any cancelled dividends and to make suitable provisions when calculating the amount available for distribution.

## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

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

##### Global exposure

The global exposure of the funds is calculated by using either the commitment approach or Value-at-Risk ('VaR') approach by reference to their risk profile. Sensitivity analysis of funds using the commitment approach is calculated using the Value-at-Risk approach. VaR is a mathematical statistical concept and is commonly used as a standard measure of risk in the financial sector. For each fund the maximum potential loss that it could suffer in normal market conditions within a given time horizon and a certain degree of confidence is estimated.

In these calculations all positions in the relevant investment portfolio are taken into consideration including those undertaken for efficient portfolio management purposes. VaR is calculated daily using a Monte Carlo simulation approach; as a control mechanism, Monte Carlo results are compared to the parametric model for validation purposes within the daily monitoring process. The following parameters are applied as a minimum: a one-tailed 99% confidence interval, a holding period equivalent to one month (20 business days), effective observation period (history) of risk factors of at least 1 year (250 business days), quarterly data set updates and daily calculation.

For those funds using the VaR approach to calculate either sensitivity analysis or global exposure and for which there is no suitable reference portfolio absolute monthly VaR calculated on all the positions in a fund's investment portfolio is not to exceed a regulatory maximum limit of 20%.

Please refer to the individual funds' accounts for details of global exposure, leverage and sensitivity analysis, where relevant.

#### (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 cashflow.

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

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

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

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

The exposure to counterparty risk is detailed in the notes of each funds' accounts, as relevant.

#### (c) Operational risk

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

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

## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

#### (d) Liquidity risk

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

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

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

Please refer to the individual funds' accounts for the maturity analysis of each fund's financial liabilities.

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

#### (e) Brexit Risk

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

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

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

### 4 Cross-holdings

There were no cross-holdings within any of the funds of Janus Henderson Sustainable/Responsible OEIC at the year end (2019: nil).

# Janus Henderson Global Sustainable Equity Fund

## Authorised Corporate Director's report

### Investment Fund Manager

Hamish Chamberlayne

### Investment objective and policy

To provide capital growth by investing primarily in a portfolio of global equities. The fund will seek to invest in global companies whose products and services are considered by the Investment Manager as contributing to positive environmental or social change and thereby have an impact on the development of a sustainable global economy. The fund will avoid investing in companies that the Investment Manager considers to potentially have a negative impact on the development of a sustainable global economy.

### Performance summary

	31 Mar 19 - 31-Mar-20	31 Mar 18 - 31 Mar 19	31 Mar 17 - 31 Mar 18	31 Mar 16 - 31 Mar 17	31 Mar 15 - 31 Mar 16
	%	%	%	%	%
<b>Class I accumulation</b>	7.2	9.0	8.5	27.9	(3.2)
<b>MSCI World Index</b>	(5.3)	12.5	1.9	32.7	0.3
<b>IA Global Sector</b>	(6.4)	8.7	2.9	29.0	-3.3

Source: Morningstar, Class I accumulation, NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point. Benchmark values are at close of business.

Index: MSCI World Index

Index Usage: Comparator

Index description: The MSCI World Index is a measure of the combined performance of large and medium sized companies from developed stock markets around the world. It provides a useful comparison against which the fund's performance can be assessed over time.

Peer group benchmark: IA Global 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) can be a useful performance comparison against other funds with similar aims.

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

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

## Significant portfolio changes for the year ended 31 March 2020

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Adidas	22,701	Intuit	23,877
Avalara	16,309	Informa	11,340
Innergex Renewable Energy	14,422	Nike 'B'	10,509
SAP	13,421	ING	10,053
Salesforce.com	11,936	Getlink	9,813
Zendesk	11,558	Cognizant Technology Solutions	8,934
Encompass Health	11,459	A.O. Smith	8,737
Walt Disney	8,654	Blackbaud	7,813
SSE	7,930	Waters	7,439
Marsh & McLennan	7,626	Teladoc Health	7,318
<b>Total purchases</b>	<b>293,970</b>	<b>Total sales</b>	<b>166,080</b>

### Investment review

The fund returned 7.2% based on Class I accumulation over the year under review, compared with a fall of 5.3% in the MSCI World Index and a fall of 6.4% in the IA Global Sector peer group benchmark.

Stock markets worldwide declined sharply in February and March 2020, with economic activity negatively impacted by the COVID-19 global pandemic as social distancing measures and travel restrictions were enacted in many countries. Not since World War 2 has there been such a synchronised dislocation to the global economy. But this is a very different sort of crisis to a war. Cities are becalmed, there are few cars on the roads, and skies are empty of planes. One noticeable consequence has been a drop in pollution, with carbon dioxide and nitrogen oxide emissions declining dramatically.

There are few parts of the economy that have not experienced disruption. However, there was wide dispersion in relative performance. The businesses most severely affected were those exposed to the travel, transportation, heavy industrial, commodities and finance sectors. Cruise liners and airlines were hit particularly hard and energy was the worst-performing sector, falling by more than 40% as oil prices crashed due to combination of weak demand and a breakdown in relations between major oil producers over efforts to curb excess supply. The traditionally more defensive sectors of healthcare, consumer staples and utilities performed relatively better. Information technology (IT) was the best-performing sector, rising by more than 12% over the year as demand for many digital services remained robust.

With our focus on sustainability and long-term compounding growth, we had minimal exposure to the types of businesses that were most severely affected and this was beneficial to our performance. Our overweight stance towards the IT sector was beneficial, but good stock selection played a significant role with six out of the top 10 contributors coming from different sectors.

Several of our investments recorded large positive returns. The biggest riser was Teladoc Health, which rose by more than 100% as the US government eased regulations over the use of telemedicine and health plans encouraged adoption. Tesla climbed by almost 100% as sales of the Model 3 electric vehicle (EV) exceeded expectations. In addition, there was evidence that execution had improved after the company opened its Chinese factory on schedule and it reported two consecutive quarters of positive cash flow.

Equinix, a data centre operator, saw a significant increase in internet traffic; Microsoft reported a large rise in user numbers; and Nintendo was unable to keep up with demand for its Switch console. Many renewable energy companies also performed well, too. Our investment in Canadian renewable developers Boralex and Innergex Renewable Energy delivered positive returns over the year.

Some of our investments, however, were negatively impacted by government policies. The largest detractor over the year was Gildan Activewear, a manufacturer of basic apparel, which declined by more than 60% after social distancing rules impacted its end markets. Aptiv was another significant detractor, falling by more than 30% due to a decline in car sales and production stoppages. We added to our position in the recent volatility, given our expectation that Aptiv would benefit from increased adoption of EVs. The third largest detractor was Australian horticultural company Costa, which suffered poor harvests in several of its key categories due to challenging climactic conditions. We divested our position.

We initiated two new positions, in Atlassian and SSE. Atlassian develops project management software that enables teams to collaborate more effectively and achieve greater productivity. It has played an important role in the current crisis as businesses have adjusted to a greater proportion of their workforce working remotely. SSE is an energy utility firm that operates in the UK and Ireland. It is primarily focused on regulated electricity networks and renewable energy, which have accounted for more than 40% of operating profits. It has played a critical role in enabling the transition to a low-carbon economy.

Digitisation is one trend that we see accelerating and we have many investments exposed to this area across many industries. The resilience of the digital economy thus far, with many companies seeing increasing demand for their services, has served to underline the idea that many people and businesses can lead lower-carbon lives. The whole point of digitisation is that it enables greater productivity and more efficient use of our precious natural resources.

We believe the transition to a low-carbon economy is a trend that will continue, and possibly even accelerate. A common question we get is around the potential for low oil prices to derail sustainable investment or slow the pace of the transition to a low-carbon economy. We believe this is unlikely. Oil price volatility is itself a negative from an investment perspective, whereas the stability of returns in the renewable sector is highly attractive, in our view. It is the unstoppable momentum in clean technology, combined with the rising regulatory burden associated with carbon, that is making investment in fossil fuels less attractive, we believe. And we expect a continuation of the regulatory support for the transition to clean energy.

Instead of undermining it, we are hopeful that this crisis will serve to underline the attractiveness of sustainable investing and how it leads to better outcomes, not only for investors but also for the environment and society.

## Comparative tables for the year ended 31 March 2020

	2020 (pence per share)	Class A income 2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	303.79	281.89	258.14
Return before operating charges*	16.59	26.94	28.56
Operating charges	(5.67)	(4.98)	(4.67)
Return after operating charges*	10.92	21.96	23.89
Distributions on income shares	(0.06)	(0.06)	(0.14)
Closing net asset value per share	314.65	303.79	281.89
* after direct transaction costs of:	0.09	0.09	0.21

### Performance

Return after charges	3.59%	7.79%	9.25%
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### Other information

Closing net asset value (£000s)	104,970	130,690	126,071
Closing number of shares	33,361,196	43,020,419	44,723,303
Operating charges	1.69%	1.69%	1.69%
Direct transaction costs	0.03%	0.03%	0.08%

### Prices

Highest share price (pence)	385.60	318.20	297.00
Lowest share price (pence)	290.70	261.00	249.40

### Class E income 08/07/19 -31/03/20 (pence per share)

<b>Change in net assets per share</b>	
Opening net asset value per share	339.17 <sup>1</sup>
Return before operating charges*	(20.29)
Operating charges	(2.99)
Return after operating charges*	(23.28)
Distributions on income shares	(0.45)
Closing net asset value per share	315.44
* after direct transaction costs of:	0.09

### Performance

Return after charges	(6.86%) <sup>2</sup>
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### Other information

Closing net asset value (£000s)	26,715
Closing number of shares	8,469,415
Operating charges	1.19%
Direct transaction costs	0.03%

### Prices

Highest share price (pence)	386.30
Lowest share price (pence)	291.30

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

<sup>2</sup> Return after charges relates to the period 08/07/19 to 31/03/20 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 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 per share	323.38	299.59	300.00 <sup>3</sup>
Return before operating charges*	17.55	28.50	0.01
Operating charges	(2.66)	(2.22)	(0.24)
Return after operating charges*	14.89	26.28	(0.23)
Distributions on income shares	(1.49)	(2.49)	(0.18)
Closing net asset value per share	336.78	323.38	299.59
* after direct transaction costs of:	0.09	0.09	0.24
<b>Performance</b>			
Return after charges	4.60%	8.77%	(0.08%)
<b>Other information</b>			
Closing net asset value (£000s)	14,219	26	1
Closing number of shares	4,222,078	8,071	169
Operating charges	0.73%	0.73%	0.73%
Direct transaction costs	0.03%	0.03%	0.08%
<b>Prices</b>			
Highest share price (pence)	413.10	339.20	315.70
Lowest share price (pence)	311.70	277.80	292.00

<sup>3</sup> Class G income launched on 16 February 2018 and this is the first published price.

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	337.46	310.42	281.70
Return before operating charges*	18.32	29.77	31.27
Operating charges	(3.16)	(2.73)	(2.55)
Return after operating charges*	15.16	27.04	28.72
Distributions on accumulation shares	(1.97)	(2.07)	(1.66)
Retained distributions on accumulation shares	1.97	2.07	1.66
Closing net asset value per share	352.62	337.46	310.42
* after direct transaction costs of:	0.10	0.10	0.23
<b>Performance</b>			
Return after charges	4.49%	8.71%	10.20%
<b>Other information</b>			
Closing net asset value (£000s)	320,105	234,089	142,579
Closing number of shares	90,778,483	69,367,389	45,930,364
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.03%	0.03%	0.08%
<b>Prices</b>			
Highest share price (pence)	431.70	351.40	326.90
Lowest share price (pence)	325.70	289.20	272.20

## Comparative tables (continued)

	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 per share	323.99	300.00	273.75
Return before operating charges*	17.69	28.79	30.33
Operating charges	(3.02)	(2.64)	(2.47)
Return after operating charges*	14.67	26.15	27.86
Distributions on income shares	(2.11)	(2.16)	(1.61)
Closing net asset value per share	336.55	323.99	300.00
* after direct transaction costs of:	0.09	0.10	0.23
<b>Performance</b>			
Return after charges	4.53%	8.72%	10.18%
<b>Other information</b>			
Closing net asset value (£000s)	207,271	199,270	168,965
Closing number of shares	61,586,737	61,504,563	56,322,710
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.03%	0.03%	0.08%
<b>Prices</b>			
Highest share price (pence)	412.60	339.60	316.40
Lowest share price (pence)	311.30	278.30	264.60
	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 per share	463.21	422.78	380.69
Return before operating charges*	24.87	40.70	42.34
Operating charges	(0.31)	(0.27)	(0.25)
Return after operating charges*	24.56	40.43	42.09
Distributions on accumulation shares	(7.15)	(6.71)	(5.78)
Retained distributions on accumulation shares	7.15	6.71	5.78
Closing net asset value per share	487.77	463.21	422.78
* after direct transaction costs of:	0.13	0.14	0.32
<b>Performance</b>			
Return after charges	5.30%	9.56%	11.06%
<b>Other information</b>			
Closing net asset value (£000s)	114,021	118,596	116,397
Closing number of shares	23,375,876	25,603,069	27,531,409
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.03%	0.03%	0.08%
<b>Prices</b>			
Highest share price (pence)	596.70	480.00	445.10
Lowest share price (pence)	450.40	396.20	368.10



## Comparative tables (continued)

	Class A Euro (hedged) accumulation	
	2020 (pence per share)	2019 (pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	932.44	903.77 <sup>4</sup>
Return before operating charges*	65.16	35.24
Operating charges	(17.79)	(6.57)
Return after operating charges*	47.37	28.67
Distributions on accumulation shares	-	(0.18)
Retained distributions on accumulation shares	-	0.18
Closing net asset value per share	979.81	932.44
* after direct transaction costs of:	0.27	0.27
<b>Tax relief on income taken to capital</b>		
Return after charges (Base currency)	5.08%	3.17%
Return after charges (Share class currency)	2.32%	6.19%
<b>Other information</b>		
Closing net asset value (£000s)	25,780	13
Closing number of shares	2,631,079	1,391
Operating charges	1.69%	1.69%
Direct transaction costs	0.03%	0.03%
<b>Prices</b>		
Highest share price (Euro cents)	1,355.00	1,082.00
Lowest share price (Euro cents)	1,022.00	934.10

<sup>4</sup> Class A Euro (hedged) accumulation launched on 26 October 2018 and this is the first published price.

	Class A Euro accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	27,042.30	25,089.46	22,964.21
Return before operating charges*	1,481.30	2,398.65	2,539.20
Operating charges	(509.74)	(445.81)	(413.95)
Return after operating charges*	971.56	1,952.84	2,125.25
Distributions on accumulation shares	(5.31)	(22.12)	(29.67)
Retained distributions on accumulation shares	5.31	22.12	29.67
Closing net asset value per share	28,013.86	27,042.30	25,089.46
* after direct transaction costs of:	7.79	8.02	18.91
<b>Performance</b>			
Return after charges	3.59%	7.78%	9.25%
<b>Other information</b>			
Closing net asset value (£000s)	5,635	1,221	524
Closing number of shares	20,116	4,513	2,087
Operating charges	1.69%	1.69%	1.69%
Direct transaction costs	0.03%	0.03%	0.08%
<b>Prices</b>			
Highest share price (Euro cents)	40,930.00	31,480.00	29,840.00
Lowest share price (Euro cents)	27,870.00	25,780.00	26,030.00

## Comparative tables (continued)

	Class I Euro (hedged) accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,990.57	1,893.53	1,693.80
Return before operating charges*	136.85	113.04	215.41
Operating charges	(18.18)	(16.00)	(15.68)
Return after operating charges*	118.67	97.04	199.73
Distributions on accumulation shares	(10.28)	(14.36)	(7.38)
Retained distributions on accumulation shares	10.28	14.36	7.38
Closing net asset value per share	2,109.24	1,990.57	1,893.53
* after direct transaction costs of:	0.58	0.60	1.49
<b>Performance</b>			
Return after charges (Base currency)	5.96%	5.12%	11.79%
Return after charges (Share class currency)	3.18%	7.05%	8.97%
<b>Other information</b>			
Closing net asset value (£000s)	5,839	1,277	963
Closing number of shares	276,829	64,158	50,857
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	0.03%	0.03%	0.08%
<b>Prices</b>			
Highest share price (Euro cents)	2,913.77	2,431.76	2,274.63
Lowest share price (Euro cents)	2,200.16	1,989.38	1,912.51

	Class I Euro accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	195.42	179.70	163.03
Return before operating charges*	18.95	17.25	18.09
Operating charges	(1.72)	(1.53)	(1.42)
Return after operating charges*	17.23	15.72	16.67
Distributions on accumulation shares	(0.93)	(1.28)	(1.01)
Retained distributions on accumulation shares	0.93	1.28	1.01
Final cancellation price	(212.65) <sup>5</sup>	-	-
Closing net asset value per share	-	195.42	179.70
* after direct transaction costs of:	0.05	0.06	0.14
<b>Performance</b>			
Return after charges	8.82%	8.75%	10.23%
<b>Other information</b>			
Closing net asset value (£000s)	-	139,651	107,576
Closing number of shares	-	71,463,171	59,863,854
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	0.03%	0.03%	0.08%
<b>Prices</b>			
Highest share price (Euro cents)	249.70	227.20	213.40
Lowest share price (Euro cents)	223.00	185.90	185.50

<sup>5</sup> Class I Euro accumulation closed on 17 October 2019.

## Comparative tables (continued)

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

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

### Operating charges

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

### Share class launches and closures

The following share class launched in the year:

Share class	Launch date
Class E income	8 July 2019

The following share class closed in the year:

Share class	Closure date
Class I Euro accumulation	17 October 2019

### Share class conversion

Share class conversion	Conversion date
Class A income to Class E income	8 July 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.

### Hedged share classes

Class A Euro (hedged) and Class I Euro (hedged) are hedged share classes. Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes and Sterling which is the base currency of the fund.

## Ongoing charge figure

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

	<b>2020 OCF %</b>	<b>2019 OCF %</b>	<b>Estimated OCF from 8 July 2019<sup>1</sup> %</b>
<b>Class A</b>	1.69	1.69	n/a
<b>Class E<sup>2</sup></b>	1.19	n/a	1.19
<b>Class G</b>	0.73	0.73	n/a
<b>Class I</b>	0.84	0.84	n/a
<b>Class Z</b>	0.06	0.06	n/a
<b>Class A Euro (hedged)<sup>3</sup></b>	1.69	1.69	n/a
<b>Class A Euro</b>	1.69	1.69	n/a
<b>Class I Euro (hedged)</b>	0.81	0.81	n/a
<b>Class I Euro<sup>4</sup></b>	0.81	0.81	n/a

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

<sup>1</sup> The estimated ongoing charge is based on the annual fee rate on launch date as at 8 July 2019.

<sup>2</sup> Class E income launched on 8 July 2019.

<sup>3</sup> Class A Euro (hedged) accumulation launched on 26 October 2018.

<sup>4</sup> Class I Euro accumulation closed on 17 October 2019.

## Risk and reward profile

The fund currently has 9 types of share classes in issue; A income, E income, G income, I accumulation, I income, Z accumulation, A Euro (hedged) accumulation, A Euro accumulation, I Euro (hedged) accumulation.

The risk and reward profile for A income, E income, G income, I accumulation, I income, Z accumulation and I Euro (hedged) accumulation share classes is as follows:



The risk and reward profile for A Euro accumulation and A Euro (hedged) accumulation share classes is as follows:



The share classes appear at 5 out of 7, with the exception of Class A Euro accumulation, Class A Euro (hedged) accumulation and Class I Euro accumulation which appear at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

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

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

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

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

The risk rating for Class A Euro accumulation, Class A Euro (hedged) accumulation and Class I Euro accumulation increased to 6 from 5 in the year. The rating will change depending on whether the fund's holdings are increased or decreased in investments which are considered to be of a higher or lower risk as the market conditions become more or less volatile. All other classes remain at a 5 rating.

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

\* Class G income was launched on 16 February 2018, Class A Euro (hedged) accumulation was launched on 26 October 2018 and Class E income was launched on 8 July 2019. As these share classes do not have a 5 year history, a synthetic history has been created for Class G income and Class A Euro (hedged) accumulation using the fund's relevant sector average and for Class E income using the A income share class.

## Portfolio statement as at 31 March 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 97.13% (2019: 97.62%)</b>		
	<b>Australia 0.56% (2019: 0.68%)</b>		
	<b>Consumer Staples 0.00% (2019: 0.68%)</b>		
	<b>Health Care 0.56% (2019: 0.00%)</b>		
1,679,400	Nanosonics	4,601	0.56
	<b>Canada 6.35% (2019: 5.22%)</b>		
	<b>Consumer Discretionary 1.17% (2019: 2.50%)</b>		
946,600	Gildan Activewear	9,606	1.17
	<b>Financials 1.92% (2019: 1.73%)</b>		
232,800	Intact Financial	15,866	1.92
	<b>Utilities 3.26% (2019: 0.99%)</b>		
895,700	Boralex 'A'	12,642	1.53
1,323,100	Innergex Renewable Energy	14,252	1.73
		26,894	3.26
	<b>France 5.17% (2019: 6.74%)</b>		
	<b>Communication Services 0.51% (2019: 1.59%)</b>		
428,900	Orange	4,224	0.51
	<b>Industrials 4.66% (2019: 5.15%)</b>		
700,000	Getlink	6,808	0.83
227,500	Legrand	11,773	1.43
285,000	Schneider Electric	19,813	2.40
		38,394	4.66
	<b>Germany 5.57% (2019: 2.40%)</b>		
	<b>Consumer Discretionary 2.02% (2019: 0.00%)</b>		
91,000	Adidas	16,629	2.02
	<b>Industrials 1.01% (2019: 1.11%)</b>		
116,400	Knorr-Bremse	8,320	1.01
	<b>Information Technology 2.54% (2019: 1.29%)</b>		
231,500	SAP	20,961	2.54
	<b>Hong Kong 2.34% (2019: 2.22%)</b>		
	<b>Financials 2.34% (2019: 2.22%)</b>		
2,646,200	AIA	19,315	2.34
	<b>Ireland 0.71% (2019: 0.65%)</b>		
	<b>Industrials 0.71% (2019: 0.65%)</b>		
137,500	Kingspan	5,865	0.71
	<b>Japan 8.92% (2019: 8.04%)</b>		
	<b>Communication Services 2.87% (2019: 2.52%)</b>		
76,200	Nintendo	23,624	2.87

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Consumer Discretionary 1.91% (2019: 1.51%)</b>		
137,400	Shimano	15,777	1.91
	<b>Industrials 0.93% (2019: 0.88%)</b>		
183,200	Nidec	7,659	0.93
	<b>Information Technology 3.21% (2019: 3.13%)</b>		
248,700	Murata Manufacturing	10,116	1.23
773,500	Shimadzu	16,353	1.98
		26,469	3.21
	<b>Netherlands 4.23% (2019: 5.20%)</b>		
	<b>Financials 0.00% (2019: 1.41%)</b>		
	<b>Industrials 1.03% (2019: 1.04%)</b>		
150,200	Wolters Kluwer	8,525	1.03
	<b>Information Technology 3.20% (2019: 2.75%)</b>		
122,700	ASML	26,320	3.20
	<b>United Kingdom 2.63% (2019: 3.66%)</b>		
	<b>Communication Services 0.00% (2019: 1.62%)</b>		
	<b>Materials 1.52% (2019: 2.04%)</b>		
4,550,100	DS Smith	12,531	1.52
	<b>Utilities 1.11% (2019: 0.00%)</b>		
700,000	SSE	9,135	1.11
	<b>United States 60.65% (2019: 62.81%)</b>		
	<b>Communication Services 1.44% (2019: 2.07%)</b>		
152,700	Walt Disney	11,896	1.44
	<b>Consumer Discretionary 3.20% (2019: 4.52%)</b>		
290,000	Aptiv	11,498	1.39
100,600	Nike 'B'	6,720	0.82
19,300	Tesla	8,160	0.99
		26,378	3.20
	<b>Consumer Staples 0.95% (2019: 1.05%)</b>		
68,800	McCormick Non-Voting Shares	7,855	0.95
	<b>Financials 8.38% (2019: 7.61%)</b>		
147,600	AON	19,646	2.38
285,000	Marsh & McLennan	19,838	2.41
361,900	Progressive	21,551	2.61
248,600	Walker & Dunlop	8,044	0.98
		69,079	8.38

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Health Care 7.13% (2019: 6.10%)</b>			
444,500	Encompass Health	22,864	2.77
104,800	Humana	26,536	3.22
75,000	Teladoc Health	9,374	1.14
		<u>58,774</u>	<u>7.13</u>
<b>Industrials 2.92% (2019: 5.39%)</b>			
317,600	Evoqua Water Technologies	2,869	0.35
174,600	Wabtec	6,776	0.82
275,100	Xylem	14,445	1.75
		<u>24,090</u>	<u>2.92</u>
<b>Information Technology 30.17% (2019: 30.77%)</b>			
118,500	Adobe	30,426	3.68
55,000	Atlassian	6,085	0.74
196,800	Autodesk	24,775	3.00
260,000	Avalara	15,643	1.90
278,900	Cadence Design Systems	14,854	1.80
96,300	IPG Photonics	8,564	1.04
87,800	Lam Research	16,994	2.06
68,200	MasterCard	13,304	1.61
137,500	Microchip Technology	7,514	0.91
391,500	Microsoft	49,772	6.03
187,400	Salesforce.com	21,735	2.64
183,100	TE Connectivity	9,299	1.13
239,100	Texas Instruments	19,268	2.34
206,500	Zendesk	10,649	1.29
		<u>248,882</u>	<u>30.17</u>
<b>Materials 1.18% (2019: 1.26%)</b>			
118,500	Avery Dennison	9,736	1.18
<b>Real Estate 5.28% (2019: 4.04%)</b>			
106,900	Crown Castle International	12,430	1.51
41,300	Equinix	20,803	2.52
916,000	Physicians Realty Trust REIT	10,276	1.25
		<u>43,509</u>	<u>5.28</u>
<b>Derivatives (0.13%) (2019: 0.00%)</b>			
<b>Forward Foreign Exchange Contracts 0.00% (2019: 0.00%)<sup>1</sup></b>			
	Buy EUR 31,177 : Sell GBP 27,615 April 2020 <sup>2</sup>	-	-
	Buy GBP 10,641 : Sell EUR 11,811 April 2020 <sup>2</sup>	-	-
	Buy GBP 10,648 : Sell EUR 11,987 April 2020 <sup>2</sup>	-	-
	Buy GBP 132,160 : Sell EUR 147,330 April 2020	2	-
	Buy GBP 137,606 : Sell EUR 154,310 April 2020	1	-
	Buy GBP 3,676 : Sell EUR 4,016 April 2020 <sup>2</sup>	-	-
	Buy GBP 52,756 : Sell EUR 59,597 April 2020 <sup>2</sup>	-	-
		<u>3</u>	<u>-</u>



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts (Hedged share classes) (0.13%) (2019: 0.00%)<sup>1</sup></b>			
	Buy EUR 1,087,725 : Sell GBP 998,712 April 2020	(36)	-
	Buy EUR 1,142,772 : Sell GBP 1,039,690 April 2020	(28)	-
	Buy EUR 11,807 : Sell GBP 10,641 April 2020 <sup>2</sup>	-	-
	Buy EUR 154,273 : Sell GBP 137,606 April 2020	(1)	-
	Buy EUR 173,650 : Sell GBP 153,439 April 2020 <sup>2</sup>	-	-
	Buy EUR 17,680 : Sell GBP 16,090 April 2020 <sup>2</sup>	-	-
	Buy EUR 185,895 : Sell GBP 171,349 April 2020	(7)	-
	Buy EUR 20,149,981 : Sell GBP 18,401,165 April 2020	(566)	(0.07)
	Buy EUR 2,110,314 : Sell GBP 1,927,160 April 2020	(59)	(0.01)
	Buy EUR 248,430 : Sell GBP 228,100 April 2020	(8)	-
	Buy EUR 25,589 : Sell GBP 23,562 April 2020	(1)	-
	Buy EUR 295,918 : Sell GBP 269,238 April 2020	(7)	-
	Buy EUR 342,789 : Sell GBP 312,961 April 2020	(10)	-
	Buy EUR 4,015 : Sell GBP 3,676 April 2020 <sup>2</sup>	-	-
	Buy EUR 4,586,529 : Sell GBP 4,188,464 April 2020	(129)	(0.02)
	Buy EUR 487,412 : Sell GBP 445,110 April 2020	(14)	-
	Buy EUR 5,023,432 : Sell GBP 4,665,960 April 2020	(219)	(0.03)
	Buy EUR 76,222 : Sell GBP 70,565 April 2020	(3)	-
	Buy EUR 766,809 : Sell GBP 677,563 April 2020	1	-
	Buy EUR 78,164 : Sell GBP 71,363 April 2020	(2)	-
	Buy EUR 815,725 : Sell GBP 751,893 April 2020	(30)	-
	Buy EUR 86,833 : Sell GBP 79,004 April 2020	(2)	-
	Buy GBP 11,877 : Sell EUR 13,082 April 2020 <sup>2</sup>	-	-
	Buy GBP 13,848 : Sell EUR 15,221 April 2020 <sup>2</sup>	-	-
	Buy GBP 201,087 : Sell EUR 214,752 April 2020	11	-
	Buy GBP 27,615 : Sell EUR 31,173 April 2020 <sup>2</sup>	-	-
	Buy GBP 334,597 : Sell EUR 376,275 April 2020	2	-
	Buy GBP 60,091 : Sell EUR 65,950 April 2020	2	-
	Buy GBP 716,354 : Sell EUR 765,033 April 2020	39	-
	Buy GBP 73,275 : Sell EUR 78,648 April 2020	4	-
	Buy GBP 75,529 : Sell EUR 84,937 April 2020 <sup>2</sup>	-	-
		<u>(1,063)</u>	<u>(0.13)</u>
	<b>Investment assets including investment liabilities</b>	<b>799,854</b>	<b>97.00</b>
	Other net assets	24,701	3.00
	<b>Total net assets</b>	<b>824,555</b>	<b>100.00</b>

<sup>1</sup> Unquoted securities

<sup>2</sup> Due to rounding to nearest £1,000

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

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

## Statement of total return for the year ended 31 March 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital gains	2		28,094		55,430
Revenue	3	13,896		12,651	
Expenses	4	(7,532)		(6,465)	
Interest payable and similar charges	5	(1)		(1)	
Net revenue before taxation		6,363		6,185	
Taxation	6	(1,332)		(1,181)	
Net revenue after taxation			5,031		5,004
Total return before distributions			33,125		60,434
Distributions	7		(5,450)		(5,231)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>27,675</b>		<b>55,203</b>

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

	2020		2019	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>824,833</b>		<b>663,076</b>
Amounts receivable on issue of shares	215,063		175,831	
Amounts payable on inspecie	(165,820)		-	
Amounts payable on cancellation of shares	(81,265)		(73,207)	
		(32,022)		102,624
Dilution adjustment		47		-
Change in net assets attributable to shareholders from investment activities		27,675		55,203
Retained distributions on accumulation shares		4,020		3,929
Unclaimed distributions		2		1
<b>Closing net assets attributable to shareholders</b>		<b>824,555</b>		<b>824,833</b>

**Balance sheet** as at 31 March 2020

	Note	2020 £000	2019 £000
<b>Assets:</b>			
Investments		800,976	805,216
Current assets:			
Debtors	8	2,374	5,367
Cash and bank balances	9	25,157	18,668
<b>Total assets</b>		<b>828,507</b>	<b>829,251</b>
<b>Liabilities:</b>			
Investment liabilities		1,122	1
Creditors:			
Bank overdrafts		-	1,823
Distributions payable		314	458
Other creditors	10	2,516	2,136
<b>Total liabilities</b>		<b>3,952</b>	<b>4,418</b>
<b>Net assets attributable to shareholders</b>		<b>824,555</b>	<b>824,833</b>

## Notes to the financial statements for the year ended 31 March 2020

### 1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the funds' aggregated notes to the financial statements.

### 2 Net capital gains

Net capital gains on investments during the year comprise:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Forward currency contracts	213	(37)
Forward currency contracts on hedged share classes	322	(43)
Non-derivative securities	28,135	55,718
Other currency losses	(565)	(199)
Transaction costs	(11)	(9)
<b>Net capital gains</b>	<b>28,094</b>	<b>55,430</b>

### 3 Revenue

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Bank interest	142	85
Hedged income on forward currency contracts	(1)	-
Overseas dividends*	11,800	9,926
Overseas REIT revenue	573	760
UK dividends	1,382	1,880
<b>Total revenue</b>	<b>13,896</b>	<b>12,651</b>

\* includes distributions from overseas funds

### 4 Expenses

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	6,699	5,758
GAC*	754	628
	<u>7,453</u>	<u>6,386</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	46	47
Safe custody fees	33	30
	<u>79</u>	<u>77</u>
<b>Other expenses:</b>		
Professional fees	-	2
	<u>-</u>	<u>2</u>
<b>Total expenses</b>	<b>7,532</b>	<b>6,465</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £10,317 (2019: £10,017).

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	1	1
<b>Total interest payable and similar charges</b>	<b>1</b>	<b>1</b>

### 6 Taxation

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

The tax charge comprises:

	2020 £000	2019 £000
<b>Current tax</b>		
Overseas withholding tax	1,332	1,181
<b>Total tax (note 6b)</b>	<b>1,332</b>	<b>1,181</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 funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	6,363	6,185
Corporation tax at 20% (2019: 20%)	1,273	1,237
Effects of:		
Irrecoverable overseas tax	1,332	1,181
Overseas dividends	(2,358)	(1,940)
Tax effect of expensed double taxation relief	(18)	(28)
UK dividends*	(276)	(376)
Unused management expenses	1,379	1,107
<b>Tax charge for the year (note 6a)</b>	<b>1,332</b>	<b>1,181</b>

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

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

#### c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

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

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £8,441,537 (2019: £7,062,111) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

## Notes to the financial statements (continued)

### 7 Distributions

	2020 £000	2019 £000
Interim income	1,025	844
Interim accumulation	2,925	2,349
Final income	314	458
Final accumulation	1,095	1,580
Equalisation adjustment on large disinvestment*	91	-
<b>Total distributions</b>	<b>5,450</b>	<b>5,231</b>
Net revenue after taxation	5,031	5,004
Revenue shortfall	419	227
<b>Total distributions</b>	<b>5,450</b>	<b>5,231</b>

\* An equalisation adjustment has been made during the year in respect to a large disinvestment on the I Euro accumulation share class. While it is recognised that this adjustment is not in line with the funds equalisation policy, it was considered appropriate to prevent the overall share class from falling into deficit.

Details of the distribution per share are set out in the Distribution tables on pages 41 to 42.

### 8 Debtors

	2020 £000	2019 £000
Accrued revenue	945	1,016
Amounts receivable for issue of shares	1,230	3,819
Currency transactions awaiting settlement	-	388
Overseas withholding tax reclaimable	199	144
<b>Total debtors</b>	<b>2,374</b>	<b>5,367</b>

### 9 Cash and bank balances

	2020 £000	2019 £000
Cash and bank balances	25,157	18,668
<b>Total cash and bank balances</b>	<b>25,157</b>	<b>18,668</b>

### 10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	545	523
Accrued Depositary's fee	5	5
Accrued other expenses	71	95
Amounts payable for cancellation of shares	1,895	347
Currency transactions awaiting settlement	-	389
Purchases awaiting settlement	-	777
<b>Total other creditors</b>	<b>2,516</b>	<b>2,136</b>

## Notes to the financial statements (continued)

### 11 Contingent liabilities and commitments

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

### 12 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 30 and 31 and notes 4, 8 and 10 on pages 32 to 34 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

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

### 13 Shareholders' funds

The fund currently has 9 share classes available; Class A (Retail with exit charges), Class A Euro (hedged), Class A Euro (unhedged), Class E, Class G, Class I (Institutional), Class I Euro (hedged), Class I Euro (unhedged) and Class Z (Institutional). The annual management charge on each share class is as follows:

	<b>2020</b>	<b>2019</b>
	%	%
Class A	1.50	1.50
Class E <sup>1</sup>	1.00	n/a
Class G	0.675	0.675
Class I (income & accumulation)	0.75	0.75
Class Z*	0.00	0.00
Class A Euro (hedged)	1.50	1.50
Class A Euro (unhedged)	1.50	1.50
Class I Euro (hedged)	0.75	0.75
Class I Euro (unhedged)	0.75	0.75

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

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 18 to 23. The distribution per share class is given in the Distribution tables on pages 41 to 42. All share classes have the same rights on winding up.

### Shares reconciliation as at 31 March 2020

	<b>Class A income</b>	<b>Class E income</b>	<b>Class G income</b>	<b>Class I accumulation</b>
Opening number of shares	43,020,419	-	8,071	69,367,389
Issues during the year	2,978,740	138,811	493,847	24,134,101
Cancellations during the year	(3,756,460)	(261,700)	(480,325)	(2,781,562)
Shares converted during the year	(8,881,503)	8,592,304	4,200,485	58,555
<b>Closing shares in issue</b>	<b>33,361,196</b>	<b>8,469,415</b>	<b>4,222,078</b>	<b>90,778,483</b>
	<b>Class I income</b>	<b>Class Z accumulation</b>	<b>Class A Euro (hedged) accumulation</b>	<b>Class A Euro accumulation</b>
Opening number of shares	61,504,563	25,603,069	1,391	4,513
Issues during the year	10,059,812	266,100	2,880,426	40,088
Cancellations during the year	(6,037,648)	(2,462,974)	(250,738)	(24,485)
Shares converted during the year	(3,939,990)	(30,319)	-	-
<b>Closing shares in issue</b>	<b>61,586,737</b>	<b>23,375,876</b>	<b>2,631,079</b>	<b>20,116</b>

## Notes to the financial statements (continued)

### 13 Shareholders' funds (continued)

#### Shares reconciliation (continued)

	Class I Euro (hedged) accumulation	Class I Euro accumulation
Opening number of shares	64,158	71,463,171
Issues during the year	450,726	8,845,874
Cancellations during the year	(238,055)	(80,309,045)
Shares converted during the year	-	-
<b>Closing shares in issue</b>	<b>276,829</b>	<b>-</b>

### 14 Financial derivatives

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

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

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

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

#### 2020

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

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	3
JP Morgan	59
	<b>62</b>

#### 2019

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

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	6
	<b>6</b>



## Notes to the financial statements (continued)

### 15 Risk

#### Currency risk

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

2020	Investment assets including investment liabilities £000	Other net assets £000	Total net assets £000
<b>Currency</b>			
Australian dollar	4,601	-	4,601
Canadian dollar	42,760	206	42,966
Euro	160,987	529	161,516
Hong Kong dollar	19,315	-	19,315
Japanese yen	73,529	516	74,045
Norwegian krone	-	24	24
UK sterling	(11,143)	23,025	11,882
US dollar	509,805	401	510,206
<b>Total</b>	<b>799,854</b>	<b>24,701</b>	<b>824,555</b>

2019	Investment assets including investment liabilities £000	Other net assets/ (liabilities) £000	Total net assets £000
<b>Currency</b>			
Australian dollar	5,593	55	5,648
Brazilian real	-	192	192
Canadian dollar	43,060	140	43,200
Euro	124,881	125	125,006
Hong Kong dollar	18,313	-	18,313
Japanese yen	66,351	471	66,822
Norwegian krone	-	28	28
UK sterling	28,931	18,771	47,702
US dollar	518,086	(164)	517,922
<b>Total</b>	<b>805,215</b>	<b>19,618</b>	<b>824,833</b>

#### Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £812,672,973 (2019: £777,131,000). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 March 2020 and the net assets as at 31 March 2020 by £81,267,297 (2019: £77,713,100).

#### Interest rate risk

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

#### Other market price risk

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

#### Leverage

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

## Notes to the financial statements (continued)

### 15 Risk (continued)

#### Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2020</b>				
Derivative financial liabilities	-	1,122	-	-
Distribution payable	-	314	-	-
Other creditors	-	2,516	-	-
<b>Total</b>	<b>-</b>	<b>3,952</b>	<b>-</b>	<b>-</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2019</b>				
Bank overdrafts	1,823	-	-	-
Derivative financial liabilities	-	1	-	-
Distribution payable	-	458	-	-
Other creditors	-	2,136	-	-
<b>Total</b>	<b>1,823</b>	<b>2,595</b>	<b>-</b>	<b>-</b>

### 16 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	800,914	-	805,210	-
Level 2	62	1,122	6	1
Level 3	-	-	-	-
	<b>800,976</b>	<b>1,122</b>	<b>805,216</b>	<b>1</b>

## Notes to the financial statements (continued)

### 17 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
<b>Trades in the year</b>				
Equities	293,806	292,833	166,117	193,027
<b>Trades in the year before transaction costs</b>	<b>293,806</b>	<b>292,833</b>	<b>166,117</b>	<b>193,027</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Equities	66	73	35	62
<b>Total commissions</b>	<b>66</b>	<b>73</b>	<b>35</b>	<b>62</b>
<b>Taxes</b>				
Equities	62	36	-	1
<b>Total taxes</b>	<b>62</b>	<b>36</b>	<b>-</b>	<b>1</b>
<b>Other expenses</b>				
Equities	36	54	2	3
<b>Total other expenses</b>	<b>36</b>	<b>54</b>	<b>2</b>	<b>3</b>
<b>Total transaction costs</b>	<b>164</b>	<b>163</b>	<b>37</b>	<b>66</b>
<b>Total net trades in the year after transaction costs</b>	<b>293,970</b>	<b>292,996</b>	<b>166,080</b>	<b>192,961</b>

	Purchases		Sales	
	2020 %	2019 %	2020 %	2019 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.02	0.02	0.02	0.03
<b>Taxes</b>				
Equities	0.02	0.01	-	-
<b>Other expenses</b>				
Equities	0.01	0.02	-	-
	<b>2020 %</b>	<b>2019 %</b>		
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.01	0.02		
Taxes	0.01	-		
Other expenses	-	0.01		
<b>Total costs</b>	<b>0.02</b>	<b>0.03</b>		

There was an in specie transfer during the year of £159,962,042 (2019: nil). There were no corporate actions during the year (2019: nil).

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

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

The portfolio dealing spread as at 31 March 2020 was 0.18% (2019: 0.10%). The portfolio dealing spread is calculated at a 12 noon valuation point.

## Notes to the financial statements (continued)

### 18 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 17 June 2020, the Net Asset Value of the fund had increased.

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

### Interim dividend distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 April 2019

Group 2: shares purchased on or after 1 April 2019

	Distribution per share	Total distribution per share 29/11/19	Total distribution per share 30/11/18
<b>Class A income</b>			
Group 1	0.0616	0.0616	0.0553
Group 2	0.0616	0.0616	0.0553
<b>Class E income<sup>1</sup></b>			
Group 1	0.4548	0.4548	n/a
Group 2	0.4548	0.4548	n/a
<b>Class G income</b>			
Group 1	0.8010	0.8010	1.6009
Group 2	0.8010	0.8010	1.6009
<b>Class I accumulation</b>			
Group 1	1.5124	1.5124	1.3679
Group 2	1.5124	1.5124	1.3679
<b>Class I income</b>			
Group 1	1.6457	1.6457	1.4162
Group 2	1.6457	1.6457	1.4162
<b>Class Z accumulation</b>			
Group 1	4.3101	4.3101	3.8861
Group 2	4.3101	4.3101	3.8861
<b>Class A Euro (hedged) accumulation<sup>2,3</sup></b>			
Group 1	-	-	n/a
Group 2	-	-	n/a
<b>Class A Euro accumulation<sup>2</sup></b>			
Group 1	6.0020	6.0020	24.8376
Group 2	6.0020	6.0020	24.8376
<b>Class I Euro (hedged) accumulation<sup>2</sup></b>			
Group 1	7.0529	7.0529	10.1826
Group 2	7.0529	7.0529	10.1826
<b>Class I Euro accumulation<sup>2</sup></b>			
Group 1	1.0488	1.0488	0.8672
Group 2	1.0488	1.0488	0.8672

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

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

<sup>3</sup> Class A Euro (hedged) accumulation launched on 26 October 2018.

## Distribution tables (continued)

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

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Total distribution per share 29/05/20	Total distribution per share 31/05/19
<b>Class A income</b>			
Group 1	-	-	-
Group 2	-	-	-
<b>Class E income<sup>1</sup></b>			
Group 1	-	-	n/a
Group 2	-	-	n/a
<b>Class G income</b>			
Group 1	0.6899	0.6899	0.8868
Group 2	0.6899	0.6899	0.8868
<b>Class I accumulation</b>			
Group 1	0.4616	0.4616	0.7067
Group 2	0.4616	0.4616	0.7067
<b>Class I income</b>			
Group 1	0.4623	0.4623	0.7451
Group 2	0.4623	0.4623	0.7451
<b>Class Z accumulation</b>			
Group 1	2.8448	2.8448	2.8282
Group 2	2.8448	2.8448	2.8282
<b>Class A Euro (hedged) accumulation<sup>3</sup></b>			
Group 1	-	-	0.2051
Group 2	-	-	0.2051
<b>Class A Euro accumulation<sup>2</sup></b>			
Group 1	-	-	-
Group 2	-	-	-
<b>Class I Euro (hedged) accumulation<sup>2</sup></b>			
Group 1	4.5613	4.5613	6.1374
Group 2	4.5613	4.5613	6.1374
<b>Class I Euro accumulation<sup>2,4</sup></b>			
Group 1	n/a	n/a	0.5888
Group 2	n/a	n/a	0.5888

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

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

<sup>3</sup> Class A Euro (hedged) accumulation launched on 26 October 2018.

<sup>4</sup> Class I Euro accumulation closed on 17 October 2019.

# Janus Henderson UK Responsible Income Fund

## Authorised Corporate Director's report

### Investment Fund Manager

Andrew Jones

### Investment objective and policy

To provide income with prospects for capital growth by investing primarily in a portfolio of UK equities. The fund will seek to invest in companies that are responsibly run, giving due consideration to environmental, social and governance issues. The fund will avoid investing in companies that the Investment Manager considers to potentially have a negative impact on the development of a sustainable global economy.

### Performance summary

	31 Mar 19 - 31-Mar-20	31 Mar 18 - 31 Mar 19	31 Mar 17 - 31 Mar 18	31 Mar 16 - 31 Mar 17	31 Mar 15 - 31 Mar 16
	%	%	%	%	%
<b>Class I income</b>	(12.7)	4.1	2.2	10.2	0.7
<b>FTSE All Share Index</b>	(18.5)	6.4	1.2	22.0	(3.9)
<b>IA UK Equity Income Sector</b>	(20.7)	3.6	0.4	15.2	(1.2)

Source: Morningstar, Class I income, NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point. Benchmark values are at close of business.

Index: FTSE All Share Index

Index Usage: Comparator

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

Peer group benchmark: IA UK Equity Income Sector

Peer group benchmark usage: Comparator

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

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

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

## Significant portfolio changes for the year ended 31 March 2020

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Compass	4,271	Coca-Cola HBC	3,703
Royal Bank of Scotland	3,995	Johnson Matthey	3,649
ABB	3,909	AG Barr	2,917
Phoenix	3,473	Inmarsat	2,679
Persimmon	3,265	Victrex	2,098
Veolia Environnement	2,954	Lloyds Banking	2,058
AstraZeneca	2,853	Rotork	1,989
SGS	2,780	HSBC	1,936
National Grid	2,735	Direct Line Insurance	1,825
SIG	2,492	Electrocomponents	1,822
<b>Total purchases</b>	<b>79,641</b>	<b>Total sales</b>	<b>46,191</b>

### Investment review

The fund fell 12.7% based on Class I income over the year under review, compared with a fall of 18.5% in the FTSE All Share Index and a fall of 20.7% in the IA UK Equity Income Sector peer group benchmark.

During the year, the FTSE 100 Index fell 18.4%, the FTSE 250 Index declined 18.6% and the FTSE Small Companies ex Investment Trusts Index dropped 24.4%. At a sector level, defensive areas such as healthcare and utilities performed well while more cyclical areas such as energy and financials underperformed.

Equities performed well for the majority of the year under review, with the reduction in US/China trade tensions, a clear election result in the UK and robust global economic growth all contributing to a rise in markets. This changed incredibly abruptly in the first quarter of 2020 as the effects of COVID-19 spreading around the world started to become apparent, with governments enforcing lockdowns on their citizens in order to control the spread of the virus. As the crisis escalated, investors attempted to assess the implications for global economic growth, corporate revenues, cash flow and profits, with market volatility rising to unprecedented levels. The FTSE All Share Index fell 25.1% in the first three months of 2020, more than offsetting the gains from the first nine months of the fund's reporting year.

Against the extremely weak market backdrop, the fund's overweight positions in the utilities and pharmaceutical sectors were positive for relative performance. Companies such as National Grid, Severn Trent, United Utilities, AstraZeneca and GlaxoSmithKline were well-placed for more difficult economic times and held up well as a result. The fund's relative performance was also aided by the absence of holdings in the energy sector, which performed poorly after the fall in oil prices over the year.

The most significant detractors from performance were those companies with a large exposure to the UK domestic economy, such as Go-Ahead, Taylor Wimpey and Land Securities. All three of these companies were significantly impacted by the lockdowns and reduced economic activity that resulted. Along with many other companies in the UK market, they all suspended dividend payments until the longer-term effects on the economy of COVID-19 are clearer. This is the correct course of action for these companies in order to support their employees and operations at an unprecedented time. These holdings have been maintained.

During the year, the fund increased its holdings in overseas securities in order to diversify its sources of income. New positions in Deutsche Telekom, Microsoft, Veolia Environnement and SGS were established. These large, diverse, global organisations were well-placed to operate in the exceptionally difficult environment. These positions were funded by exiting holdings in Halma, Coca-Cola HBC and Spirax-Sarco Engineering which had performed very strongly over a number of years and were fully valued on an earnings and dividend yield basis.

The economic backdrop is highly uncertain. Despite the challenging earnings and dividend outlook, it is our belief that the very large fall in equity markets reflects the exceptionally difficult environment that the rapid spread of COVID-19 has created. As such, we continue to look for opportunities in robust companies that can survive the downturn and are well positioned to benefit when the economy starts to recover.



## Comparative tables for the year ended 31 March 2020

	2020 (pence per share)	Class A income 2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	124.64	124.87	128.90
Return before operating charges*	(13.70)	7.12	3.23
Operating charges	(2.22)	(2.16)	(2.26)
Return after operating charges*	(15.92)	4.96	0.97
Distributions on income shares	(5.40)	(5.19)	(5.00)
Closing net asset value per share	103.32	124.64	124.87
* after direct transaction costs of:	0.25	0.17	0.27

### Performance

Return after charges	(12.77%)	3.97%	0.75%
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### Other information

Closing net asset value (£000s)	30,747	50,564	52,554
Closing number of shares	29,757,502	40,567,478	42,087,922
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.19%	0.13%	0.20%

### Prices

Highest share price (pence)	142.00	137.29	137.60
Lowest share price (pence)	93.34	113.40	125.70

### Class E income 08/07/19 - 31/03/20 (pence per share)

<b>Change in net assets per share</b>	
Opening net asset value per share	133.13 <sup>1</sup>
Return before operating charges*	(22.86)
Operating charges	(1.16)
Return after operating charges*	(24.02)
Distributions on income shares	(5.40)
Closing net asset value per share	103.71
* after direct transaction costs of:	0.26

### Performance

Return after charges	(18.04%) <sup>2</sup>
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### Other information

Closing net asset value (£000s)	10,804
Closing number of shares	10,417,478
Operating charges	1.20%
Direct transaction costs	0.19%

### Prices

Highest share price (pence)	142.50
Lowest share price (pence)	93.67

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

<sup>2</sup> Return after charges relates to the period 08/07/19 to 31/03/20 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 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 per share	146.03	145.18	148.74
Return before operating charges*	(16.27)	8.32	3.68
Operating charges	(1.29)	(1.25)	(1.29)
Return after operating charges*	(17.56)	7.07	2.39
Distributions on income shares	(6.50)	(6.22)	(5.95)
Closing net asset value per share	121.97	146.03	145.18
* after direct transaction costs of:	0.30	0.20	0.31
<b>Performance</b>			
Return after charges	(12.02%)	4.87%	1.61%
<b>Other information</b>			
Closing net asset value (£000s)	118,096	107,101	120,468
Closing number of shares	96,824,510	73,342,646	82,976,283
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.19%	0.13%	0.20%
<b>Prices</b>			
Highest share price (pence)	167.60	159.82	159.00
Lowest share price (pence)	110.20	132.60	146.20
	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 per share	361.01	341.64	333.90
Return before operating charges*	(42.91)	19.58	7.95
Operating charges	(0.23)	(0.21)	(0.21)
Return after operating charges*	(43.14)	19.37	7.74
Distributions on accumulation shares	(16.39)	(14.93)	(13.64)
Retained distributions on accumulation shares	16.39	14.93	13.64
Closing net asset value per share	317.87	361.01	341.64
* after direct transaction costs of:	0.75	0.47	0.71
<b>Performance</b>			
Return after charges	(11.95%)	5.67%	2.32%
<b>Other information</b>			
Closing net asset value (£000s)	2,127	2,598	2,562
Closing number of shares	669,180	719,575	750,098
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.19%	0.13%	0.20%
<b>Prices</b>			
Highest share price (pence)	428.80	376.52	365.50
Lowest share price (pence)	282.20	321.50	332.80

## Comparative tables (continued)

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

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

### Operating charges

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

### Share class launches and closures

The following share class launched in the year:

<b>Share class</b>	<b>Launch date</b>
Class E income	8 July 2019

There were no share classes closed in the year.

### Share class conversion

<b>Share class conversion</b>	<b>Conversion date</b>
Class A income to Class E income	8 July 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.

## 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>2020</b> %	<b>2019</b> %	<b>Estimated OCF from 8 July 2019<sup>1</sup></b> %
<b>Class A</b>	1.70	1.70	n/a
<b>Class E<sup>2</sup></b>	1.20	n/a	1.20
<b>Class I</b>	0.84	0.84	n/a
<b>Class Z</b>	0.06	0.06	n/a

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

<sup>1</sup> The estimated ongoing charge is based on the annual fee rates on launch date as at 8 July 2019.

<sup>2</sup> Class E income launched on 8 July 2019.

## Risk and reward profile

The fund currently has 4 types of share class in issue; A income, E income, I income and Z accumulation shares.

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



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

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

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

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

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

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

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

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

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

## Portfolio statement as at 31 March 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 100.90% (2019: 100.84%)</b>		
	<b>France 4.51% (2019: 1.27%)</b>		
	<b>Consumer Services 0.69% (2019: 0.00%)</b>		
64,204	Vivendi	1,109	0.69
	<b>Health Care 2.11% (2019: 1.27%)</b>		
48,286	Sanofi	3,424	2.11
	<b>Utilities 1.71% (2019: 0.00%)</b>		
160,423	Veolia Environnement	2,764	1.71
	<b>Germany 2.35% (2019: 1.12%)</b>		
	<b>Technology 1.25% (2019: 1.12%)</b>		
22,320	SAP	2,021	1.25
	<b>Telecommunications 1.10% (2019: 0.00%)</b>		
170,082	Deutsche Telekom	1,778	1.10
	<b>Ireland 1.62% (2019: 1.10%)</b>		
	<b>Industrials 1.62% (2019: 1.10%)</b>		
114,769	Smurfit Kappa	2,628	1.62
	<b>Switzerland 3.93% (2019: 2.20%)</b>		
	<b>Consumer Goods 0.00% (2019: 2.20%)</b>		
	<b>Financials 0.77% (2019: 0.00%)</b>		
4,376	Zurich Insurance	1,252	0.77
	<b>Industrials 3.16% (2019: 0.00%)</b>		
162,956	ABB	2,310	1.43
1,499	SGS	2,800	1.73
		5,110	3.16
	<b>United Kingdom 84.56% (2019: 94.37%)</b>		
	<b>Basic Materials 1.29% (2019: 4.53%)</b>		
116,469	Johnson Matthey	2,094	1.29
	<b>Consumer Goods 6.51% (2019: 7.32%)</b>		
90,199	Bellway	1,945	1.20
522,296	Britvic	3,663	2.27
132,945	Persimmon	2,548	1.57
2,020,263	Taylor Wimpey	2,374	1.47
		10,530	6.51

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Services 11.55% (2019: 12.92%)</b>			
226,689	Compass	2,865	1.77
299,401	Euromoney Institutional Investor	2,425	1.50
145,729	Go-Ahead	1,204	0.74
403,168	Informa	1,784	1.10
1,196,764	ITV	790	0.49
433,544	Kingfisher	624	0.39
38,553	Next	1,570	0.97
271,194	RELX	4,698	2.91
89,794	Whitbread	2,721	1.68
		<u>18,681</u>	<u>11.55</u>
<b>Financials 29.24% (2019: 34.24%)</b>			
3,046,677	Assura	2,544	1.57
1,223,257	Direct Line Insurance	3,620	2.24
160,200	Ethical Property <sup>1</sup>	152	0.09
561,106	Greencoat UK Wind	759	0.47
729,400	Hammerson REIT	564	0.35
108,118	Hiscox	1,000	0.62
260,269	HSBC	1,182	0.73
161,446	Intermediate Capital	1,447	0.89
313,833	Jupiter Fund Management	628	0.39
439,727	Land Securities	2,448	1.51
3,642,999	Lloyds Banking	1,166	0.72
44,058	London Stock Exchange	3,207	1.98
368,084	M&G	414	0.26
228,936	Paragon Banking	761	0.47
863,942	Phoenix	5,414	3.35
456,697	Prudential	4,730	2.92
1,247,432	Royal Bank of Scotland	1,408	0.87
256,911	Schroder Non-Voting Shares	5,448	3.37
216,479	St James's Place	1,644	1.02
451,863	Standard Chartered	2,014	1.25
1,880,386	Standard Life Aberdeen	4,210	2.60
320,835	3i	2,542	1.57
		<u>47,302</u>	<u>29.24</u>
<b>Health Care 14.64% (2019: 10.97%)</b>			
141,321	AstraZeneca	10,199	6.30
574,439	GlaxoSmithKline	8,700	5.38
333,353	Smith & Nephew	4,782	2.96
		<u>23,681</u>	<u>14.64</u>
<b>Industrials 5.25% (2019: 7.78%)</b>			
816,639	DS Smith	2,249	1.39
493,861	Electrocomponents	2,550	1.57
132,141	Oxford Instruments	1,691	1.05
206,326	Rotork	444	0.27
1,050,236	SIG	244	0.15
53,751	Spectris	1,321	0.82
		<u>8,499</u>	<u>5.25</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Technology 2.39% (2019: 3.20%)</b>		
424,338	RM	594	0.37
552,368	Sage	3,269	2.02
		<u>3,863</u>	<u>2.39</u>
	<b>Telecommunications 3.48% (2019: 6.38%)</b>		
730,007	BT	861	0.53
4,220,977	Vodafone	4,769	2.95
		<u>5,630</u>	<u>3.48</u>
	<b>Utilities 10.21% (2019: 7.03%)</b>		
714,065	National Grid	6,760	4.18
105,883	Severn Trent	2,414	1.49
361,767	SSE	4,721	2.92
290,360	United Utilities	2,621	1.62
		<u>16,516</u>	<u>10.21</u>
	<b>United States 3.93% (2019: 0.78%)</b>		
	<b>Health Care 1.58% (2019: 0.00%)</b>		
56,801	Bristol-Myers Squibb	2,551	1.58
	<b>Technology 0.97% (2019: 0.00%)</b>		
12,340	Microsoft	1,569	0.97
	<b>Telecommunications 1.38% (2019: 0.78%)</b>		
51,470	Verizon Communications	2,230	1.38
	<b>Investment assets</b>	<b>163,232</b>	<b>100.90</b>
	Other net liabilities	(1,458)	(0.90)
	<b>Total net assets</b>	<b>161,774</b>	<b>100.00</b>

<sup>1</sup> Manually priced securities

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



## Statement of total return for the year ended 31 March 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(31,939)		2,841
Revenue	3	7,778		7,277	
Expenses	4	(1,891)		(1,847)	
Interest payable and similar charges	5	(1)		(2)	
Net revenue before taxation		5,886		5,428	
Taxation	6	(112)		(5)	
Net revenue after taxation			5,774		5,423
Total return before distributions			(26,165)		8,264
Distributions	7		(7,453)		(7,068)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(33,618)</b>		<b>1,196</b>

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

	2020		2019	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>160,263</b>		<b>175,584</b>
Amounts receivable on issue of shares	47,867		11,248	
Amounts payable on cancellation of shares	(12,856)		(27,871)	
		35,011		(16,623)
Change in net assets attributable to shareholders from investment activities		(33,618)		1,196
Retained distributions on accumulation shares		116		104
Unclaimed distributions		2		2
<b>Closing net assets attributable to shareholders</b>		<b>161,774</b>		<b>160,263</b>

## Balance sheet as at 31 March 2020

	Note	2020 £000	2019 £000
<b>Assets:</b>			
Investments		163,232	161,615
Current assets:			
Debtors	8	4,384	1,699
Cash and bank balances	9	1,249	1,694
<b>Total assets</b>		<b>168,865</b>	<b>165,008</b>
<b>Liabilities:</b>			
Creditors:			
Bank overdrafts		760	1,832
Distributions payable		2,802	2,721
Other creditors	11	3,529	192
<b>Total liabilities</b>		<b>7,091</b>	<b>4,745</b>
<b>Net assets attributable to shareholders</b>		<b>161,774</b>	<b>160,263</b>

## Notes to the financial statements for the year ended 31 March 2020

### 1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the funds' aggregated notes to the financial statements.

### 2 Net capital (losses)/gains

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Non-derivative securities	(31,833)	2,851
Other currency losses	(99)	(3)
Transaction costs	(7)	(7)
<b>Net capital gains/(losses)</b>	<b>(31,939)</b>	<b>2,841</b>

### 3 Revenue

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Bank interest	7	2
Overseas dividends	1,102	258
UK dividends	6,363	6,542
UK REIT revenue - PID	263	340
UK REIT revenue - non PID	43	135
<b>Total revenue</b>	<b>7,778</b>	<b>7,277</b>

### 4 Expenses

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	1,679	1,645
GAC*	190	182
	<u>1,869</u>	<u>1,827</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	16	15
Safe custody fees	6	5
	<u>22</u>	<u>20</u>
<b>Total expenses</b>	<b>1,891</b>	<b>1,847</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £7,912 (2019: £7,681).

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	1	2
<b>Total interest payable and similar charges</b>	<b>1</b>	<b>2</b>

### 6 Taxation

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

The tax charge comprises:

	2020 £000	2019 £000
<b>Current tax</b>		
Overseas withholding tax	112	5
<b>Total tax (note 6b)</b>	<b>112</b>	<b>5</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 funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	5,886	5,428
Corporation tax at 20% (2019: 20%)	1,177	1,086
Effects of:		
Irrecoverable overseas tax	112	5
Overseas dividends	(220)	(52)
UK dividends*	(1,281)	(1,335)
Unused management expenses	324	301
<b>Tax charge for the year (note 6a)</b>	<b>112</b>	<b>5</b>

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

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

#### c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

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

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £5,171,665 (2019: £4,849,939) 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.

The movement in the potential tax asset identified in note (d) may not match the movement shown in 'Unused management expenses' in note (b) due to filing adjustments.

## Notes to the financial statements (continued)

### 7 Distributions

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Interim income	4,896	4,036
Interim accumulation	78	59
Final income	2,802	2,721
Final accumulation	38	45
	<u>7,814</u>	<u>6,861</u>
Amounts deducted on cancellation of shares	146	321
Amounts received on issue of shares	(507)	(114)
<b>Total distributions</b>	<u><b>7,453</b></u>	<u><b>7,068</b></u>
Net revenue after taxation	5,774	5,423
Annual management charge borne by the capital account	1,679	1,645
<b>Total distributions</b>	<u><b>7,453</b></u>	<u><b>7,068</b></u>

Details of the distribution per share are set out in the Distribution tables on page 63.

### 8 Debtor

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Accrued revenue	598	1,054
Amounts receivable for issue of shares	511	611
Currency transactions awaiting settlement	944	-
Income tax receivable	27	-
Overseas withholding tax reclaimable	32	34
Sales awaiting settlement	2,272	-
<b>Total debtors</b>	<u><b>4,384</b></u>	<u><b>1,699</b></u>

### 9 Cash and bank balances

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash and bank balances	1,249	1,694
<b>Total cash and bank balances</b>	<u><b>1,249</b></u>	<u><b>1,694</b></u>

## Notes to the financial statements (continued)

### 10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	129	134
Accrued Depository's fee	1	1
Accrued other expenses	17	27
Amounts payable for cancellation of shares	3	30
Currency transactions awaiting settlement	941	-
Purchases awaiting settlement	2,438	-
<b>Total other creditors</b>	<b>3,529</b>	<b>192</b>

### 11 Contingent liabilities and commitments

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

### 12 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 53 and 54 and notes 4, 7, 8 and 10 on pages 55 to 58 including all issues and cancellations where the ACD acted as principal.

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

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

### 13 Shareholders' funds

The fund currently has 4 share classes available; Class A (Retail with front-end charges), Class E (Retail), Class I (Institutional) and Class Z (Institutional). The annual management charge on each share class is as follows:

	2020 %	2019 %
Class A	1.50	1.50
Class E <sup>1</sup>	1.00	n/a
Class I	0.75	0.75
Class Z*	0.00	0.00

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

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 45 to 47. The distribution per share class is given in the Distribution tables on page 63. All share classes have the same rights on winding up.

### Shares reconciliation as at 31 March 2020

	Class A income	Class E income	Class I income	Class Z accumulation
Opening number of shares	40,567,478	-	73,342,646	719,575
Issues during the year	1,902,980	426,340	29,369,732	38,334
Cancellations during the year	(2,092,037)	(614,943)	(5,900,478)	(88,729)
Shares converted during the year	(10,620,919)	10,606,081	12,610	-
<b>Closing shares in issue</b>	<b>29,757,502</b>	<b>10,417,478</b>	<b>96,824,510</b>	<b>669,180</b>

## Notes to the financial statements (continued)

### 14 Financial derivatives

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

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

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

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

#### 2020

The fund had no exposure to derivatives as at 31 March 2020 with a positive market value.

#### 2019

The fund had no exposure to derivatives as at 31 March 2019 with a positive market value.

### 15 Risk

#### Currency risk

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

The fund's net exposure to currency risk is considered insignificant in the prior year.

	Investment assets	Other net	Total net
	£000	assets/(liabilities)	assets/(liabilities)
2020		£000	£000
<b>Currency</b>			
Euro	11,096	32	11,128
Swiss franc	6,362	168	6,530
UK sterling	139,424	(1,219)	138,205
US dollar	6,350	(439)	5,911
<b>Total</b>	<b>163,232</b>	<b>(1,458)</b>	<b>161,774</b>

#### Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £23,569,528 (2019: nil). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 March 2020 and the net assets as at 31 March 2020 by £2,356,953 (2019: nil).

#### Interest rate risk

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

#### Other market price risk

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

#### Leverage

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

## Notes to the financial statements (continued)

### 15 Risk (continued)

#### Currency risk (continued)

#### Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2020</b>				
Bank overdrafts	760	-	-	-
Distribution payable	-	2,802	-	-
Other creditors	-	3,529	-	-
<b>Total</b>	<b>760</b>	<b>6,331</b>	<b>-</b>	<b>-</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2019</b>				
Bank overdrafts	1,832	-	-	-
Distribution payable	-	2,721	-	-
Other creditors	-	192	-	-
<b>Total</b>	<b>1,832</b>	<b>2,913</b>	<b>-</b>	<b>-</b>

### 16 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	163,080	-	161,439	-
Level 2	-	-	-	-
Level 3	152	-	176	-
	<b>163,232</b>	<b>-</b>	<b>161,615</b>	<b>-</b>



## Notes to the financial statements (continued)

### 16 Fair value disclosure (continued)

#### Fair value hierarchy (continued)

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit some other method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. Janus Henderson UK & EMEA Fair Value Pricing Committee (FVPC) of the Investment Manager is responsible for determining or approving unquoted prices. Where deemed necessary, the FVPC will seek ratification of decisions from the Janus Henderson Investment Performance and Risk Committee. The FVPC meets on a monthly basis and consists of representatives from various parts of the Investment manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The asset included within level 3 is an unlisted security which has been valued by the FVPC at their best estimate of fair value. The Ethical Property holding has been valued using a price update on EtheX Bulletin Board.

### 17 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
<b>Trades in the year</b>				
Equities	79,301	46,618	46,209	64,168
<b>Trades in the year before transaction costs</b>	<b>79,301</b>	<b>46,618</b>	<b>46,209</b>	<b>64,168</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Equities	24	17	18	22
<b>Total commissions</b>	<b>24</b>	<b>17</b>	<b>18</b>	<b>22</b>
<b>Taxes</b>				
Equities	300	176	-	-
<b>Total taxes</b>	<b>300</b>	<b>176</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Equities	16	6	-	-
<b>Total other expenses</b>	<b>16</b>	<b>6</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>340</b>	<b>199</b>	<b>18</b>	<b>22</b>
<b>Total net trades in the year after transaction costs</b>	<b>79,641</b>	<b>46,817</b>	<b>46,191</b>	<b>64,146</b>

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.03	0.04	0.04	0.03
<b>Taxes</b>				
Equities	0.38	0.38	-	-
<b>Other expenses</b>				
Equities	0.02	0.01	-	-
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.02	0.02		
Taxes	0.16	0.11		
Other expenses	0.01	-		
<b>Total costs</b>	<b>0.19</b>	<b>0.13</b>		

## Notes to the financial statements (continued)

### 17 Direct transaction costs (continued)

There were no in specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: £503,690).

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

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

The portfolio dealing spread as at 31 March 2020 was 0.16% (2019: 0.11%). The portfolio dealing spread is calculated at a 12 noon valuation point.

### 18 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 17 June 2020, the Net Asset Value of the fund had increased.

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

### Interim dividend distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 April 2019

Group 2: shares purchased on or after 1 April 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
<b>Class A income</b>				
Group 1	3.6315	-	3.6315	3.0827
Group 2	2.0320	1.5995	3.6315	3.0827
<b>Class E income<sup>1</sup></b>				
Group 1	3.6324	-	3.6324	n/a
Group 2	1.1889	2.4435	3.6324	n/a
<b>Class I income</b>				
Group 1	4.3429	-	4.3429	3.6728
Group 2	1.8445	2.4984	4.3429	3.6728
<b>Class Z accumulation</b>				
Group 1	10.8029	-	10.8029	8.7100
Group 2	4.0837	6.7192	10.8029	8.7100

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

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

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
<b>Class A income</b>				
Group 1	1.7644	-	1.7644	2.1102
Group 2	0.8836	0.8808	1.7644	2.1102
<b>Class E income<sup>1</sup></b>				
Group 1	1.7686	-	1.7686	n/a
Group 2	0.9414	0.8272	1.7686	n/a
<b>Class I income</b>				
Group 1	2.1609	-	2.1609	2.5433
Group 2	0.9278	1.2331	2.1609	2.5433
<b>Class Z accumulation</b>				
Group 1	5.5869	-	5.5869	6.2215
Group 2	0.5106	5.0763	5.5869	6.2215

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

# Janus Henderson Institutional Global Responsible Managed Fund

## Authorised Corporate Director's report

### Investment Fund Manager

Hamish Chamberlayne

### Investment objective and policy

To provide capital growth by investing in a mix of assets including UK and overseas equities and fixed income securities. The fund will seek to invest in companies that are responsibly run giving due consideration to environmental, social and governance issues. The fund will avoid investing in companies that the Investment Manager considers to potentially have a negative impact on the development of a sustainable global economy.

### Performance summary

	31 Mar 19 - 31 Mar 20	31 Mar 18 - 31 Mar 19	31 Mar 17 - 31 Mar 18	31 Mar 16 - 31 Mar 17	31 Mar 15 - 31 Mar 16
	%	%	%	%	%
<b>Class I accumulation</b>	2.5	7.3	3.6	15.8	(2.0)
<b>IA Mixed Investment 40 - 85% Shares</b>	(7.7)	4.4	1.6	17.5	(2.9)

Source: Morningstar, Class I accumulation, NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point. Benchmark values are at close of business.

Peer group benchmark: IA Mixed Investment 40 - 85% Shares

Peer group benchmark usage: Comparator

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

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

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

## Significant portfolio changes for the year ended 31 March 2020

Largest purchases	£000	Largest sales/maturities	£000
Adidas	3,259	Intuit	4,071
Avalara	2,524	Getlink	1,727
Innergex Renewable Energy	2,029	ING	1,584
Zendesk	1,942	Walt Disney	1,493
SAP	1,879	Johnson Matthey	1,446
UK Treasury 1.75% 07/09/2037	1,686	Waters	1,404
Encompass Health	1,556	Nike 'B'	1,392
Compass	1,542	Blackbaud	1,392
Salesforce.com	1,353	Coca-Cola HBC	1,381
UK Treasury 1.625% 22/10/2028	1,174	Germany (Federal Republic of) 1.00% 15/08/2024	1,318
<b>Total purchases</b>	<b>86,076</b>	<b>Total sales/maturities</b>	<b>77,695</b>

### Investment review

The fund returned 2.5% based on Class I accumulation over the year under review, compared with a fall of 7.7% in the IA Mixed Investment 40-85% Shares peer group benchmark.

Stock markets worldwide declined sharply in February and March 2020, with economic activity negatively impacted by the COVID-19 global pandemic as social distancing measures and travel restrictions were enacted in many countries. Not since World War 2 has there been such a synchronised dislocation to the global economy. But this is a very different sort of crisis to a war. Cities are becalmed, there are few cars on the roads, and skies are empty of planes. One noticeable consequence has been a drop in pollution, with carbon dioxide and nitrogen oxide emissions declining dramatically.

There are few parts of the economy that have not experienced disruption. However, there was wide dispersion in relative performance. The businesses most severely affected were those exposed to travel, transportation, heavy industrial, commodities and finance. Energy was the worst-performing sector, falling by more than 40% as oil prices crashed due to a combination of weak demand and a breakdown in relations between major oil producers over efforts to curb excess supply. The traditionally more defensive sectors of healthcare, consumer staples and utilities performed relatively better. Information technology was the best-performing sector, rising by more than 12% over the year as demand for many digital services remained robust. Within fixed income, there was severe stress in high-yield debt but sovereign and investment-grade debt markets were resilient.

Our international equity and fixed income allocations made a positive contribution to performance. Our international equity holdings, in aggregate, generated a positive return compared with a decline in the MSCI World Index. Our fixed income investments focused on sovereign and investment-grade issuers and these also generated a positive return, as central banks cut interest rates. The UK equity market declined by nearly 20%, underperforming most major markets. However, our UK equity investments outperformed, declining by around 12%, in aggregate.

Several of our investments recorded large positive returns. Teladoc Health, global provider of telemedicine services, rose by more than 100% as the US government eased regulations over the use of telemedicine and health plans encouraged adoption. Tesla climbed by almost 100% as sales of the Model 3 electric vehicle (EV) exceeded expectations and there was evidence that execution had improved after the company opened its Chinese factory on schedule. Equinix, data centre operator, saw a significant increase in internet traffic; Microsoft reported a large rise in user numbers; and Nintendo was unable to keep up with demand for its Switch console. Many renewable energy companies also performed well. Our investment in the Canadian renewable developers Boralex and Innergy Renewable Energy delivered positive returns over the year.

Some of our investments were negatively impacted by government policies. The largest detractor over the year was Gildan Activewear, an apparel manufacturer, which declined by more than 60% after its end markets were disrupted by social distancing rules. The second-largest detractor was UK property company Hammerson, which announced a dividend cut. Aptiv was another significant detractor, as it fell by more than 30% due to a decline in car sales and customer production stoppages. We added the position in the recent volatility, given our expectation that Aptiv would benefit from increased adoption of EVs.

We did not make any material changes to our asset allocation during the year. At the end of the year, our equity allocation was 72%, of which roughly two-thirds comprised international stocks. Our fixed income allocation was 25% of the portfolio and comprised sovereign and investment-grade issuers. Much of the portfolio activity occurred in the final quarter, as we made some adjustments in response to the pandemic where we added to high conviction businesses that were adversely impacted by short-term volatility.

There is considerable uncertainty over the duration of government policies around the pandemic. Our sustainable investment approach helps us to focus on long-term trends that we believe will not change. In fact, we believe some may even accelerate as a result of this crisis, which has underlined the fact that some things need to change.

Digitisation is one trend that we see accelerating and we have many investments exposed to this area across many industries. The resilience of the digital economy thus far, with many companies enjoying increasing demand for their services, has served to underline the idea that many people and businesses can lead lower-carbon lives. The whole point of digitisation is that it enables greater productivity and more efficient use of our precious natural resources.

We also believe the transition to a low-carbon economy is a trend that will continue, and possibly even accelerate. A common question we get is around the potential for low oil prices to derail sustainable investment or slow the pace of the transition to a low-carbon economy. We believe this is unlikely. The volatility of the oil price is itself a negative from an investment perspective, whereas the stability of returns in the renewable sector is highly attractive, in our view. It is the unstoppable momentum of clean technology, combined with the rising regulatory burden associated with carbon, that is making investment in fossil fuels less attractive, we believe.

Instead of undermining it, we are hopeful that this crisis will serve to underline the attractiveness of sustainable investing and how it leads to better outcomes, not only for investors but also for the environment and society.

## Comparative tables for the year ended 31 March 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	199.89	187.37	180.74
Return before operating charges*	4.13	15.83	9.83
Operating charges	(3.68)	(3.31)	(3.20)
Return after operating charges*	0.45	12.52	6.63
Distributions on accumulation shares	(1.61)	(3.58)	(1.42)
Retained distributions on accumulation shares	1.61	3.58	1.42
Closing net asset value per share	200.34	199.89	187.37
* after direct transaction costs of:	0.12	0.08	0.16
<b>Performance</b>			
Return after charges	0.23%	6.68%	3.67%
<b>Other information</b>			
Closing net asset value (£000s)	4,437	5,365	14,168
Closing number of shares	2,214,731	2,684,265	7,561,710
Operating charges	1.70%	1.69%	1.70%
Direct transaction costs	0.05%	0.04%	0.08%
<b>Prices</b>			
Highest share price (pence)	240.10	204.80	195.80
Lowest share price (pence)	188.50	179.80	178.20

### Class E accumulation 08/07/19 - 31/03/20 (pence per share)

<b>Change in net assets per share</b>	
Opening net asset value per share	217.65 <sup>1</sup>
Return before operating charges*	(14.78)
Operating charges	(1.94)
Return after operating charges*	(16.72)
Distributions on accumulation shares	(2.17)
Retained distributions on accumulation shares	2.17
Closing net asset value per share	200.93
* after direct transaction costs of:	0.12
<b>Performance</b>	
Return after charges	(7.68%) <sup>2</sup>
<b>Other information</b>	
Closing net asset value (£000s)	1,034
Closing number of shares	514,862
Operating charges	1.20%
Direct transaction costs	0.05%
<b>Prices</b>	
Highest share price (pence)	240.70
Lowest share price (pence)	189.10

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

<sup>2</sup> Return after charges relates to the period 08/07/19 to 31/03/20 post conversion from Class 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)

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	225.82	210.23	201.41
Return before operating charges*	4.15	17.43	10.59
Operating charges	(2.07)	(1.84)	(1.77)
Return after operating charges*	2.08	15.59	8.82
Distributions on accumulation shares	(3.46)	(3.27)	(2.94)
Retained distributions on accumulation shares	3.46	3.27	2.94
Closing net asset value per share	227.90	225.82	210.23
* after direct transaction costs of:	0.13	0.09	0.17
<b>Performance</b>			
Return after charges	0.92%	7.42%	4.38%
<b>Other information</b>			
Closing net asset value (£000s)	105,155	98,052	87,938
Closing number of shares	46,141,416	43,421,150	41,828,238
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.05%	0.04%	0.08%
<b>Prices</b>			
Highest share price (pence)	272.90	230.40	219.30
Lowest share price (pence)	214.40	202.80	198.60
	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 per share	358.94	332.08	316.16
Return before operating charges*	5.88	27.07	16.12
Operating charges	(0.24)	(0.21)	(0.20)
Return after operating charges*	5.64	26.86	15.92
Distributions on accumulation shares	(8.21)	(7.59)	(6.89)
Retained distributions on accumulation shares	8.21	7.59	6.89
Closing net asset value per share	364.58	358.94	332.08
* after direct transaction costs of:	0.21	0.14	0.27
<b>Performance</b>			
Return after charges	1.57%	8.09%	5.04%
<b>Other information</b>			
Closing net asset value (£000s)	128,360	135,844	155,280
Closing number of shares	35,207,772	37,846,310	46,759,259
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.05%	0.04%	0.08%
<b>Prices</b>			
Highest share price (pence)	436.20	364.80	346.00
Lowest share price (pence)	342.90	321.80	311.90

## Comparative tables (continued)

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

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

### Operating charges

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

### Share class launches and closures

The following share class launched in the year:

<b>Share class</b>	<b>Launch date</b>
Class E accumulation	8 July 2019

There were no share classes closed in the year.

### Share class conversion

<b>Share class conversion</b>	<b>Conversion date</b>
Class A accumulation to Class E accumulation	8 July 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.



## 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>2020</b> %	<b>2019</b> %	<b>Estimated OCF from 8 July 2019<sup>1</sup></b> %
<b>Class A</b>	1.70	1.69	n/a
<b>Class E<sup>2</sup></b>	1.20	n/a	1.20
<b>Class I</b>	0.84	0.84	n/a
<b>Class Z</b>	0.06	0.06	n/a

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

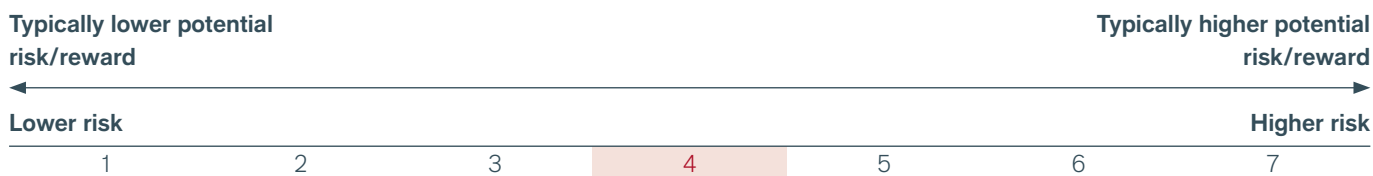
<sup>1</sup> The estimated ongoing charge is based on the annual fee rates on launch date as at 8 July 2019.

<sup>2</sup> Class E accumulation launched on 8 July 2019.

## Risk and reward profile

The fund currently has 4 types of share class in issue; A accumulation, E accumulation, I accumulation and Z accumulation shares.

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



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

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

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

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

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

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

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

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

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

## Portfolio statement as at 31 March 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 72.46% (2019: 74.35%)</b>		
	<b>Australia 0.28% (2019: 0.35%)</b>		
	<b>Basic Materials 0.28% (2019: 0.00%)</b>		
242,000	Nanosonics	663	0.28
	<b>Consumer Goods 0.00% (2019: 0.35%)</b>		
	<b>Canada 3.37% (2019: 2.82%)</b>		
	<b>Consumer Goods 0.50% (2019: 1.33%)</b>		
117,500	Gildan Activewear	1,192	0.50
	<b>Financials 1.07% (2019: 0.95%)</b>		
37,400	Intact Financial	2,549	1.07
	<b>Utilities 1.80% (2019: 0.54%)</b>		
142,000	Boralex 'A'	2,004	0.84
215,000	Innergex Renewable Energy	2,316	0.96
		4,320	1.80
	<b>France 2.93% (2019: 3.67%)</b>		
	<b>Industrials 2.63% (2019: 2.84%)</b>		
120,000	Getlink	1,167	0.49
38,400	Legrand	1,987	0.83
45,000	Schneider Electric	3,129	1.31
		6,283	2.63
	<b>Telecommunications 0.30% (2019: 0.83%)</b>		
72,500	Orange	714	0.30
	<b>Germany 3.07% (2019: 1.27%)</b>		
	<b>Consumer Goods 1.74% (2019: 0.64%)</b>		
15,000	Adidas	2,742	1.14
20,000	Knorr-Bremse	1,429	0.60
		4,171	1.74
	<b>Technology 1.33% (2019: 0.63%)</b>		
35,000	SAP	3,169	1.33
	<b>Hong Kong 1.14% (2019: 1.16%)</b>		
	<b>Financials 1.14% (2019: 1.16%)</b>		
373,807	AIA	2,728	1.14
	<b>Ireland 0.82% (2019: 0.65%)</b>		
	<b>Industrials 0.82% (2019: 0.65%)</b>		
24,000	Kingspan	1,023	0.43
40,683	Smurfit Kappa	932	0.39
		1,955	0.82

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Japan 4.48% (2019: 4.08%)</b>		
	<b>Consumer Goods 2.50% (2019: 2.01%)</b>		
12,000	Nintendo	3,721	1.56
19,664	Shimano	2,258	0.94
		<u>5,979</u>	<u>2.50</u>
	<b>Industrials 1.98% (2019: 2.07%)</b>		
43,200	Murata Manufacturing	1,757	0.74
20,200	Nidec	844	0.35
100,400	Shimadzu	2,123	0.89
		<u>4,724</u>	<u>1.98</u>
	<b>Netherlands 2.25% (2019: 2.74%)</b>		
	<b>Consumer Services 0.57% (2019: 0.55%)</b>		
24,000	Wolters Kluwer	1,362	0.57
	<b>Financials 0.00% (2019: 0.70%)</b>		
	<b>Technology 1.68% (2019: 1.49%)</b>		
18,700	ASML	4,011	1.68
	<b>Switzerland 0.00% (2019: 0.57%)</b>		
	<b>Consumer Goods 0.00% (2019: 0.57%)</b>		
	<b>United Kingdom 20.71% (2019: 23.58%)</b>		
	<b>Basic Materials 0.30% (2019: 1.11%)</b>		
39,423	Johnson Matthey	709	0.30
	<b>Consumer Goods 1.53% (2019: 1.73%)</b>		
33,226	Bellway	716	0.30
185,819	Britvic	1,303	0.55
41,096	Persimmon	788	0.33
716,316	Taylor Wimpey	842	0.35
		<u>3,649</u>	<u>1.53</u>
	<b>Consumer Services 2.62% (2019: 3.14%)</b>		
76,117	Compass	962	0.40
101,718	Euromoney Institutional Investor	824	0.34
43,203	Go-Ahead	357	0.15
152,040	Informa	673	0.28
432,256	ITV	285	0.12
158,815	Kingfisher	229	0.10
14,009	Next	570	0.24
87,530	RELX	1,516	0.63
28,086	Whitbread	851	0.36
		<u>6,267</u>	<u>2.62</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Financials 6.91% (2019: 8.55%)</b>			
1,210,482	Assura	1,011	0.42
364,195	Direct Line Insurance	1,078	0.45
96,427	Ethical Property <sup>1</sup>	92	0.04
187,607	Greencoat UK Wind	254	0.11
245,522	Hammerson REIT	190	0.08
39,289	Hiscox	363	0.15
202,338	HSBC	919	0.38
53,122	Intermediate Capital	476	0.20
141,043	Jupiter Fund Management	282	0.12
155,911	Land Securities	868	0.36
1,397,186	Lloyds Banking	447	0.19
17,674	London Stock Exchange	1,287	0.54
658,743	Low Carbon Accelerator <sup>2</sup>	-	-
134,673	M&G	152	0.06
83,935	Paragon Banking	279	0.12
248,861	Phoenix	1,559	0.65
134,673	Prudential	1,395	0.58
354,388	Royal Bank of Scotland	400	0.17
74,572	Schroder Non-Voting Shares	1,581	0.66
87,655	St James's Place	666	0.28
166,262	Standard Chartered	741	0.31
612,978	Standard Life Aberdeen	1,372	0.57
143,027	3i	1,133	0.47
		<u>16,545</u>	<u>6.91</u>
<b>Health Care 3.44% (2019: 2.82%)</b>			
45,728	AstraZeneca	3,300	1.39
205,379	GlaxoSmithKline	3,111	1.30
125,773	Smith & Nephew	1,804	0.75
		<u>8,215</u>	<u>3.44</u>
<b>Industrials 1.46% (2019: 1.77%)</b>			
289,704	DS Smith	798	0.33
191,763	Electrocomponents	989	0.42
53,138	Oxford Instruments	680	0.28
174,694	Rotork	376	0.16
382,342	SIG	89	0.04
22,406	Spectris	551	0.23
		<u>3,483</u>	<u>1.46</u>
<b>Technology 0.92% (2019: 1.14%)</b>			
401,986	RM	563	0.24
275,982	Sage	1,633	0.68
		<u>2,196</u>	<u>0.92</u>
<b>Telecommunications 1.02% (2019: 1.59%)</b>			
440,300	BT	519	0.22
1,696,495	Vodafone	1,917	0.80
		<u>2,436</u>	<u>1.02</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Utilities 2.51% (2019: 1.73%)</b>			
271,844	National Grid	2,573	1.08
37,964	Severn Trent	866	0.36
124,148	SSE	1,620	0.68
103,963	United Utilities	939	0.39
		<u>5,998</u>	<u>2.51</u>
<b>United States 33.41% (2019: 33.46%)</b>			
<b>Basic Materials 0.60% (2019: 0.65%)</b>			
17,339	Avery Dennison	1,425	0.60
<b>Consumer Goods 2.31% (2019: 2.83%)</b>			
48,500	Aptiv	1,923	0.79
243,200	Enova Systems <sup>2</sup>	-	-
10,809	McCormick Non-Voting Shares	1,234	0.52
15,300	Nike 'B'	1,022	0.43
3,200	Tesla	1,353	0.57
		<u>5,532</u>	<u>2.31</u>
<b>Consumer Services 0.78% (2019: 1.14%)</b>			
24,000	Walt Disney	1,870	0.78
<b>Financials 8.26% (2019: 7.51%)</b>			
24,000	AON	3,194	1.34
15,600	Crown Castle International	1,814	0.76
6,700	Equinix	3,375	1.41
46,000	Marsh & McLennan	3,202	1.34
10,800	MasterCard	2,107	0.88
134,300	Physicians Realty Trust REIT	1,507	0.63
55,100	Progressive	3,281	1.37
39,156	Walker & Dunlop	1,267	0.53
		<u>19,747</u>	<u>8.26</u>
<b>Health Care 4.03% (2019: 3.33%)</b>			
74,300	Encompass Health	3,822	1.60
16,800	Humana	4,254	1.78
12,500	Teladoc Health	1,562	0.65
		<u>9,638</u>	<u>4.03</u>
<b>Industrials 2.59% (2019: 4.59%)</b>			
14,400	IPG Photonics	1,281	0.54
30,700	TE Connectivity	1,559	0.65
27,860	Wabtec	1,081	0.45
43,200	Xylem	2,268	0.95
		<u>6,189</u>	<u>2.59</u>
<b>Technology 14.62% (2019: 12.89%)</b>			
18,802	Adobe	4,828	2.02
9,500	Atlassian	1,051	0.44
32,600	Autodesk	4,104	1.72
42,394	Avalara	2,551	1.07

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Technology</b> (continued)		
45,000	Cadence Design Systems	2,397	1.00
13,811	Lam Research	2,673	1.12
23,000	Microchip Technology	1,257	0.53
60,000	Microsoft	7,627	3.19
29,900	Salesforce.com	3,468	1.45
40,000	Texas Instruments	3,223	1.35
34,000	Zendesk	1,753	0.73
		<u>34,932</u>	<u>14.62</u>
	<b>Utilities 0.22% (2019: 0.52%)</b>		
57,600	Evoqua Water Technologies	<u>520</u>	<u>0.22</u>
	<b>Bonds 25.12% (2019: 20.87%)</b>		
	<b>Belgium 0.00% (2019: 0.04%)</b>		
	<b>Fixed Rate Bond 0.00% (2019: 0.04%)</b>		
	<b>Canada 0.29% (2019: 0.28%)</b>		
	<b>Fixed Rate Bond 0.29% (2019: 0.28%)</b>		
CAD 1,000,000	Canada (Government of) 1.50% 01/06/2026	596	0.25
GBP 100,000	Liberty Living Finance 2.625% 28/11/2024	99	0.04
		<u>695</u>	<u>0.29</u>
	<b>Czech Republic 0.08% (2019: 0.06%)</b>		
	<b>Fixed Rate Bond 0.08% (2019: 0.06%)</b>		
GBP 200,000	CPI Property 2.75% 22/01/2028	<u>181</u>	<u>0.08</u>
	<b>Denmark 0.32% (2019: 0.00%)</b>		
	<b>Fixed Rate Bond 0.32% (2019: 0.00%)</b>		
GBP 150,000	Orsted 2.125% 17/05/2027	150	0.06
GBP 370,000	Orsted 2.50% 16/05/2033	372	0.16
GBP 200,000	Orsted 4.875% 12/01/2032	250	0.10
		<u>772</u>	<u>0.32</u>
	<b>France 0.73% (2019: 0.50%)</b>		
	<b>Fixed Rate Bond 0.63% (2019: 0.38%)</b>		
GBP 300,000	Banque Fédérative du Crédit Mutuel 1.25% 05/12/2025	275	0.12
EUR 200,000	BNP Paribas 0.50% 04/06/2026	164	0.07
USD 436,000	BNP Paribas 3.375% 09/01/2025	349	0.15
USD 400,000	BPCE 5.15% 21/07/2024	340	0.14
EUR 100,000	Orange 1.25% 07/07/2027	88	0.04
EUR 100,000	Orange 2.375% Perpetual	86	0.04
GBP 100,000	Orange 3.25% 15/01/2032	105	0.04
EUR 100,000	UMG 1.625% 02/07/2029	82	0.03
		<u>1,489</u>	<u>0.63</u>
	<b>Variable Rate Bond 0.10% (2019: 0.12%)</b>		
EUR 300,000	BNP Paribas 0.50% 15/07/2025	<u>249</u>	<u>0.10</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Germany 0.74% (2019: 1.34%)</b>		
	<b>Fixed Rate Bond 0.74% (2019: 1.29%)</b>		
EUR 300,000	Aroundtown 1.45% 09/07/2028	242	0.10
GBP 200,000	Aroundtown 3.25% 18/07/2027	200	0.08
GBP 200,000	Aroundtown 4.75% Perpetual	183	0.08
GBP 225,000	Deutsche Bahn Finance 1.375% 07/07/2025	221	0.09
USD 400,000	Deutsche Telekom International Finance 8.75% 15/06/2030	434	0.18
EUR 130,000	E.ON 1.00% 07/10/2025	115	0.05
GBP 400,000	Landesbank Baden-Wuerttemberg 1.50% 03/02/2025	373	0.16
		<u>1,768</u>	<u>0.74</u>
	<b>Variable Rate Bond 0.00% (2019: 0.05%)</b>		
	<b>Italy 0.17% (2019: 0.00%)</b>		
	<b>Fixed Rate Bond 0.17% (2019: 0.00%)</b>		
EUR 500,000	Enel Finance International 0.375% 17/06/2027	411	0.17
	<b>Luxembourg 0.28% (2019: 0.08%)</b>		
	<b>Fixed Rate Bond 0.28% (2019: 0.08%)</b>		
GBP 200,000	B&M European Value Retail 4.125% 01/02/2022	177	0.07
EUR 610,000	Logicor Financing 1.625% 15/07/2027	499	0.21
		<u>676</u>	<u>0.28</u>
	<b>Netherlands 0.69% (2019: 0.48%)</b>		
	<b>Fixed Rate Bond 0.56% (2019: 0.35%)</b>		
GBP 500,000	ABN AMRO Bank 1.375% 16/01/2025	471	0.20
EUR 200,000	ABN AMRO Bank 7.125% 06/07/2022	192	0.08
EUR 700,000	Cooperatieve Rabobank 0.25% 30/10/2026	560	0.23
GBP 110,000	Cooperatieve Rabobank 4.625% 23/05/2029	115	0.05
		<u>1,338</u>	<u>0.56</u>
	<b>Variable Rate Bond 0.13% (2019: 0.13%)</b>		
USD 400,000	ABN AMRO Bank 4.40% 27/03/2028	313	0.13
	<b>New Zealand 0.05% (2019: 0.00%)</b>		
	<b>Fixed Rate Bond 0.05% (2019: 0.00%)</b>		
EUR 130,000	Chorus 0.875% 05/12/2026	111	0.05
	<b>Norway 0.07% (2019: 0.07%)</b>		
	<b>Fixed Rate Bond 0.07% (2019: 0.07%)</b>		
EUR 200,000	Sparebank 1 Oestlandet 0.875% 13/03/2023	175	0.07
	<b>Portugal 0.07% (2019: 0.00%)</b>		
	<b>Fixed Rate Bond 0.07% (2019: 0.00%)</b>		
EUR 200,000	Energias de Portugal 1.70% 20/07/2080	157	0.07
	<b>Sweden 0.15% (2019: 0.20%)</b>		
	<b>Fixed Rate Bond 0.15% (2019: 0.20%)</b>		
EUR 300,000	Akelius Residential 3.875% 05/10/2078	239	0.10
EUR 150,000	Samhallsbyggnadsbolaget 2.624% Perpetual	114	0.05
		<u>353</u>	<u>0.15</u>



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Switzerland 0.04% (2019: 0.13%)</b>		
	<b>Fixed Rate Bond 0.00% (2019: 0.08%)</b>		
	<b>Variable Rate Bond 0.04% (2019: 0.05%)</b>		
GBP 100,000	Zurich Finance UK 6.625% Perpetual	103	0.04
	<b>United Kingdom 12.47% (2019: 10.36%)</b>		
	<b>Asset Backed 0.15% (2019: 0.12%)</b>		
GBP 247,510	Gwynt y Môr 2.778% 17/02/2034	262	0.11
GBP 96,655	TC Dudgeon OFTO 3.158% 12/11/2038	106	0.04
		<u>368</u>	<u>0.15</u>
	<b>Fixed Rate Bond 12.19% (2019: 9.89%)</b>		
GBP 200,000	Accent Capital 2.625% 18/07/2049	208	0.09
GBP 200,000	Affordable Housing Finance 2.893% 11/08/2043	241	0.10
GBP 160,000	Affordable Housing Finance 3.80% 20/05/2042	220	0.09
GBP 300,000	Anglian Water Services Financing 1.625% 10/08/2025	296	0.12
GBP 200,000	Assura Financing 3.00% 19/07/2028	204	0.09
GBP 300,000	A2Dominion Housing 3.50% 15/11/2028	319	0.13
GBP 300,000	Barclays 2.375% 06/10/2023	291	0.12
GBP 300,000	Bazalgette Finance 2.375% 29/11/2027	311	0.13
GBP 320,000	Blend Funding 3.459% 21/09/2047	368	0.15
GBP 60,000	Broadgate Financing 4.821% 05/07/2033	83	0.03
GBP 300,000	Bunzl Finance 2.25% 11/06/2025	292	0.12
EUR 130,000	Cadent Finance 0.75% 11/03/2032	105	0.04
GBP 280,000	Clarion Funding 1.875% 22/01/2035	264	0.11
EUR 500,000	Compass 1.875% 27/01/2023	452	0.19
GBP 230,000	Co-operative 5.125% 17/05/2024	225	0.09
GBP 400,000	Coventry Building Society 1.50% 23/01/2023	386	0.16
GBP 300,000	Coventry Building Society 1.875% 24/10/2023	290	0.12
GBP 203,808	Delamare Finance 5.5457% 19/02/2029	233	0.10
GBP 510,000	Dwr Cymru Financing 1.375% 31/03/2033	468	0.20
GBP 380,000	Dwr Cymru Financing 1.625% 31/03/2026	368	0.15
GBP 100,000	Dwr Cymru Financing 2.50% 31/03/2036	104	0.04
GBP 130,000	Dwr Cymru Financing 6.015% 31/03/2028	170	0.07
EUR 200,000	Experian Finance 1.375% 25/06/2026	179	0.07
USD 426,000	Experian Finance 2.75% 08/03/2030	328	0.14
GBP 150,000	Experian Finance 3.25% 07/04/2032	152	0.06
GBP 100,000	HSBC 3.00% 29/05/2030	97	0.04
USD 200,000	HSBC 4.95% 31/03/2030	176	0.07
GBP 100,000	Incommunities Treasury 3.25% 21/03/2049	116	0.05
GBP 100,000	Land Securities Capital Markets 2.375% 29/03/2027	104	0.04
GBP 200,000	Lloyds Bank 5.125% 07/03/2025	239	0.10
GBP 100,000	London & Quadrant Housing 2.625% 05/05/2026	103	0.04
GBP 100,000	M&G 3.875% 20/07/2049	89	0.04
GBP 200,000	M&G 5.56% 20/07/2055	185	0.08
GBP 220,000	Motability Operations 2.375% 03/07/2039	213	0.09
GBP 160,000	Motability Operations 5.625% 29/11/2030	212	0.09
EUR 600,000	National Grid Electricity Transmission 0.19% 20/01/2025	511	0.21
GBP 500,000	Nationwide Building Society 1.00% 24/01/2023	475	0.20

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond</b> (continued)			
EUR 200,000	Nationwide Building Society 2.00% 25/07/2029	161	0.07
USD 500,000	Nationwide Building Society 2.00% 27/01/2023	392	0.16
USD 350,000	Nationwide Building Society 4.125% 18/10/2032	272	0.11
EUR 200,000	Natwest Markets 2.75% 02/04/2025	176	0.07
GBP 250,000	Network Rail Infrastructure Finance 4.375% 09/12/2030	341	0.14
GBP 300,000	Next 3.00% 26/08/2025	294	0.12
GBP 200,000	Notting Hill Genesis 2.875% 31/01/2029	209	0.09
GBP 210,000	Optivo Finance 2.857% 07/10/2035	210	0.09
GBP 150,000	Optivo Finance 3.283% 22/03/2048	164	0.07
GBP 100,000	Orbit Capital 3.375% 14/06/2048	111	0.05
GBP 100,000	Orbit Capital 3.50% 24/03/2045	113	0.05
GBP 200,000	Pennon 2.875% Perpetual	197	0.08
GBP 200,000	Places for People Treasury 2.875% 17/08/2026	204	0.09
GBP 600,000	PRS Finance 1.50% 24/08/2034	600	0.25
GBP 200,000	PRS Finance 2.00% 23/01/2029	214	0.09
GBP 50,000	Prudential 6.125% 19/12/2031	58	0.02
GBP 300,000	RL Finance Bonds No.4 4.875% 07/10/2049	245	0.10
GBP 220,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	208	0.09
GBP 200,000	Scottish Widows 5.50% 16/06/2023	212	0.09
EUR 200,000	Sky 2.50% 15/09/2026	192	0.08
GBP 230,000	Sovereign Housing Capital 2.375% 04/11/2048	228	0.10
GBP 100,000	Thames Water Utilities Finance 2.625% 24/01/2032	98	0.04
GBP 400,000	Thames Water Utilities Finance 3.50% 25/02/2028	430	0.18
GBP 200,000	THFC Funding No.3 5.20% 11/10/2043	291	0.12
GBP 100,000	Transport for London 2.125% 24/04/2025	103	0.04
GBP 220,000	Transport for London 2.25% 09/08/2022	224	0.09
GBP 100,000	Transport for London 4.00% 12/09/2033	124	0.05
GBP 200,000	Tritax Big Box REIT 2.625% 14/12/2026	199	0.08
GBP 100,000	Tritax Big Box REIT 3.125% 14/12/2031	98	0.04
GBP 850,000	UK Treasury 0.50% 22/07/2022	857	0.37
GBP 350,000	UK Treasury 0.875% 22/10/2029	369	0.15
GBP 1,550,000	UK Treasury 1.50% 22/07/2047	1,805	0.77
GBP 212,000	UK Treasury 1.625% 22/10/2028	237	0.10
GBP 2,560,000	UK Treasury 1.75% 07/09/2037	2,984	1.26
GBP 410,000	UK Treasury 3.25% 22/01/2044	623	0.26
GBP 5,000	UK Treasury 3.50% 22/07/2068	11	-
GBP 372,000	UK Treasury 3.75% 22/07/2052	689	0.29
GBP 350,000	UK Treasury 4.00% 22/01/2060	751	0.31
GBP 775,000	UK Treasury 4.25% 07/12/2040	1,286	0.55
GBP 695,000	UK Treasury 4.25% 07/12/2046	1,263	0.54
GBP 409,000	UK Treasury 4.25% 07/12/2049	779	0.34
GBP 45,000	UK Treasury 4.75% 07/12/2030	66	0.03
GBP 200,000	UK Treasury 5.00% 07/03/2025	247	0.10
GBP 100,000	Unite 3.50% 15/10/2028	103	0.04
GBP 100,000	United Utilities Water Finance 2.625% 12/02/2031	104	0.04
GBP 100,000	University of Cambridge 3.75% 17/10/2052	151	0.06
GBP 200,000	Vodafone 4.875% 03/10/2078	194	0.08
GBP 260,000	Wellcome Trust Finance 4.75% 28/05/2021	270	0.11

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Fixed Rate Bond (continued)</b>		
GBP 160,000	Westfield Stratford City Finance 1.642% 04/08/2026	158	0.07
GBP 190,000	Wrekin Housing 2.50% 22/10/2048	191	0.08
GBP 570,000	Yorkshire Water Finance 1.75% 26/11/2026	555	0.23
		29,138	12.19
	<b>Stepped Rate Bond 0.00% (2019: 0.09%)</b>		
	<b>Variable Rate Bond 0.13% (2019: 0.26%)</b>		
GBP 108,000	HSBC 5.375% 04/11/2030	117	0.05
GBP 141,000	HSBC 5.844% Perpetual	186	0.08
		303	0.13
	<b>United States 8.97% (2019: 7.33%)</b>		
	<b>Fixed Rate Bond 8.97% (2019: 7.33%)</b>		
USD 600,000	Adobe Systems 2.30% 01/02/2030	485	0.20
USD 600,000	AIG Global Funding 1.90% 06/10/2021	478	0.20
EUR 250,000	Apple 0.50% 15/11/2031	206	0.09
GBP 100,000	AT&T 4.875% 01/06/2044	117	0.05
USD 300,000	AT&T 5.45% 01/03/2047	290	0.12
USD 439,000	Bank of America 3.419% 20/12/2028	365	0.15
USD 500,000	Bank of America 4.45% 03/03/2026	434	0.18
USD 243,000	Bristol-Myers Squibb 3.40% 26/07/2029	216	0.09
USD 235,000	Brown & Brown 4.50% 15/03/2029	204	0.09
USD 416,000	Charter Communications Operating Capital 4.908% 23/07/2025	356	0.15
GBP 200,000	Citigroup 2.75% 24/01/2024	199	0.08
USD 600,000	Citigroup 4.125% 25/07/2028	495	0.21
USD 51,000	Comcast 3.10% 01/04/2025	44	0.02
USD 228,000	Comcast 4.25% 15/10/2030	214	0.09
USD 400,000	CVS Health 3.70% 09/03/2023	335	0.14
USD 686,000	Equinix 2.625% 18/11/2024	528	0.22
EUR 150,000	Fidelity National Information Services 0.75% 21/05/2023	131	0.05
EUR 200,000	Fidelity National Information Services 1.00% 03/12/2028	163	0.07
GBP 200,000	Fidelity National Information Services 3.36% 21/05/2031	207	0.09
USD 41,000	General Mills 2.875% 15/04/2030	33	0.01
EUR 300,000	JPMorgan Chase 1.001% 25/07/2031	238	0.10
USD 430,000	JPMorgan Chase 2.295% 15/08/2021	346	0.14
USD 700,000	JPMorgan Chase 2.95% 01/10/2026	582	0.24
USD 317,000	Lowe's 3.65% 05/04/2029	262	0.11
USD 1,040,000	Microsoft 3.45% 08/08/2036	934	0.39
USD 722,000	Oracle 2.80% 01/04/2027	591	0.25
USD 55,000	Sysco 5.65% 01/04/2025	46	0.02
USD 600,000	United Parcel Service 3.4% 15/11/2046	472	0.20
USD 2,475,000	US Treasury 1.125% 31/03/2022	2,062	0.86
USD 1,350,000	US Treasury 1.625% 15/08/2029	1,182	0.49
USD 970,000	US Treasury 2.375% 15/11/2049	975	0.41
USD 2,150,000	US Treasury 2.375% 29/02/2024	1,872	0.78
USD 894,000	US Treasury 2.50% 15/05/2046	910	0.38
USD 2,770,000	US Treasury 2.50% 31/03/2023	2,382	1.01
USD 1,293,000	US Treasury 2.75% 15/08/2047	1,382	0.58

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Fixed Rate Bond</b> (continued)		
USD 510,000	US Treasury 2.875% 15/08/2028	486	0.20
GBP 100,000	Verizon Communications 2.50% 08/04/2031	98	0.04
USD 400,000	Verizon Communications 5.15% 15/09/2023	358	0.15
USD 195,000	Visa 1.90% 15/04/2027	157	0.07
GBP 300,000	Wells Fargo 2.00% 28/07/2025	286	0.12
GBP 160,000	Wells Fargo 2.50% 02/05/2029	153	0.06
GBP 150,000	Wells Fargo 5.25% 01/08/2023	162	0.07
		<u>21,436</u>	<u>8.97</u>
	<b>Investment assets</b>	<b>233,207</b>	<b>97.58</b>
	Other net assets	5,779	2.42
	<b>Total net assets</b>	<b>238,986</b>	<b>100.00</b>

<sup>1</sup> Manually priced securities

<sup>2</sup> Suspended or delisted securities

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

## Statement of total return for the year ended 31 March 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(1,997)		13,859
Revenue	3	5,960		6,043	
Expenses	4	(1,095)		(1,032)	
Interest payable and similar charges	5	(5)		(5)	
Net revenue before taxation		4,860		5,006	
Taxation	6	(295)		(307)	
Net revenue after taxation			4,565		4,699
Total return before distributions			2,568		18,558
Distributions	7		(4,565)		(4,699)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(1,997)</b>		<b>13,859</b>

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

	2020		2019	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>239,261</b>		<b>257,386</b>
Amounts receivable on issue of shares	25,498		11,962	
Amounts payable on cancellation of shares	(28,341)		(48,665)	
		(2,843)		(36,703)
Dilution adjustment		-		20
Change in net assets attributable to shareholders from investment activities		(1,997)		13,859
Retained distributions on accumulation shares		4,565		4,699
<b>Closing net assets attributable to shareholders</b>		<b>238,986</b>		<b>239,261</b>

## Balance sheet as at 31 March 2020

	Note	2020 £000	2019 £000
<b>Assets:</b>			
Investments		233,207	227,820
Current assets:			
Debtors	8	3,691	1,700
Cash and bank balances	9	5,332	10,712
<b>Total assets</b>		<b>242,230</b>	<b>240,232</b>
<b>Liabilities:</b>			
Provisions for liabilities	10	5	6
Creditors:			
Other creditors	11	3,239	965
<b>Total liabilities</b>		<b>3,244</b>	<b>971</b>
<b>Net assets attributable to shareholders</b>		<b>238,986</b>	<b>239,261</b>

## Notes to the financial statements for the year ended 31 March 2020

### 1 Accounting policies

The accounting policies, distribution policy and potential risks are set out in notes 1 to 3 of the fund's aggregated notes to the financial statements.

### 2 Net capital (losses)/gains

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

	2020 £000	2019 £000
Forward currency contracts	(10)	(121)
Non-derivative securities	(2,038)	13,786
Other currency gains	58	202
Transaction costs	(7)	(8)
<b>Net capital (losses)/gains</b>	<b>(1,997)</b>	<b>13,859</b>

### 3 Revenue

	2020 £000	2019 £000
Bank interest	48	63
Interest on debt securities	1,286	1,377
Overseas dividends*	2,047	1,755
Overseas REIT revenue	142	136
UK dividends	2,308	2,528
UK REIT revenue - PID	113	132
UK REIT revenue - non PID	16	52
<b>Total revenue</b>	<b>5,960</b>	<b>6,043</b>

\* includes distributions from overseas funds

### 4 Expenses

	2020 £000	2019 £000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	906	845
GAC*	157	155
	<u>1,063</u>	<u>1,000</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	22	22
Safe custody fees	10	9
	<u>32</u>	<u>31</u>
<b>Other expenses:</b>		
Professional fees	-	1
	<u>-</u>	<u>1</u>
<b>Total expenses</b>	<b>1,095</b>	<b>1,032</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £7,912 (2019: £7,681).

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	5	5
<b>Total interest payable and similar charges</b>	<b>5</b>	<b>5</b>

### 6 Taxation

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

The tax charge comprises:

	2020 £000	2019 £000
<b>Current tax</b>		
Deferred tax	(1)	-
Double tax relief	(21)	(25)
Overseas withholding tax	218	198
UK corporation tax	99	134
<b>Total tax (note 6b)</b>	<b>295</b>	<b>307</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 funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	4,860	5,006
Corporation tax at 20% (2019: 20%)	972	1,001
Effects of:		
Double tax relief	(21)	(25)
Irrecoverable overseas tax	218	198
Overseas dividends	(409)	(351)
UK dividends*	(465)	(516)
<b>Tax charge for the year (note 6a)</b>	<b>295</b>	<b>307</b>

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

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



## Notes to the financial statements (continued)

### 6 Taxation (continued)

#### c) Deferred tax

	2020 £000	2019 £000
Provision at start of year	6	6
Deferred tax charge for year (note 6a)	(1)	-
<b>Provision at end of year</b>	<b>5</b>	<b>6</b>

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

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

### 7 Distributions

	2020 £000	2019 £000
Interim accumulation	2,903	2,815
Final accumulation	1,662	1,884
<b>Total distributions</b>	<b>4,565</b>	<b>4,699</b>

Details of the distribution per share are set out in the Distribution tables on page 94.

### 8 Debtors

	2020 £000	2019 £000
Accrued revenue	702	1,024
Amounts receivable for issue of shares	437	187
Currency transactions awaiting settlement	1,157	58
Income tax receivable	20	-
Overseas withholding tax reclaimable	33	25
Sales awaiting settlement	1,342	406
<b>Total debtors</b>	<b>3,691</b>	<b>1,700</b>

### 9 Cash and bank balances

	2020 £000	2019 £000
Cash and bank balances	5,332	10,712
<b>Total cash and bank balances</b>	<b>5,332</b>	<b>10,712</b>

### 10 Provisions for liabilities

	2020 £000	2019 £000
Deferred tax	5	6
<b>Total provisions for liabilities</b>	<b>5</b>	<b>6</b>

## Notes to the financial statements (continued)

### 11 Other creditors

	2020	2019
	£000	£000
Accrued annual management charge	75	68
Accrued Depository's fee	2	2
Accrued other expenses	16	30
Amounts payable for cancellation of shares	18	171
Corporation tax payable	29	57
Currency transactions awaiting settlement	1,160	58
Purchases awaiting settlement	1,939	579
<b>Total other creditors</b>	<b>3,239</b>	<b>965</b>

### 12 Contingent assets, liabilities and commitments

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

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

### 13 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 81 and 82 and notes 4, 8 and 11 on pages 83 to 86 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

HSBC Global Custody Nominee (UK) Limited, as a material shareholder, is a related party holding shares comprising 53.71% of the total net assets of the fund as at the year end (2019: 56.78%).

### 14 Shareholders' funds

The fund currently has 4 share classes available; Class A (Retail with front-end charges), Class E (Retail), Class I (Institutional) and Class Z (Institutional). The annual management charge on each share class is as follows:

	2020	2019
	%	%
Class A	1.50	1.50
Class E <sup>1</sup>	1.00	n/a
Class I	0.75	0.75
Class Z*	0.00	0.00

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

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 66 to 68. The distribution per share class is given in the Distribution tables on page 94. All share classes have the same rights on winding up.

## Notes to the financial statements (continued)

### 14 Shareholders' funds (continued)

#### Shares reconciliation as at 31 March 2020

	Class A accumulation	Class E accumulation	Class I accumulation	Class Z accumulation
Opening number of shares	2,684,265	-	43,421,150	37,846,310
Issues during the year	544,882	50,145	9,594,573	-
Cancellations during the year	(523,262)	(38,177)	(6,863,931)	(2,638,538)
Shares converted during the year	(491,154)	502,894	(10,376)	-
<b>Closing shares in issue</b>	<b>2,214,731</b>	<b>514,862</b>	<b>46,141,416</b>	<b>35,207,772</b>

### 15 Financial derivatives

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

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

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

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

#### 2020

The fund had no exposure to derivatives as at 31 March 2020 with a positive market value.

#### 2019

The fund had no exposure to derivatives as at 31 March 2019 with a positive market value.

## Notes to the financial statements (continued)

### 16 Risk

#### Currency risk

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

	<b>Investment assets</b>	<b>Other net assets</b>	<b>Total net assets</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>2020</b>			
<b>Currency</b>			
Australian dollar	663	-	663
Canadian dollar	8,657	36	8,693
Euro	26,734	928	27,662
Hong Kong dollar	2,728	-	2,728
Japanese yen	10,703	86	10,789
Norwegian krone	-	7	7
UK sterling	81,787	4,546	86,333
US dollar	101,935	176	102,111
<b>Total</b>	<b>233,207</b>	<b>5,779</b>	<b>238,986</b>
	<b>Investment assets</b>	<b>Other net assets</b>	<b>Total net assets</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>2019</b>			
<b>Currency</b>			
Australian dollar	839	8	847
Brazilian dollar	-	37	37
Canadian dollar	7,310	24	7,334
Euro	24,013	1,220	25,233
Hong Kong dollar	2,768	-	2,768
Japanese yen	9,772	68	9,840
Norwegian krone	-	8	8
UK sterling	85,347	9,355	94,702
US dollar	97,771	721	98,492
<b>Total</b>	<b>227,820</b>	<b>11,441</b>	<b>239,261</b>

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Interest rate risk

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

<b>2020</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>
Australian dollar	-	-	663	663
Canadian dollar	15	596	8,082	8,693
Euro	974	6,001	21,333	28,308
Hong Kong dollar	-	-	2,728	2,728
Japanese yen	7	-	10,782	10,789
Norwegian krone	7	-	-	7
UK sterling	4,735	30,899	52,482	88,116
US dollar	371	21,769	80,786	102,926
<b>Total</b>	<b>6,109</b>	<b>59,265</b>	<b>176,856</b>	<b>242,230</b>

<b>2019</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>
Australian dollar	-	-	847	847
Brazilian dollar	-	-	37	37
Canadian dollar	11	571	6,752	7,334
Euro	1,440	4,453	19,338	25,231
Hong Kong dollar	-	-	2,768	2,768
Japanese yen	-	-	9,840	9,840
Norwegian krone	-	-	8	8
UK sterling	10,038	25,850	59,670	95,558
US dollar	871	17,410	80,328	98,609
<b>Total</b>	<b>12,360</b>	<b>48,284</b>	<b>179,588</b>	<b>240,232</b>

<b>2020</b>	<b>Floating rate financial liabilities £000</b>	<b>Fixed rate financial liabilities £000</b>	<b>Non-interest bearing liabilities £000</b>	<b>Total £000</b>
Euro	-	-	646	646
UK sterling	-	-	1,783	1,783
US dollar	-	-	815	815
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,244</b>	<b>3,244</b>

<b>2019</b>	<b>Floating rate financial liabilities £000</b>	<b>Fixed rate financial liabilities £000</b>	<b>Non-interest bearing liabilities £000</b>	<b>Total £000</b>
UK sterling	-	-	854	854
US dollar	-	-	117	117
<b>Total</b>	<b>-</b>	<b>-</b>	<b>971</b>	<b>971</b>

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Credit Ratings

	Market value	Percentage of total net assets
	£000	%
<b>2020</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	55,961	23.42
Below investment grade (BB and below)	1,107	0.46
Unrated	2,968	1.24
<b>Total debt securities</b>	<b>60,036</b>	<b>25.12</b>
Equities	173,171	72.46
<b>Investment assets</b>	<b>233,207</b>	<b>97.58</b>
Other net assets	5,779	2.42
<b>Total net assets</b>	<b>238,986</b>	<b>100.00</b>

	Market value	Percentage of total net assets
	£000	%
<b>2019</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	46,805	19.57
Below investment grade (BB and below)	1,224	0.51
Unrated	1,901	0.79
<b>Total debt securities</b>	<b>49,930</b>	<b>20.87</b>
Equities	177,890	74.35
<b>Investment assets</b>	<b>227,820</b>	<b>95.22</b>
Other net assets	11,441	4.78
<b>Total net assets</b>	<b>239,261</b>	<b>100.00</b>

#### Other market price risk

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

#### Sensitivity analysis

The actual VaR results, limits and utilisation of limits are summarised in the table below:

#### VaR Results

	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
<b>2020</b>	5.81	15.85	7.04	20.00	29.06	79.26	35.19
<b>2019</b>	4.90	7.38	6.09	20.00	24.52	36.91	30.43

#### Leverage

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

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2020</b>				
Provisions for liabilities	-	-	5	-
Other creditors	-	3,239	-	-
<b>Total</b>	<b>-</b>	<b>3,239</b>	<b>5</b>	<b>-</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2019</b>				
Provisions for liabilities	-	-	6	-
Other creditors	-	965	-	-
<b>Total</b>	<b>-</b>	<b>965</b>	<b>6</b>	<b>-</b>

### 17 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	196,893*	-	199,608*	-
Level 2	36,222	-	28,106	-
Level 3	92	-	106	-
	<b>233,207</b>	<b>-</b>	<b>227,820</b>	<b>-</b>

\* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £23,813,130 as at 31 March 2020 (2019: £21,824,939).

## Notes to the financial statements (continued)

### 17 Fair value disclosure (continued)

#### Fair value hierarchy (continued)

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit some other method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. Janus Henderson UK & EMEA Fair Value Pricing Committee (FVPC) of the Investment Manager is responsible for determining or approving unquoted prices. Where deemed necessary, the FVPC will seek ratification of decisions from the Janus Henderson Investment Performance and Risk Committee. The FVPC meets on a monthly basis and consists of representatives from various parts of the Investment manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The asset included within level 3 is an unlisted security which has been valued by the FVPC at their best estimate of fair value. The Ethical Property holding has been valued using a price update on Ethex Bulletin Board.

### 18 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
<b>Trades in the year</b>				
Debt securities	37,192	31,075	30,250	33,635
Equities	48,759	59,772	47,458	82,923
<b>Trades in the year before transaction costs</b>	<b>85,951</b>	<b>90,847</b>	<b>77,708</b>	<b>116,558</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	13	17	12	22
<b>Total commissions</b>	<b>13</b>	<b>17</b>	<b>12</b>	<b>22</b>
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	109	75	-	-
<b>Total taxes</b>	<b>109</b>	<b>75</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	3	8	1	1
<b>Total other expenses</b>	<b>3</b>	<b>8</b>	<b>1</b>	<b>1</b>
<b>Total transaction costs</b>	<b>125</b>	<b>100</b>	<b>13</b>	<b>23</b>
<b>Total net trades in the year after transaction costs</b>	<b>86,076</b>	<b>90,947</b>	<b>77,695</b>	<b>116,535</b>

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	0.03	0.03	0.03	0.03
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	0.22	0.13	-	-
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	0.01	0.01	-	-



## Notes to the financial statements (continued)

### 18 Direct transaction costs (continued)

	2020	2019
	%	%
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.01	0.02
Taxes	0.04	0.03
Other expenses	-	-
<b>Total costs</b>	<b>0.05</b>	<b>0.05</b>

There were no in specie transfers during the year (2019: nil). There were corporate actions during the year of £780,590 (2019: £476,355).

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

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

Direct transaction costs related to bonds are not separately identifiable as with other financial instruments as the costs form part of the dealing spread and therefore are inherent within the purchase and sale prices of the trade.

The portfolio dealing spread as at 31 March 2020 was 0.26% (2019: 0.16%). The portfolio dealing spread is calculated at a 12 noon valuation point.

### 19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 17 June 2020, the Net Asset Value of the fund had increased.

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

### Interim dividend distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 April 2019

Group 2: shares purchased on or after 1 April 2019

	Distribution per share	Total distribution per share 29/11/19	Total distribution per share 30/11/18
<b>Class A accumulation</b>			
Group 1	1.3336	1.3336	3.0081
Group 2	1.3336	1.3336	3.0081
<b>Class E accumulation<sup>1</sup></b>			
Group 1	1.4516	1.4516	n/a
Group 2	1.4516	1.4516	n/a
<b>Class I accumulation</b>			
Group 1	2.3245	2.3245	1.9068
Group 2	2.3245	2.3245	1.9068
<b>Class Z accumulation</b>			
Group 1	5.0052	5.0052	4.2204
Group 2	5.0052	5.0052	4.2204

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

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

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Total distribution per share 29/05/20	Total distribution per share 31/05/19
<b>Class A accumulation</b>			
Group 1	0.2730	0.2730	0.5674
Group 2	0.2730	0.2730	0.5674
<b>Class E accumulation<sup>1</sup></b>			
Group 1	0.7203	0.7203	n/a
Group 2	0.7203	0.7203	n/a
<b>Class I accumulation</b>			
Group 1	1.1379	1.1379	1.3660
Group 2	1.1379	1.1379	1.3660
<b>Class Z accumulation</b>			
Group 1	3.2029	3.2029	3.3698
Group 2	3.2029	3.2029	3.3698

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

## 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.

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 Sustainable/Responsible Funds 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 ACD and the funds they manage. This policy applies to HIFL and Janus Henderson Sustainable/Responsible Funds.

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 Responsible Income Fund</b>	1,949	322
<b>of which</b>		
Fixed Remuneration	1,949	133
Variable Remuneration	1,936	189
<b>Janus Henderson UK Responsible Income Fund Remuneration Code Staff</b>	121	206
<b>of which</b>		
Senior Management (4)	34	27
Other Code Staff (5)	87	179
<b>Janus Henderson Global Sustainable Equity Fund</b>	1,949	1,619
<b>of which</b>		
Fixed Remuneration	1,949	664
Variable Remuneration	1,936	955
<b>Janus Henderson Global Sustainable Equity Fund Remuneration Code Staff</b>	121	1,019
<b>of which</b>		
Senior Management (4)	34	135
Other Code Staff (5)	87	884
<b>Janus Henderson Institutional Global Responsible Managed Fund</b>	1,949	454
<b>of which</b>		
Fixed Remuneration	1,949	186
Variable Remuneration	1,936	268
<b>Janus Henderson Institutional Global Responsible Managed Fund Remuneration Code Staff</b>	121	286
<b>of which</b>		
Senior Management (4)	34	38
Other Code Staff (5)	87	248

1. This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson Sustainable/Responsible Funds – no attempt has been made to apportion the time spent specifically in support of Janus Henderson Sustainable/Responsible Funds 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.

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

### Remuneration policy (continued)

3. The remuneration disclosed is only in respect of the provision of services to Janus Henderson Sustainable/Responsible Funds 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 Sustainable/Responsible Funds and to other entities in Janus Henderson Group plc, as follows:
- in respect of fixed pay and annual/long term incentive bonuses:
  - where fixed pay is directly attributable to each of the funds of Janus Henderson Sustainable/Responsible Funds (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 each of the funds of Janus Henderson Sustainable/Responsible Funds managed by the relevant fund manager (as a proportion of the total AUM managed by that individual) as a proxy.
  - for other individuals, pro-rated using the average AUM of each of the funds of Janus Henderson Sustainable/Responsible Funds (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 each of the funds of Janus Henderson Sustainable/Responsible Funds.

## 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).

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