



ANNUAL REPORT & ACCOUNTS

For the year ended
31 March 2019

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 360 investment professionals, we provide access to some of the industry's most talented and innovative thinkers, spanning equities, fixed income, multi-asset, and alternatives, globally. Our investment teams blend insight, originality, and precision with rigorous analysis, structured processes, and robust risk management. We build client partnerships on openness and trust, channelling expertise from across the business and communicating the views of our experts in a timely and relevant way. As at 31 March 2019, we had £274.2bn assets under management, more than 2,000 employees and 28 offices worldwide. Headquartered in London, we are an independent asset manager that is dual-listed on the New York Stock Exchange and the Australian Securities Exchange.

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Authorised Corporate Director's (ACD) report for the year ended 31 March 2019

We are pleased to present the Annual Report and Accounts for Janus Henderson Sustainable/Responsible Funds (the 'Company') for the year ended 31 March 2019.

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 3 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 been certified by the FCA as complying with the conditions necessary for it to enjoy the rights conferred by the EC Directive on Undertakings for Collective Investment in Transferable Securities (UCITS).

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.

Brexit update

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

Director's statement

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 report and financial statements on behalf of the Directors of Henderson Investment Funds Limited.



G Foggin
(Director)

18 June 2019

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

Service providers

| | Name | Address | Regulator |
|--------------------------------------|---|--|--|
| Authorised Corporate Director | Henderson Investment Funds Limited Member of The Investment Association The ultimate holding company is Janus Henderson Group plc | Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Telephone – 020 7818 1818 Dealing – 0845 608 8703 Enquiries – 0800 832 832 | Authorised and regulated by the Financial Conduct Authority |
| Directors of the ACD | C Chaloner (to 28.09.18) R Chaudhuri (to 07.03.19) A Crooke (from 08.06.18) G Foggin G Fogo (from 04.02.19) S Hillenbrand (from 04.01.19) H J de Sausmarez F Smith (from 28.03.19)* R Thompson (from 17.01.19) P Wagstaff (to 26.09.18) * Independent | | |
| Investment Manager | Henderson Global Investors Limited The ultimate holding company is Janus Henderson Group plc | 201 Bishopsgate London EC2M 3AE | Authorised and regulated by the Financial Conduct Authority |
| Shareholder Administrator | DST Financial Services International Limited and DST Financial Services Europe Limited | DST House St Nicholas Lane Basildon Essex SS15 5FS | Authorised and regulated by the Financial Conduct Authority |
| Depository | NatWest Trustee and Depository Services Limited The ultimate holding company is the Royal Bank of Scotland Group plc | 250 Bishopsgate London EC2M 4AA | Authorised and regulated by the Prudential Regulation Authority and regulated by the Financial Conduct Authority |
| Independent Auditor | PricewaterhouseCoopers LLP | 141 Bothwell Street Glasgow G2 7EQ | Institute of Chartered Accountants in England and Wales |
| Legal Adviser | Eversheds Sutherland (International) LLP | One Wood Street London EC2V 7WS | The Law Society |

Unless specified otherwise, returns are in local currency total return terms.

Global equity markets rose over the 12-month period (MSCI World Index +12.5% in sterling, +4.6% in US dollars) in a year that saw some markets touch all-time highs before falling away dramatically in the final months of the year, and then recovering again to post a positive return.

UK equities rose 6.4% in sterling terms, as measured by the FTSE All-Share Index. Weakness in sterling created a tailwind for those companies with revenues that are predominantly derived from overseas. The internationally focused FTSE 100 reached a record high in May as the US dollar rose and oil prices strengthened. The dramatic events and proceedings around Brexit, however, produced a headwind, but towards the end of the period, both the market and sterling were buoyed by the growing sense that Brexit would either be delayed or softer in tone compared with Prime Minister Theresa May's Withdrawal Agreement, which was rejected by parliament on three occasions. Economic growth remained relatively resilient despite the uncertainties of Brexit, with GDP growing by 1.4% year on year in the final quarter of 2018. Unemployment fell to 3.9% in the three months to January, the lowest level for 44 years. UK inflation tumbled from a high of 2.7% in August to 1.8% in January, a two-year low. The Bank of England raised interest rates from 0.5% to 0.75% in August, marking the highest rate since 2009, but made clear that further rate hikes would be slow in coming, given declining economic growth and muted inflation.

European equities, as measured by the FTSE World Europe ex-UK Index, returned 2.6% in sterling and 3.7% in euros. Returns from Europe were relatively subdued, reflecting concerns about a downturn in local economic growth, the impact of the US/China trade dispute on manufacturing growth in the region and political developments, including Brexit. Growth within the eurozone fell from an annual rate of 2.1% in the second quarter of 2018 to 1.1% in the final quarter. By the final quarter, Italy had fallen into recession, while Germany just avoided one. The European Central Bank halted its programme of quantitative easing at the end of 2018, as planned, but stated categorically that interest rate increases were on hold. Regarding political developments, the Chancellor of Germany, Angela Merkel, announced that she would step down as party leader from the end of 2019, and as chancellor from 2021. In Italy, the coalition government clashed with the EU over the former's spending plans.

US equities were strong, with the S&P 500 Index rising 17.9% in sterling terms and 9.5% in dollars. US indices hit new all-time highs in the first half of the period before experiencing a marked sell-off in the final months of 2018. The first quarter of 2019 saw the market recover much of the previous quarter's losses. Early 2019 brought some optimism that an agreement regarding the trade dispute between China and the US was imminent, providing relief to markets. The US Federal Reserve (Fed) continued to tighten monetary conditions, both through further interest rate hikes and a reduction in its balance sheet. However, the Fed began to soften its tone in the final months of 2018 before announcing a sudden halt, in March, to any further interest rate rises in 2019. Growth in GDP peaked in the second quarter of 2018, at 4.2% (annualised), before falling back to just 2.2% in the final quarter of the year. The labour market remained tight, with unemployment at generational lows of just under 4.0%.

Japanese equities, as measured by the FTSE World Japan Index, fell 0.9% in sterling and 4.2% in yen. With its high-export economy and its material exposure to both the US and China, Japanese equities were more affected by Chinese/US trade friction than most other markets. The local Nikkei Index had topped a 27-year high in the autumn, benefiting from currency weakness and optimism around earnings growth. Prime Minister Shinzo Abe's popularity was undermined through a series of scandals, but he secured his party leadership in September, allowing him to continue with his policy of reform and economic stimulus (known as 'Abenomics'). GDP growth was volatile, with the third quarter of 2018 producing an annualised downturn of 2.4%, largely impacted by severe flooding in the west of Japan and an earthquake in the north. GDP rebounded in the final quarter, rising by 1.9% (annualised), as production rebounded and supply chains were re-established. The annual core consumer price index rose just 0.7% in February, still far below the Bank of Japan's 2% inflation target. The central bank continued to keep monetary policy ultra-loose.

Asian equity markets rose over the year in sterling terms (FTSE World Asia Pacific ex-Japan Index +3.9% in sterling, +1.5% in local currency terms). Markets in the region were detrimentally impacted by the trade spat between the US and China, as well as evidence of slowing economic growth within the region. More dovish soundings from global central banks underpinned markets. The Australian and New Zealand markets were strong performers throughout the period, with the New Zealand market climbing to an all-time high in March. Chinese equities rallied in the first quarter of 2019 after a difficult 2018, but GDP growth rates continued to slow, landing at 6.6% for 2018 as a whole, the slowest growth rate since 1990. Indian GDP growth also slowed from 8.0% year-on-year in the second quarter of 2018 to 6.6% in the final quarter of the year. The local market hit a record high in August and rallied back to close to all-time highs in late March as inflation rates fell and the central bank cut interest rates.

Emerging markets were relatively flat to down over the period (MSCI Emerging Market Index +0.1% in sterling, -7.1% in US dollars). Trade tensions, US dollar strength, and related currency crises, and economic turmoil in Argentina and Turkey all weighed on performance. Markets recovered, in aggregate, in the first few months of 2019, as the Fed signalled a change to monetary policy, which tempered the dollar's upward surge. This, in turn, brought relief to economies laden with US dollar debt. The Brazilian market rallied from the summer on the back of stabilisation in the economy and the election of Jair Bolsonaro as president; his reform-minded agenda attracted investors. In Russia, annual GDP growth improved from 2.2% in the second quarter of 2018 to 2.7% in the fourth. A recovery in commodity prices aided growth and caused the market to rally. The Bank of Russia raised interest rates on two occasions to keep a lid on inflation, although by the end of the period, it had signalled a potential rate cut. Elsewhere, Mexican growth rates slowed, with the annual GDP growth rate in the final quarter of 2018 coming in at 1.7%, the weakest figure for three quarters.

Market review (continued)

Fixed income markets rose over the period, in aggregate, in sterling terms. The JPM Global Government Bond Index was up 6.6%, with strong returns from most major markets, and with US Treasuries the strongest of those markets. Having peaked in October at over 3.2%, the US 10-year government bond yield fell to below 2.4% at the end of the period, as the Fed signalled a hiatus on quantitative tightening and as global economic conditions weakened. An inversion in the US government yield curve in March, for the first time in 12 years, unsettled investors, as this is historically a precursor to a recession. Italian government bonds were significantly weaker as investors worried about Italy's debt ratios and the Italian government's spending plans. UK gilts were underpinned by low domestic inflation rates and slowing growth. The turmoil of Brexit did not feed through into the bond market. Yields peaked in the autumn at over 1.7% before falling to below 1.0% in late March, the lowest level since late 2016. Corporate bond markets, including high yield bonds and emerging market bonds, followed a similar pattern to government bond markets, underpinned both by slowing economic growth and the Fed's decision to put rate hikes on hold.

Commodity markets experienced a rollercoaster ride over the period to end marginally down, in aggregate, as evidenced by the Commodity Research Bureau Index. Oil prices rose to four-year highs in the autumn on the expectation of tighter supply and resilient demand. Limited supply through production cuts by the Organization of the Petroleum Exporting Countries (OPEC), political chaos in Venezuela and President Trump's decision to hit Iran with fresh economic sanctions also boosted prices. However, the oil price plummeted from October on fears of waning demand and on rising oil output from the US. OPEC and Russia agreed upon production cuts late in the year. This created the impetus for a rally in the oil price in the first quarter of 2019. After peaking in the summer, the copper price fell away as fears about an extended period of trade tariffs between the US and China affected demand. Along with oil and other major commodities, the copper price rallied in the first quarter of 2019 as sentiment improved on optimism regarding a trade settlement and measures taken by central banks to halt monetary tightening. The gold price was down, falling steeply in the early summer before recovering through the autumn and into year end.

Statement of Authorised Corporate Director's (ACD) responsibilities

for the year ended 31 March 2019

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

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

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

for the year ended 31 March 2019

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
18 June 2019

Independent Auditors' report to the shareholders of Janus Henderson Sustainable/Responsible Funds ('the Company') for the year ended 31 March 2019

Report on the audit of the financial statements

Opinion

In our opinion, Janus Henderson Sustainable/Responsible Funds' financial statements:

- give a true and fair view of the financial position of the Company and each of the funds as at 31 March 2019 and of the net revenue and the net capital gains on the scheme property of the Company and each of the 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 (the 'Company') 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 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 2019; the statement of total return and the statements of change in net assets attributable to shareholders for the year ended 31 March 2019; the distribution tables; aggregated notes to the financial statements 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 when:

- 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 funds' ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the funds' business and the wider economy.

Reporting on other information

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

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

Authorised Corporate Director's Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

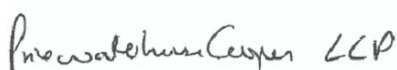
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
18 June 2019

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) of 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 Collective Investment Schemes Sourcebook (COLL), the Company's Instrument of Incorporation and prospectus. The financial statements have been prepared on a going concern basis.

(b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last valuation day of the accounting year (31 March 2019) in accordance with the provisions of the scheme particulars.

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

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

(c) Revenue recognition

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

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

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 REITs) 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.

Overseas REIT income is disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the tax note.

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.

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.

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(d) Treatment of expenses (including ACD expenses)

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

Annual Management Charge (AMC)

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the Company 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 as a higher priority than capital growth. The ACD and Depositary have agreed that 100% of the AMC for this fund is to be taken to capital for the purpose of calculating the distribution, as permitted by the OEIC regulations and in accordance with the Prospectus. The distribution currently payable reflects this treatment together with any associated tax effect.

General Administration Charge

All fees with the exception of the AMC, Depositary, 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.

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

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

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

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

(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 and carried at market value and a Statement of change in net assets is provided for each fund.

(h) Hedged share classes on Janus Henderson Global Sustainable Equity Fund

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 share 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.

(j) Dilution adjustment

The funds are single priced however the ACD has discretion to make a dilution adjustment in the calculation of the dealing price and thereby swing the dealing price of shares linked to the relevant fund. 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 fund pays dividend distributions.

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

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

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

All funds will make biannual distributions (31 May, 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.

Aggregated notes to the financial statements (continued)

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

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

(a) Market risk

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

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

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.

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 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.

Aggregated notes to the financial statements (continued)

3 Risk (continued)

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.

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

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 issue. 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 subinvestment 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 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 as set out in the Prospectus.

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.

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(b) Credit and counterparty risk

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

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

(c) 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.

(d) Brexit Risk

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

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

4 Cross holdings

As at 31 March 2019 there were no sub-fund cross holdings within Janus Henderson Sustainable/Responsible Funds (30/09/2018: none).

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 18 - 31 Mar 19 | 31 Mar 17 - 31 Mar 18 | 31 Mar 16 - 31 Mar 17 | 31 Mar 15 - 31 Mar 16 | 31 Mar 14 - 31 Mar 15 |
|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | % | % | % | % | % |
| Class A income | 8.1 | 7.5 | 26.8 | (4.1) | 17.9 |
| MSCI World Index | 12.5 | 1.9 | 32.7 | 0.3 | 19.7 |

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

Class A income is disclosed as it is the primary retail 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 2019

| Largest purchases | £000 | Largest sales | £000 |
|--------------------------|----------------|----------------------|----------------|
| Nintendo | 23,974 | Visa | 23,737 |
| Intuit | 19,051 | RELX | 13,848 |
| Walt Disney | 16,851 | Henry Schein | 12,723 |
| MasterCard | 15,915 | Charles Schwab | 11,851 |
| Intact Financial | 12,533 | Omron | 11,842 |
| Murata Manufacturing | 10,820 | Hubbell | 11,823 |
| Autodesk | 8,531 | Leopalace21 | 8,800 |
| ING | 8,472 | Encompass Health | 8,115 |
| Knorr-Bremse | 8,432 | Mednax | 7,979 |
| Costa | 8,225 | Vodafone | 7,944 |
| Total purchases | 292,996 | Total sales | 192,961 |

Investment Review

The fund returned 8.1% over the year under review based on Class A income compared with the MSCI World Index which returned 12.5% in sterling terms. However, much of this positive return was attributable to currency movements, with the US dollar appreciating roughly 7% against both sterling and the euro. In dollar terms, the MSCI Index offered a more modest return of 4.6%.

Looking back at the events of the last 12 months, it seems counterintuitive that equity markets have delivered a positive return. Indeed, on a calendar basis, 2018 was a poor year, with most markets recording a negative return. Global stock markets corrected sharply in the fourth quarter of 2018, with the MSCI World Index falling 11.2% in sterling terms, as concerns mounted about the outlook for the global economy against a backdrop of rising US interest rates, signs of slowing growth, trade war protectionism and difficult Brexit negotiations. However, the correction was short lived and there was an equally strong recovery in equity markets in the first quarter of 2019.

One of the main reasons behind the recent market strength has been the shift in tone and policy by the US Federal Reserve away from monetary tightening. The Chinese government is also starting to enact economic stimulus policies. This is a great example of reflexivity – the two-way feedback loop between investor perceptions and the economic environment – with stock market performance being a key input into central bank decision making. Fears over slowing growth were an important driver of weak markets in the prior quarter and this, in turn, influenced central bank policy. The equity market rally was further reinforced by good corporate results, with many companies reporting strong growth. It is important to remember that aggregate economic statistics hide a much more complex reality, and there are many secular trends that are driving growth for the companies exposed to them.

With regards to sustainability matters, there was significant news, both positive and negative. Recently the International Energy Agency reported that carbon emissions rose by more than 2% in 2018 to reach an all-time high. This followed a 1.6% increase in 2017. Strong growth in renewable energy was not enough to offset increased coal fired power generation in China and India, and higher oil use in transportation markets. After three years of flat emissions (from 2014 to 2016), this is sobering news for the fight against climate change. Emissions need to start declining sharply from 2020 in order for the world to stand any chance of staying within the climate targets agreed at the 2015 Paris summit.

In response to this, we are making carbon reduction a core element of our engagement programme, with the aim of encouraging our holdings to chart a path to achieving carbon neutrality. As we keep saying, economics is no longer a barrier to clean technology. In the last year the cost of clean energy has fallen to a level where new solar and wind generation is cheaper than the running costs of existing coal and gas generation. The cost of batteries and electric vehicles continue to decline as well. In the first quarter of 2019, Tesla finally released the \$35,000 version of its Model 3 sedan.

There are signs of building momentum in the circular economy and towards tackling the ocean plastics crisis. More and more companies are looking at ways to use recycled plastic in their supply chains. Over the last 12 months, we have made plastics a key topic of engagement, and we are encouraged by the actions of many of our investments. As an example, Kingspan recently announced an initiative to use recycled ocean plastics as an ingredient for its insulation panels, which are used to improve the energy efficiency of buildings. It has a target of recycling 1bn plastic bottles by 2020.

From a fund perspective, the best performing sectors were information technology (IT), healthcare and real estate, while the worst were financials and industrials. With the fund's overweight stance towards the technology and industrial sectors, and underweight stance towards the healthcare and financial sectors, there was a modest positive contribution from sector allocation. The reason for the underperformance was a combination of style risk and some adverse stock selection. The fund's style bias towards growth and midcaps was a headwind to performance, especially in the fourth quarter of 2018, when large capitalisation stocks outperformed. With regards to stock selection, while we had many winning investments over the year, some of our investments were negatively impacted by global trade and tariff concerns. In addition to this, there were four stocks that performed particularly poorly – DS Smith, AMS, Leopalace21 and Evoqua Water Technologies. Each stock has been reviewed thoroughly, and the decision was taken to maintain investment in DS Smith and Evoqua Water Technologies and to divest both AMS and Leopalace21.

Portfolio turnover was 22.5% over the past 12 months. This was in line with our long term average of 20%-30%. Fund positioning remains skewed towards our Knowledge & Technology and Efficiency themes, resulting in our continued overweight towards the IT and industrial sectors versus the index. The fund remains underweight the energy and consumer staple sectors and regional weighting remains in line with the MSCI World benchmark. The fund is managed to keep regional weightings in line with the MSCI World benchmark so that sector weightings are an outcome of where we are able to find the most compelling bottom up stock ideas while maintaining a balanced risk profile.

While aggregate economic growth is slowing, we still see cause to remain constructive in our outlook. The fact that central banks are pulling back from their course of tightening monetary policy could be a significant positive for equity markets, especially for the stocks of companies that are growing; there are still many companies that are growing strongly due to having products or services exposed to secular trends. Our investment framework is specifically designed to help us identify these types of companies.

Authorised Corporate Director's report (continued)

When we think about sustainability, we see a world of opportunity. We are finding exciting investment opportunities in areas such as cloud computing & artificial intelligence, electrification of transport, energy efficiency, smart cities, industry 4.0, sustainable infrastructure, financial services, education & research and healthcare. We view these as long term investment trends that will transcend both economic and political cycles, giving us confidence in the duration of future growth. Thanks to the UN Sustainable Development Goals, we see sustainability growing in importance at the company management and board level. Companies and investors are realising sustainability simply makes good business sense. And if it makes good business sense, then it makes good investment sense. Sustainability is our investment strategy.

Comparative tables for the year ended 31 March 2019

| | Class A income | | |
|---------------------------------------|------------------------------|------------------------------|------------------------------|
| | 2019 (pence per share) | 2018 (pence per share) | 2017 (pence per share) |
| Change in net assets per share | | | |
| Opening net asset value per share | 281.89 | 258.14 | 204.72 |
| Return before operating charges* | 26.94 | 28.56 | 57.80 |
| Operating charges | (4.98) | (4.67) | (3.93) |
| Return after operating charges* | 21.96 | 23.89 | 53.87 |
| Distributions on income shares | (0.06) | (0.14) | (0.45) |
| Closing net asset value per share | 303.79 | 281.89 | 258.14 |
| * after direct transaction costs of: | 0.09 | 0.21 | 0.20 |
| Performance | | | |
| Return after charges | 7.79% | 9.25% | 26.31% |
| Other information | | | |
| Closing net asset value (£000s) | 130,690 | 126,071 | 124,402 |
| Closing number of shares | 43,020,419 | 44,723,303 | 48,191,702 |
| Operating charges | 1.69% | 1.69% | 1.70% |
| Direct transaction costs | 0.03% | 0.08% | 0.08% |
| Prices | | | |
| Highest share price (pence) | 318.20 | 297.00 | 262.70 |
| Lowest share price (pence) | 261.00 | 249.40 | 199.80 |

| | Class G income | |
|---------------------------------------|------------------------------|------------------------------|
| | 2019 (pence per share) | 2018 (pence per share) |
| Change in net assets per share | | |
| Opening net asset value per share | 299.59 | 300.00 ¹ |
| Return before operating charges* | 28.50 | 0.01 |
| Operating charges | (2.22) | (0.24) |
| Return after operating charges* | 26.28 | (0.23) |
| Distributions on income shares | (2.49) | (0.18) |
| Closing net asset value per share | 323.38 | 299.59 |
| * after direct transaction costs of: | 0.09 | 0.24 |
| Performance | | |
| Return after charges | 8.77% | (0.08%) |
| Other information | | |
| Closing net asset value (£000s) | 26 | 1 |
| Closing number of shares | 8,071 | 169 |
| Operating charges | 0.73% | 0.73% |
| Direct transaction costs | 0.03% | 0.08% |
| Prices | | |
| Highest share price (pence) | 339.20 | 315.70 |
| Lowest share price (pence) | 277.80 | 292.00 |

¹ Class G income launched on 16 February 2018 and this is the first published price.

Comparative tables (continued)

| | Class I accumulation | | |
|---|------------------------------|------------------------------|------------------------------|
| | 2019 (pence per share) | 2018 (pence per share) | 2017 (pence per share) |
| Change in net assets per share | | | |
| Opening net asset value per share | 310.42 | 281.70 | 221.07 |
| Return before operating charges* | 29.77 | 31.27 | 62.78 |
| Operating charges | (2.73) | (2.55) | (2.15) |
| Return after operating charges* | 27.04 | 28.72 | 60.63 |
| Distributions on accumulation shares | (2.07) | (1.66) | (1.68) |
| Retained distributions on accumulation shares | 2.07 | 1.66 | 1.68 |
| Closing net asset value per share | 337.46 | 310.42 | 281.70 |
| * after direct transaction costs of: | 0.10 | 0.23 | 0.22 |
| Performance | | | |
| Return after charges | 8.71% | 10.20% | 27.43% |
| Other information | | | |
| Closing net asset value (£000s) | 234,089 | 142,579 | 99,142 |
| Closing number of shares | 69,367,389 | 45,930,364 | 35,194,346 |
| Operating charges | 0.84% | 0.84% | 0.84% |
| Direct transaction costs | 0.03% | 0.08% | 0.08% |
| Prices | | | |
| Highest share price (pence) | 351.40 | 326.90 | 286.60 |
| Lowest share price (pence) | 289.20 | 272.20 | 216.00 |
| | Class I income | | |
| | 2019 (pence per share) | 2018 (pence per share) | 2017 (pence per share) |
| Change in net assets per share | | | |
| Opening net asset value per share | 300.00 | 273.75 | 216.23 |
| Return before operating charges* | 28.79 | 30.33 | 61.21 |
| Operating charges | (2.64) | (2.47) | (2.06) |
| Return after operating charges* | 26.15 | 27.86 | 59.15 |
| Distributions on income shares | (2.16) | (1.61) | (1.63) |
| Closing net asset value per share | 323.99 | 300.00 | 273.75 |
| * after direct transaction costs of: | 0.10 | 0.23 | 0.21 |
| Performance | | | |
| Return after charges | 8.72% | 10.18% | 27.36% |
| Other information | | | |
| Closing net asset value (£000s) | 199,270 | 168,965 | 129,722 |
| Closing number of shares | 61,504,563 | 56,322,710 | 47,387,761 |
| Operating charges | 0.84% | 0.84% | 0.84% |
| Direct transaction costs | 0.03% | 0.08% | 0.08% |
| Prices | | | |
| Highest share price (pence) | 339.60 | 316.40 | 278.70 |
| Lowest share price (pence) | 278.30 | 264.60 | 211.30 |

Comparative tables (continued)

| | Class Z accumulation | | |
|---|------------------------------|------------------------------|------------------------------|
| | 2019 (pence per share) | 2018 (pence per share) | 2017 (pence per share) |
| Change in net assets per share | | | |
| Opening net asset value per share | 422.78 | 380.69 | 296.44 |
| Return before operating charges* | 40.70 | 42.34 | 84.45 |
| Operating charges | (0.27) | (0.25) | (0.20) |
| Return after operating charges* | 40.43 | 42.09 | 84.25 |
| Distributions on accumulation shares | (6.71) | (5.78) | (5.20) |
| Retained distributions on accumulation shares | 6.71 | 5.78 | 5.20 |
| Closing net asset value per share | 463.21 | 422.78 | 380.69 |
| * after direct transaction costs of: | 0.14 | 0.32 | 0.29 |
| Performance | | | |
| Return after charges | 9.56% | 11.06% | 28.42% |
| Other information | | | |
| Closing net asset value (£000s) | 118,596 | 116,397 | 106,833 |
| Closing number of shares | 25,603,069 | 27,531,409 | 28,063,167 |
| Operating charges | 0.06% | 0.06% | 0.06% |
| Direct transaction costs | 0.03% | 0.08% | 0.08% |
| Prices | | | |
| Highest share price (pence) | 480.00 | 445.10 | 387.10 |
| Lowest share price (pence) | 396.20 | 368.10 | 289.90 |
| Class A Euro (hedged) accumulation | | | |
| 2019 | | | |
| (pence per share) | | | |
| Change in net assets per share | | | |
| Opening net asset value per share | 903.77 ² | | |
| Return before operating charges* | 35.24 | | |
| Operating charges | (6.57) | | |
| Return after operating charges* | 28.67 | | |
| Distributions on accumulation shares | (0.18) | | |
| Retained distributions on accumulation shares | 0.18 | | |
| Closing net asset value per share | 932.44 | | |
| * after direct transaction costs of: | 0.27 | | |
| Performance | | | |
| Return after charges | 3.17% | | |
| Other information | | | |
| Closing net asset value (£000s) | 13 | | |
| Closing number of shares | 1,391 | | |
| Operating charges | 1.69% | | |
| Direct transaction costs | 0.03% | | |
| Prices | | | |
| Highest share price (Euro cents) | 1,082.00 | | |
| Lowest share price (Euro cents) | 934.10 | | |

² Class A Euro (hedged) accumulation launched on 26 October 2018 and this is the first published price.

Comparative tables (continued)

Class A Euro (unhedged) accumulation

| | 2019 (pence per share) | 2018 (pence per share) | 2017 (pence per share) |
|---|------------------------------|------------------------------|------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 25,089.46 | 22,964.21 | 18,184.30 |
| Return before operating charges* | 2,398.65 | 2,539.20 | 5,135.58 |
| Operating charges | (445.81) | (413.95) | (358.67) |
| Return after operating charges* | 1,952.84 | 2,125.25 | 4,779.91 |
| Distributions on accumulation shares | (22.12) | (29.67) | - |
| Retained distributions on accumulation shares | 22.12 | 29.67 | - |
| Closing net asset value per share | 27,042.30 | 25,089.46 | 22,964.21 |
| * after direct transaction costs of: | 8.02 | 18.91 | 17.93 |

Performance

| | | | |
|----------------------|-------|-------|--------|
| Return after charges | 7.78% | 9.25% | 26.29% |
|----------------------|-------|-------|--------|

Other information

| | | | |
|---------------------------------|-------|-------|-------|
| Closing net asset value (£000s) | 1,221 | 524 | 629 |
| Closing number of shares | 4,513 | 2,087 | 2,738 |
| Operating charges | 1.69% | 1.69% | 1.70% |
| Direct transaction costs | 0.03% | 0.08% | 0.08% |

Prices

| | | | |
|----------------------------------|-----------|-----------|-----------|
| Highest share price (Euro cents) | 31,480.00 | 29,840.00 | 26,970.00 |
| Lowest share price (Euro cents) | 25,780.00 | 26,030.00 | 22,140.00 |

Class I Euro (hedged) accumulation

| | 2019 (pence per share) | 2018 (pence per share) | 2017 (pence per share) |
|---|------------------------------|------------------------------|------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 1,893.53 | 1,693.80 | 1,255.41 |
| Return before operating charges* | 113.04 | 215.41 | 451.35 |
| Operating charges | (16.00) | (15.68) | (12.96) |
| Return after operating charges* | 97.04 | 199.73 | 438.39 |
| Distributions on accumulation shares | (14.36) | (7.38) | (11.58) |
| Retained distributions on accumulation shares | 14.36 | 7.38 | 11.58 |
| Closing net asset value per share | 1,990.57 | 1,893.53 | 1,693.80 |
| * after direct transaction costs of: | 0.60 | 1.49 | 1.36 |

Performance

| | | | |
|----------------------|-------|--------|--------|
| Return after charges | 5.12% | 11.79% | 34.92% |
|----------------------|-------|--------|--------|

Other information

| | | | |
|---------------------------------|--------|--------|-------|
| Closing net asset value (£000s) | 1,277 | 963 | 20 |
| Closing number of shares | 64,158 | 50,857 | 1,210 |
| Operating charges | 0.81% | 0.81% | 0.81% |
| Direct transaction costs | 0.03% | 0.08% | 0.08% |

Prices

| | | | |
|----------------------------------|----------|----------|----------|
| Highest share price (Euro cents) | 2,431.76 | 2,274.63 | 2,015.51 |
| Lowest share price (Euro cents) | 1,989.38 | 1,912.51 | 1,543.97 |

Comparative tables (continued)

Class I Euro (unhedged) accumulation

| | 2019 (pence per share) | 2018 (pence per share) | 2017 (pence per share) |
|---|------------------------------|------------------------------|------------------------------|
| Change in net assets per share | | | |
| Opening net asset value per share | 179.70 | 163.03 | 127.90 |
| Return before operating charges* | 17.25 | 18.09 | 36.31 |
| Operating charges | (1.53) | (1.42) | (1.18) |
| Return after operating charges* | 15.72 | 16.67 | 35.13 |
| Distributions on accumulation shares | (1.28) | (1.01) | (1.13) |
| Retained distributions on accumulation shares | 1.28 | 1.01 | 1.13 |
| Closing net asset value per share | 195.42 | 179.70 | 163.03 |
| * after direct transaction costs of: | 0.06 | 0.14 | 0.12 |

Performance

| | | | |
|----------------------|-------|--------|--------|
| Return after charges | 8.75% | 10.23% | 27.46% |
|----------------------|-------|--------|--------|

Other information

| | | | |
|---------------------------------|------------|------------|------------|
| Closing net asset value (£000s) | 139,651 | 107,576 | 72,773 |
| Closing number of shares | 71,463,171 | 59,863,854 | 44,638,695 |
| Operating charges | 0.81% | 0.81% | 0.81% |
| Direct transaction costs | 0.03% | 0.08% | 0.08% |

Prices

| | | | |
|----------------------------------|--------|--------|--------|
| Highest share price (Euro cents) | 227.20 | 213.40 | 191.30 |
| Lowest share price (Euro cents) | 185.90 | 185.50 | 156.20 |

Performance values are close of business and on a bid basis which may differ from the performance summary.

Operating charges

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

Share class launches and closures

The following share class launched in the year:

| Share class | Launch date |
|------------------------------------|-----------------|
| Class A Euro (hedged) accumulation | 26 October 2018 |

There were no share classes closed in the year.

Hedged share classes

Class A Euro (hedged) and Class I Euro (hedged) accumulation 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.

| | 2019 % | 2018 % |
|------------------------------|-------------------|-------------------|
| Class A | 1.69 | 1.69 |
| Class G | 0.73 | 0.73 ¹ |
| Class I | 0.84 | 0.84 |
| Class Z | 0.06 | 0.06 |
| Class A Euro (hedged) | 1.69 ² | n/a |
| Class I Euro (hedged) | 0.81 | 0.81 |

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

¹ Class G income launched on 16 February 2018 and this is an estimate of the OCF. The estimate has been calculated as the rate on the annualised total ongoing charges since the launch date to the average net asset value.

² Class A Euro (hedged) accumulation launched on 26 October 2018 and this is an estimate of the OCF. The estimate has been calculated as the rate on the annualised total ongoing charges since the launch date to the average net asset value.

Risk and reward profile

The fund currently has 9 types of share class in issue; A income, G Income, I accumulation, I income, Z accumulation, I Euro (hedged) accumulation, A Euro (unhedged) accumulation, A Euro (hedged) accumulation and I Euro (unhedged) accumulation. The risk and reward profiles are as follows:

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



The synthetic risk and reward indicator (SRRRI) 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 SRRRI level. The SRRRI is an indicator and may not accurately reflect future volatility and market conditions. The value of an investment in the fund can go up or down. When you sell your 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 share classes appear at 5 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in share price in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

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 rating in the year.

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

* Class G income and Class A Euro (hedged) accumulation have not been in existence for 5 years as they launched on 16 February 2018 and 26 October 2018 respectively. As these share classes do not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

Portfolio statement as at 31 March 2019

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|-----------|---|----------------------|---|
| | Equities 97.62% (2018: 97.95%) | | |
| | Australia 0.68% (2018: 0.00%) | | |
| | Consumer Staples 0.68% (2018: 0.00%) | | |
| 2,000,000 | Costa | 5,593 | 0.68 |
| | Austria 0.00% (2018: 1.43%) | | |
| | Information Technology 0.00% (2018: 1.43%) | | |
| | Brazil 0.00% (2018: 0.68%) | | |
| | Utilities 0.00% (2018: 0.68%) | | |
| | Canada 5.22% (2018: 3.01%) | | |
| | Consumer Discretionary 2.50% (2018: 2.26%) | | |
| 750,000 | Gildan Activewear | 20,654 | 2.50 |
| | Financials 1.73% (2018: 0.00%) | | |
| 220,000 | Intact Financial | 14,263 | 1.73 |
| | Utilities 0.99% (2018: 0.75%) | | |
| 750,000 | Borex 'A' | 8,143 | 0.99 |
| | Finland 0.00% (2018: 0.44%) | | |
| | Industrials 0.00% (2018: 0.44%) | | |
| | France 6.74% (2018: 6.05%) | | |
| | Communication Services 1.59% (2018: 1.06%) | | |
| 1,050,900 | Orange | 13,112 | 1.59 |
| | Industrials 5.15% (2018: 4.99%) | | |
| 1,250,000 | Getlink | 14,552 | 1.76 |
| 250,000 | Legrand | 12,848 | 1.56 |
| 250,000 | Schneider Electric | 15,063 | 1.83 |
| | | 42,463 | 5.15 |
| | Germany 2.40% (2018: 1.01%) | | |
| | Consumer Discretionary 1.11% (2018: 0.00%) | | |
| 120,000 | Knorr-Bremse | 9,136 | 1.11 |
| | Information Technology 1.29% (2018: 1.01%) | | |
| 120,000 | SAP | 10,661 | 1.29 |
| | Hong Kong 2.22% (2018: 2.00%) | | |
| | Financials 2.22% (2018: 2.00%) | | |
| 2,400,000 | AIA | 18,313 | 2.22 |
| | Ireland 0.65% (2018: 1.37%) | | |
| | Industrials 0.65% (2018: 1.37%) | | |
| 150,000 | Kingspan | 5,333 | 0.65 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|-----------|---|----------------------|---|
| | Israel 0.00% (2018: 0.44%) | | |
| | Information Technology 0.00% (2018: 0.44%) | | |
| | Japan 8.04% (2018: 8.58%) | | |
| | Communication Services 2.52% (2018: 0.00%) | | |
| 95,000 | Nintendo | 20,781 | 2.52 |
| | Consumer Discretionary 1.51% (2018: 2.07%) | | |
| 100,000 | Shimano | 12,459 | 1.51 |
| | Industrials 0.88% (2018: 0.93%) | | |
| 75,000 | Nidec | 7,285 | 0.88 |
| | Information Technology 3.13% (2018: 3.60%) | | |
| 270,000 | Murata Manufacturing | 10,319 | 1.25 |
| 700,000 | Shimadzu | 15,507 | 1.88 |
| | | 25,826 | 3.13 |
| | Real Estate 0.00% (2018: 1.98%) | | |
| | Netherlands 5.20% (2018: 3.99%) | | |
| | Financials 1.41% (2018: 1.13%) | | |
| 1,250,000 | ING | 11,603 | 1.41 |
| | Industrials 1.04% (2018: 0.00%) | | |
| 165,000 | Wolters Kluwer | 8,613 | 1.04 |
| | Information Technology 2.75% (2018: 2.86%) | | |
| 157,600 | ASML | 22,696 | 2.75 |
| | United Kingdom 3.66% (2018: 7.42%) | | |
| | Communication Services 1.62% (2018: 1.53%) | | |
| 1,800,000 | Informa | 13,396 | 1.62 |
| | Consumer Discretionary 0.00% (2018: 1.52%) | | |
| | Industrials 0.00% (2018: 1.94%) | | |
| | Materials 2.04% (2018: 2.43%) | | |
| 5,000,000 | DS Smith | 16,795 | 2.04 |
| | United States 62.81% (2018: 61.53%) | | |
| | Communication Services 2.07% (2018: 0.00%) | | |
| 200,000 | Walt Disney | 17,042 | 2.07 |
| | Consumer Discretionary 4.52% (2018: 3.82%) | | |
| 230,000 | Aptiv | 14,031 | 1.70 |
| 260,000 | Nike 'B' | 16,798 | 2.04 |
| 30,000 | Tesla | 6,441 | 0.78 |
| | | 37,270 | 4.52 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---|--------------------------------|----------------------|---|
| Consumer Staples 1.05% (2018: 1.36%) | | | |
| 75,000 | McCormick Non-Voting Shares | 8,670 | 1.05 |
| Financials 7.61% (2018: 8.38%) | | | |
| 120,800 | AON | 15,821 | 1.92 |
| 232,156 | Marsh & McLennan | 16,728 | 2.03 |
| 367,800 | Progressive | 20,350 | 2.47 |
| 252,200 | Walker & Dunlop | 9,850 | 1.19 |
| | | <u>62,749</u> | <u>7.61</u> |
| Health Care 6.10% (2018: 9.08%) | | | |
| 300,000 | Encompass Health | 13,448 | 1.63 |
| 95,000 | Humana | 19,393 | 2.35 |
| 189,200 | Teladoc Health | 8,075 | 0.98 |
| 48,526 | Waters | 9,374 | 1.14 |
| | | <u>50,290</u> | <u>6.10</u> |
| Industrials 5.39% (2018: 7.98%) | | | |
| 250,000 | A.O. Smith | 10,228 | 1.24 |
| 800,000 | Evoqua Water Technologies | 7,730 | 0.94 |
| 147,100 | Wabtec | 8,323 | 1.01 |
| 300,000 | Xylem | 18,199 | 2.20 |
| | | <u>44,480</u> | <u>5.39</u> |
| Information Technology 30.77% (2018: 27.60%) | | | |
| 130,000 | Adobe | 26,580 | 3.22 |
| 190,000 | Autodesk | 22,720 | 2.75 |
| 120,000 | Blackbaud | 7,336 | 0.89 |
| 275,000 | Cadence Design Systems | 13,399 | 1.62 |
| 150,000 | Cognizant Technology Solutions | 8,337 | 1.01 |
| 120,000 | Intuit | 24,074 | 2.92 |
| 90,000 | IPG Photonics | 10,483 | 1.27 |
| 96,000 | Lam Research | 13,186 | 1.60 |
| 100,000 | MasterCard | 18,061 | 2.19 |
| 225,000 | Microchip Technology | 14,327 | 1.74 |
| 420,000 | Microsoft | 38,015 | 4.60 |
| 147,815 | National Instruments | 5,033 | 0.61 |
| 50,000 | PayPal | 3,984 | 0.48 |
| 126,100 | Salesforce.com | 15,328 | 1.86 |
| 250,000 | TE Connectivity | 15,494 | 1.88 |
| 215,400 | Texas Instruments | 17,532 | 2.13 |
| | | <u>253,889</u> | <u>30.77</u> |
| Materials 1.26% (2018: 0.91%) | | | |
| 120,000 | Avery Dennison | 10,407 | 1.26 |
| Real Estate 4.04% (2018: 2.40%) | | | |
| 65,000 | Crown Castle International | 6,384 | 0.77 |
| 40,000 | Equinix | 13,905 | 1.69 |
| 900,000 | Physicians Realty Trust REIT | 12,999 | 1.58 |
| | | <u>33,288</u> | <u>4.04</u> |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|--|--|----------------------|---|
| Derivatives 0.00% (2018: 0.00%) | | | |
| Forward Foreign Exchange Contracts 0.00% (2018: 0.00%)¹ | | | |
| | Buy EUR 11 : Sell GBP 10 April 2019 ² | - | - |
| | Buy EUR 125,018 : Sell GBP 107,470 April 2019 ² | - | - |
| | Buy EUR 4 : Sell GBP 4 April 2019 ² | - | - |
| | Buy GBP 1,207 : Sell EUR 1,415 April 2019 ² | - | - |
| | Buy GBP 2 : Sell EUR 3 April 2019 ² | - | - |
| | Buy GBP 33,401 : Sell EUR 38,935 April 2019 ² | - | - |
| | Buy GBP 69,652 : Sell EUR 81,803 April 2019 | (1) | - |
| | | <u>(1)</u> | <u>-</u> |
| Forward Foreign Exchange Contracts (Hedged share classes) 0.00% (2018: 0.00%)¹ | | | |
| | Buy EUR 1,492,414 : Sell GBP 1,280,540 April 2019 | 6 | - |
| | Buy EUR 20,835 : Sell GBP 18,013 April 2019 ² | - | - |
| | Buy EUR 22,125 : Sell GBP 18,950 April 2019 ² | - | - |
| | Buy GBP 29,012 : Sell EUR 33,812 April 2019 ² | - | - |
| | Buy GBP 31,916 : Sell EUR 37,213 April 2019 ² | - | - |
| | | <u>6</u> | <u>-</u> |
| | | <u>6</u> | <u>-</u> |
| | Investment assets including investment liabilities | 805,215 | 97.62 |
| | Other net assets | 19,618 | 2.38 |
| | Total net assets | 824,833 | 100.00 |

¹ Unquoted securities

² Due to rounding to nearest £1,000

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

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 2019

| | Note | 2019 | | 2018 | |
|---|------|---------|---------------|---------|---------------|
| | | £000 | £000 | £000 | £000 |
| Income | | | | | |
| Net capital gains | 2 | | 55,430 | | 52,882 |
| Revenue | 3 | 12,651 | | 9,321 | |
| Expenses | 4 | (6,465) | | (5,257) | |
| Interest payable and similar charges | 5 | (1) | | - | |
| Net revenue before taxation | | 6,185 | | 4,064 | |
| Taxation | 6 | (1,181) | | (643) | |
| Net revenue after taxation | | | 5,004 | | 3,421 |
| Total return before distributions | | | 60,434 | | 56,303 |
| Distributions | 7 | | (5,231) | | (3,800) |
| Change in net assets attributable to shareholders from investment activities | | | 55,203 | | 52,503 |

Statement of change in net assets attributable to shareholders for the year ended 31 March 2019

| | 2019 | | 2018 | |
|--|----------|----------------|----------|----------------|
| | £000 | £000 | £000 | £000 |
| Opening net assets attributable to shareholders | | 663,076 | | 533,521 |
| Amounts receivable on issue of shares | 175,831 | | 113,211 | |
| Amounts payable on cancellation of shares | (73,207) | | (39,010) | |
| | | 102,624 | | 74,201 |
| Change in net assets attributable to shareholders from investment activities | | 55,203 | | 52,503 |
| Retained distributions on accumulation shares | | 3,929 | | 2,851 |
| Unclaimed distributions | | 1 | | - |
| Closing net assets attributable to shareholders | | 824,833 | | 663,076 |

Balance sheet as at 31 March 2019

| | Note | 2019 £000 | 2018 £000 |
|--|------|----------------|----------------|
| Assets: | | | |
| Investments | | 805,216 | 649,462 |
| Current assets: | | | |
| Debtors | 8 | 5,367 | 2,431 |
| Cash and bank balances | 9 | 18,668 | 18,927 |
| Total assets | | 829,251 | 670,820 |
| Liabilities: | | | |
| Investment liabilities | | 1 | 12 |
| Creditors: | | | |
| Bank overdrafts | | 1,823 | - |
| Distributions payable | | 458 | 223 |
| Other creditors | 10 | 2,136 | 7,509 |
| Total liabilities | | 4,418 | 7,744 |
| Net assets attributable to shareholders | | 824,833 | 663,076 |

Notes to the financial statements for the year ended 31 March 2019

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 gains

Net capital gains on investments during the year comprise:

| | 2019 | 2018 |
|--|---------------|---------------|
| | £000 | £000 |
| Forward currency contracts | (37) | 121 |
| Forward currency contracts on hedged share classes | (43) | (13) |
| Non-derivative securities | 55,718 | 53,310 |
| Other currency losses | (199) | (527) |
| Transaction costs | (9) | (9) |
| Net capital gains | 55,430 | 52,882 |

3 Revenue

| | 2019 | 2018 |
|-----------------------|---------------|--------------|
| | £000 | £000 |
| Bank interest | 85 | 44 |
| Overseas dividends | 9,926 | 7,416 |
| Overseas REIT revenue | 760 | 404 |
| UK dividends | 1,880 | 1,457 |
| Total revenue | 12,651 | 9,321 |

4 Expenses

| | 2019 | 2018 |
|--|--------------|--------------|
| | £000 | £000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| Annual management charge | 5,758 | 4,651 |
| GAC* | 628 | 530 |
| | <u>6,386</u> | <u>5,181</u> |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary fees | 47 | 35 |
| Safe custody fees | 30 | 41 |
| | <u>77</u> | <u>76</u> |
| Other expenses: | | |
| Professional fees | 2 | - |
| | <u>2</u> | <u>-</u> |
| Total expenses | 6,465 | 5,257 |

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,017 (2018: £9,725).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Interest payable | 1 | - |
| Total interest payable and similar charges | 1 | - |

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

| | 2019 £000 | 2018 £000 |
|----------------------------|--------------|--------------|
| Current tax | | |
| Overseas withholding tax | 1,181 | 643 |
| Total tax (note 6b) | 1,181 | 643 |

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% (2018: 20%). The differences are explained below:

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Net revenue before taxation | 6,185 | 4,064 |
| Corporation tax at 20% (2018: 20%) | 1,237 | 813 |
| Effects of: | | |
| Irrecoverable overseas tax | 1,181 | 643 |
| Overseas dividends* | (1,940) | (1,483) |
| Tax effect of expensed double taxation relief | (28) | (10) |
| UK dividends** | (376) | (292) |
| Unused management expenses | 1,107 | 972 |
| Tax charge for the year (note 6a) | 1,181 | 643 |

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

** 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 (2018: 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 £7,062,111 (2018: £5,955,146) 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

| | 2019 | 2018 |
|----------------------------|---------------------|---------------------|
| | £000 | £000 |
| Interim income | 844 | 726 |
| Interim accumulation | 2,349 | 1,890 |
| Final income | 458 | 223 |
| Final accumulation | 1,580 | 961 |
| | <u>5,231</u> | <u>3,800</u> |
| Net revenue after taxation | 5,004 | 3,421 |
| Revenue shortfall | 227 | 379 |
| Total distributions | <u>5,231</u> | <u>3,800</u> |

Details of the distribution per share are set out in the distribution tables on pages 40 to 41.

8 Debtors

| | 2019 | 2018 |
|---|---------------------|---------------------|
| | £000 | £000 |
| Accrued revenue | 1,016 | 535 |
| Amounts receivable for issue of shares | 3,819 | 1,764 |
| Currency transactions awaiting settlement | 388 | - |
| Overseas withholding tax reclaimable | 144 | 132 |
| Total debtors | <u>5,367</u> | <u>2,431</u> |

9 Cash and bank balances

| | 2019 | 2018 |
|-------------------------------------|----------------------|----------------------|
| | £000 | £000 |
| Cash and bank balances | 18,668 | 18,927 |
| Total cash and bank balances | <u>18,668</u> | <u>18,927</u> |

10 Other creditors

| | 2019 | 2018 |
|--|---------------------|---------------------|
| | £000 | £000 |
| Accrued annual management charge | 523 | 435 |
| Accrued Depositary's fee | 5 | 4 |
| Accrued other expenses | 95 | 57 |
| Amounts payable for cancellation of shares | 347 | 354 |
| Currency transactions awaiting settlement | 389 | - |
| Purchases awaiting settlement | 777 | 6,659 |
| Total other creditors | <u>2,136</u> | <u>7,509</u> |

11 Contingent liabilities and commitments

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

Notes to the financial statements (continued)

12 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party because it provides key management personnel services to the fund. All transactions and balances associated with the 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 29 and 30 and notes 4, 8 and 10 on pages 31 to 33 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 (2018: nil).

13 Shareholders' funds

The fund currently has 9 share classes available; Class A (Retail with exit charges), Class A Euro (unhedged), Class A Euro (hedged), 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:

| | 2019 | 2018 |
|------------------------------------|-------------|-------------|
| | % | % |
| Class A | 1.50 | 1.50 |
| 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 | 1.50 | n/a |
| Class A Euro (unhedged) | 1.50 | 1.50 |
| Class I Euro (unhedged) | 0.75 | 0.75 |
| Class I Euro (hedged) | 0.75 | 0.75 |

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

¹ Class A Euro (hedged) launched on 26 October 2018.

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 22. The distribution per share class is given in the distribution tables on pages 40 to 41. All share classes have the same rights on winding up.

Shares reconciliation as at 31 March 2019

| | Class A income | Class G income | Class I accumulation |
|----------------------------------|---------------------------|---------------------------|---------------------------------|
| Opening number of shares | 44,723,303 | 169 | 45,930,364 |
| Issues during the year | 2,316,675 | 11,628 | 24,512,415 |
| Cancellations during the year | (3,469,913) | (3,726) | (1,114,061) |
| Shares converted during the year | (549,646) | - | 38,671 |
| Closing shares in issue | 43,020,419 | 8,071 | 69,367,389 |

| | Class I income | Class Z accumulation | Class A Euro (hedged) accumulation |
|----------------------------------|---------------------------|---------------------------------|---|
| Opening number of shares | 56,322,710 | 27,531,409 | - |
| Issues during the year | 8,205,825 | 373,324 | 1,456 |
| Cancellations during the year | (3,510,164) | (2,293,244) | (65) |
| Shares converted during the year | 486,192 | (8,420) | - |
| Closing shares in issue | 61,504,563 | 25,603,069 | 1,391 |

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation (continued)

| | Class A Euro (unhedged) accumulation | Class I Euro (hedged) accumulation | Class I Euro (unhedged) accumulation |
|----------------------------------|--|--|--|
| Opening number of shares | 2,087 | 50,857 | 59,863,854 |
| Issues during the year | 49,176 | 34,615 | 25,739,817 |
| Cancellations during the year | (46,750) | (21,314) | (14,140,500) |
| Shares converted during the year | - | - | - |
| Closing shares in issue | 4,513 | 64,158 | 71,463,171 |

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 2019 (2018: nil).

2019

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

| Counterparty | Forward foreign exchange contracts £000 |
|--------------|---|
| BNP Paribas | 6 |
| | 6 |

2018

At 31 March 2018 the underlying exposure for the derivatives held was as follows:

| Counterparty | Forward foreign exchange contracts £000 |
|--------------|---|
| BNP Paribas | 1 |
| | 1 |

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.

| | Investment assets including investment liabilities £000 | Other net assets/ (liabilities) £000 | Total net assets £000 |
|-------------------|--|--|--------------------------|
| 2019 | | | |
| Currency | | | |
| 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 |
| Total | 805,215 | 19,618 | 824,833 |
| | Investment assets including investment liabilities £000 | Other net assets/ (liabilities) £000 | Total net assets £000 |
| 2018 | | | |
| Currency | | | |
| Brazilian real | 4,527 | (332) | 4,195 |
| Canadian dollar | 19,945 | 45 | 19,990 |
| Euro | 99,889 | (650) | 99,239 |
| Hong Kong dollar | 13,257 | - | 13,257 |
| Japanese yen | 56,831 | 334 | 57,165 |
| Norwegian krone | - | 28 | 28 |
| Swiss franc | 9,498 | 13 | 9,511 |
| UK sterling | 34,618 | 14,000 | 48,618 |
| US dollar | 410,885 | 188 | 411,073 |
| Total | 649,450 | 13,626 | 663,076 |

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £777,131,000 (2018: £614,458,000). A 10% increase in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing the return for the year ended 31 March 2019 and the net assets as at 31 March 2019 by £77,713,100 (2018: £61,445,800). A 10% decrease in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of decreasing the return for the year ended 31 March 2019 and the net assets as at 31 March 2019 by £77,713,100 (2018: £61,445,800).

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 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 |
|----------------------------------|-------------------|-------------------------|--|-------------------------|
| 2019 | | | | |
| Bank overdrafts | 1,823 | - | - | - |
| Derivative financial liabilities | - | 1 | - | - |
| Distribution payable | - | 458 | - | - |
| Other creditors | - | 2,136 | - | - |
| Total | 1,823 | 2,595 | - | - |
| | On demand £000 | Within one year £000 | Over one year but not more than five years £000 | Over five years £000 |
| 2018 | | | | |
| Derivative financial liabilities | - | 12 | - | - |
| Distribution payable | - | 223 | - | - |
| Other creditors | - | 7,509 | - | - |
| Total | - | 7,744 | - | - |

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

| | 2019 | | 2018 | |
|---------|----------------|---------------------|----------------|---------------------|
| | Assets £000 | Liabilities £000 | Assets £000 | Liabilities £000 |
| Level 1 | 805,210 | - | 649,461 | - |
| Level 2 | 6 | 1 | 1 | 12 |
| Level 3 | - | - | - | - |
| | 805,216 | 1 | 649,462 | 12 |

Notes to the financial statements (continued)

17 Direct transaction costs

| | Purchases | | Sales | |
|---|----------------|----------------|----------------|----------------|
| | 2019 £000 | 2018 £000 | 2019 £000 | 2018 £000 |
| Trades in the year | | | | |
| Equities | 292,833 | 312,540 | 193,027 | 236,992 |
| Trades in the year before transaction costs | 292,833 | 312,540 | 193,027 | 236,992 |
| Transaction costs | | | | |
| Commissions | | | | |
| Equities | 73 | 212 | 62 | 196 |
| Total commissions | 73 | 212 | 62 | 196 |
| Taxes | | | | |
| Equities | 36 | 39 | 1 | 3 |
| Total taxes | 36 | 39 | 1 | 3 |
| Other expenses | | | | |
| Equities | 54 | 15 | 3 | 6 |
| Total other expenses | 54 | 15 | 3 | 6 |
| Total transaction costs | 163 | 266 | 66 | 205 |
| Total net trades in the year after transaction costs | 292,996 | 312,806 | 192,961 | 236,787 |

| | Purchases | | Sales | |
|---|-------------------|-------------------|-----------|-----------|
| | 2019 % | 2018 % | 2019 % | 2018 % |
| Total transaction costs expressed as a percentage of asset type cost | | | | |
| Commissions | | | | |
| Collective investment schemes | - | - | - | - |
| Debt securities | - | - | - | - |
| Equities | 0.02 | 0.07 | 0.03 | 0.08 |
| Taxes | | | | |
| Collective investment schemes | - | - | - | - |
| Debt securities | - | - | - | - |
| Equities | 0.01 | 0.01 | - | - |
| Other expenses | | | | |
| Collective investment schemes | - | - | - | - |
| Debt securities | - | - | - | - |
| Equities | 0.02 | - | - | - |
| | 2019 % | 2018 % | | |
| Total transaction costs expressed as a percentage of net asset value | | | | |
| Commissions | 0.02 | 0.07 | | |
| Taxes | - | 0.01 | | |
| Other expenses | 0.01 | - | | |
| Total costs | 0.03 | 0.08 | | |

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

There were no in specie transfers during the year (2018: nil). There were no corporate actions during the year (2018: £5,570,677).

There were no direct transaction costs associated with derivatives in the year (2018: nil).

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

The portfolio dealing spread as at 31 March 2019 was 0.10% (2018: 0.06%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

18 Events after the Balance sheet date

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

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

Interim dividend distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: units purchased prior to 1 April 2018

Group 2: units purchased on or after 1 April 2018

| | Distribution per share | Total distribution per share 30/11/18 | Total distribution per share 30/11/17 |
|---|---------------------------|--|--|
| Class A income | | | |
| Group 1 | 0.0553 | 0.0553 | 0.1391 |
| Group 2 | 0.0553 | 0.0553 | 0.1391 |
| Class G income¹ | | | |
| Group 1 | 1.6009 | 1.6009 | n/a |
| Group 2 | 1.6009 | 1.6009 | n/a |
| Class I accumulation | | | |
| Group 1 | 1.3679 | 1.3679 | 1.2474 |
| Group 2 | 1.3679 | 1.3679 | 1.2474 |
| Class I income | | | |
| Group 1 | 1.4162 | 1.4162 | 1.2122 |
| Group 2 | 1.4162 | 1.4162 | 1.2122 |
| Class Z accumulation | | | |
| Group 1 | 3.8861 | 3.8861 | 3.5147 |
| Group 2 | 3.8861 | 3.8861 | 3.5147 |
| Class A Euro (hedged) accumulation^{2,3} | | | |
| Group 1 | n/a | n/a | n/a |
| Group 2 | n/a | n/a | n/a |
| Class A Euro (unhedged) accumulation² | | | |
| Group 1 | 24.8376 | 24.8376 | 33.6777 |
| Group 2 | 24.8376 | 24.8376 | 33.6777 |
| Class I Euro (hedged) accumulation² | | | |
| Group 1 | 10.1826 | 10.1826 | 5.0690 |
| Group 2 | 10.1826 | 10.1826 | 5.0690 |
| Class I Euro (unhedged) accumulation² | | | |
| Group 1 | 0.8672 | 0.8672 | 0.8725 |
| Group 2 | 0.8672 | 0.8672 | 0.8725 |

¹ Class G income launched on 16 February 2018.

² in Euro cents per share

³ Class A Euro (hedged) accumulation launched on 26 October 2018.

Distribution tables (continued)

Final dividend distribution (accounting date 31 March 2019, paid on 31 May 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

| | Distribution per share | Total distribution per share 31/05/19 | Total distribution per share 31/05/18 |
|---|---------------------------|--|--|
| Class A income | | | |
| Group 1 | - | - | - |
| Group 2 | - | - | - |
| Class G income¹ | | | |
| Group 1 | 0.8868 | 0.8868 | 0.1798 |
| Group 2 | 0.8868 | 0.8868 | 0.1798 |
| Class I accumulation | | | |
| Group 1 | 0.7067 | 0.7067 | 0.4092 |
| Group 2 | 0.7067 | 0.7067 | 0.4092 |
| Class I income | | | |
| Group 1 | 0.7451 | 0.7451 | 0.3959 |
| Group 2 | 0.7451 | 0.7451 | 0.3959 |
| Class Z accumulation | | | |
| Group 1 | 2.8282 | 2.8282 | 2.2672 |
| Group 2 | 2.8282 | 2.8282 | 2.2672 |
| Class A Euro (hedged) accumulation^{2,3} | | | |
| Group 1 | 0.2051 | 0.2051 | n/a |
| Group 2 | 0.2051 | 0.2051 | n/a |
| Class A Euro (unhedged) accumulation² | | | |
| Group 1 | - | - | - |
| Group 2 | - | - | - |
| Class I Euro (hedged) accumulation² | | | |
| Group 1 | 6.1374 | 6.1374 | 3.3219 |
| Group 2 | 6.1374 | 6.1374 | 3.3219 |
| Class I Euro (unhedged) accumulation² | | | |
| Group 1 | 0.5888 | 0.5888 | 0.2803 |
| Group 2 | 0.5888 | 0.5888 | 0.2803 |

¹ Class G income launched on 16 February 2018.

² in Euro cents per share

³ Class A Euro (hedged) accumulation launched on 26 October 2018.

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 18 - 31 Mar 19 | 31 Mar 17 - 31 Mar 18 | 31 Mar 16 - 31 Mar 17 | 31 Mar 15 - 31 Mar 16 | 31 Mar 14 - 31 Mar 15 |
|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | % | % | % | % | % |
| Class A income | 3.2 | 1.3 | 9.3 | (0.1) | 13.9 |
| FTSE All Share Index | 6.4 | 1.2 | 22.0 | (3.9) | 6.6 |

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

Class A income is disclosed as it is the primary retail 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 2019

| Largest purchases | £000 | Largest sales | £000 |
|--------------------------|---------------|--------------------------------|---------------|
| Coca-Cola HBC | 3,874 | Shire | 5,421 |
| Shire | 3,415 | Daily Mail & General Trust 'A' | 4,235 |
| Standard Chartered | 2,402 | Smith & Nephew | 2,863 |
| Just Retirement | 2,346 | Standard Chartered | 2,725 |
| Electrocomponents | 2,328 | Johnson Matthey | 2,554 |
| Taylor Wimpey | 2,215 | AstraZeneca | 2,384 |
| Sanofi | 2,027 | 3i | 2,346 |
| Prudential | 2,014 | Whitbread | 2,188 |
| Smurfit Kappa | 1,921 | GlaxoSmithKline | 2,150 |
| Johnson Matthey | 1,831 | ITV | 2,136 |
| Total purchases | 46,817 | Total sales | 64,146 |

Investment Review

The fund returned 3.2% over the year under review based on Class A income compared with the FTSE All Share Index's total return of 6.4%.

During this year, the FTSE 100 Index rose 7.7%, the FTSE 250 Index rose 1.0% and the FTSE Small Companies ex Investment Trusts Index fell 3.1%. The outperformance of large companies in the period is notable and reflects the fact that the FTSE 100 has a greater proportion of overseas earnings than the FTSE 250. The oil & gas, mining and healthcare sectors performed strongly, while domestically focused sectors such as financials and real estate underperformed the market.

The absence of holdings in the oil & gas and mining sectors was negative for relative returns during the year, as companies in these areas performed strongly following rises in commodity prices. The holdings in Hammerson and Vodafone were also negative for performance over the year. Hammerson fell as investors became increasingly concerned about the potential for falling valuations of some of its shopping centres, while Vodafone underperformed following weak revenue trends in some of their key markets and uncertainty over the sustainability of the current level of dividends. While the performance of both companies has been disappointing, the valuations have reached a point that we feel discounts the challenges. As a result, the positions were maintained.

The strongest performances came from Inmarsat, 3i and Whitbread. Inmarsat rose following the announcement that it had recommended a takeover approach from a consortium of infrastructure and private equity companies. 3i outperformed following an announcement of good results that demonstrated further strong growth in its net asset value. Whitbread performed very well after completing the sale of its Costa Coffee business at a very attractive multiple. The holdings in AstraZeneca and GlaxoSmithKline also aided performance, with both companies making important strategic progress over the last year.

The fund established a position in Electrocomponents and added to its positions in National Grid and Prudential during the year. Electrocomponents is a leading multi-channel distributor serving a broad range of customers with industrial and electronics products and services. The company is growing strongly and taking market share, and at the time of purchase was attractively valued on 14x earnings. National Grid owns valuable networks in both the UK and US and is well placed for the move towards renewable generation and electrification of transport. Prudential, meanwhile, has strong long term growth prospects due to its exposure to faster growing Asian economies. These positions were funded by trimming the positions in 3i, London Stock Exchange and RELX following strong performance.

Despite investor concerns about the impact of Brexit, trade disputes between China and the US, and slowing Chinese economic growth, most major areas of the world continued to deliver good GDP growth. This is being reflected in robust corporate results in most sectors of the market. The increased levels of volatility (sharper fluctuations in prices) over the last year highlights the importance of ensuring that portfolios are diversified across a range of sectors. The fund will continue with its existing strategy of identifying companies that are attractively valued, pay a sustainable dividend and have the capacity to grow their dividends over the medium to long term.

Comparative tables for the year ended 31 March 2019

| | Class A income | | |
|---------------------------------------|------------------------------|------------------------------|------------------------------|
| | 2019 (pence per share) | 2018 (pence per share) | 2017 (pence per share) |
| Change in net assets per share | | | |
| Opening net asset value per share | 124.87 | 128.90 | 121.87 |
| Return before operating charges* | 7.12 | 3.23 | 14.00 |
| Operating charges | (2.16) | (2.26) | (2.13) |
| Return after operating charges* | 4.96 | 0.97 | 11.87 |
| Distributions on income shares | (5.19) | (5.00) | (4.84) |
| Closing net asset value per share | 124.64 | 124.87 | 128.90 |
| * after direct transaction costs of: | 0.17 | 0.27 | 0.31 |

Performance

| | | | |
|----------------------|-------|-------|-------|
| Return after charges | 3.97% | 0.75% | 9.74% |
|----------------------|-------|-------|-------|

Other information

| | | | |
|---------------------------------|------------|------------|------------|
| Closing net asset value (£000s) | 50,564 | 52,554 | 57,635 |
| Closing number of shares | 40,567,478 | 42,087,922 | 44,714,464 |
| Operating charges | 1.70% | 1.70% | 1.70% |
| Direct transaction costs | 0.13% | 0.20% | 0.25% |

Prices

| | | | |
|-----------------------------|--------|--------|--------|
| Highest share price (pence) | 137.29 | 137.60 | 131.80 |
| Lowest share price (pence) | 113.40 | 125.70 | 113.80 |

| | Class I income | | |
|---------------------------------------|------------------------------|------------------------------|------------------------------|
| | 2019 (pence per share) | 2018 (pence per share) | 2017 (pence per share) |
| Change in net assets per share | | | |
| Opening net asset value per share | 145.18 | 148.74 | 139.67 |
| Return before operating charges* | 8.32 | 3.68 | 15.99 |
| Operating charges | (1.25) | (1.29) | (1.21) |
| Return after operating charges* | 7.07 | 2.39 | 14.78 |
| Distributions on income shares | (6.22) | (5.95) | (5.71) |
| Closing net asset value per share | 146.03 | 145.18 | 148.74 |
| * after direct transaction costs of: | 0.20 | 0.31 | 0.36 |

Performance

| | | | |
|----------------------|-------|-------|--------|
| Return after charges | 4.87% | 1.61% | 10.58% |
|----------------------|-------|-------|--------|

Other information

| | | | |
|---------------------------------|------------|------------|------------|
| Closing net asset value (£000s) | 107,101 | 120,468 | 117,502 |
| Closing number of shares | 73,342,646 | 82,976,283 | 78,997,737 |
| Operating charges | 0.84% | 0.84% | 0.84% |
| Direct transaction costs | 0.13% | 0.20% | 0.25% |

Prices

| | | | |
|-----------------------------|--------|--------|--------|
| Highest share price (pence) | 159.82 | 159.00 | 151.60 |
| Lowest share price (pence) | 132.60 | 146.20 | 130.60 |

Comparative tables (continued)

| | Class Z accumulation | | |
|---|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2017 |
| | (pence per share) | (pence per share) | (pence per share) |
| Change in net assets per share | | | |
| Opening net asset value per share | 341.64 | 333.90 | 299.53 |
| Return before operating charges* | 19.58 | 7.95 | 34.59 |
| Operating charges | (0.21) | (0.21) | (0.22) |
| Return after operating charges* | 19.37 | 7.74 | 34.37 |
| Distributions on accumulation shares | (14.93) | (13.64) | (12.50) |
| Retained distributions on accumulation shares | 14.93 | 13.64 | 12.50 |
| Closing net asset value per share | 361.01 | 341.64 | 333.90 |
| * after direct transaction costs of: | 0.47 | 0.71 | 0.78 |
| Performance | | | |
| Return after charges | 5.67% | 2.32% | 11.47% |
| Other information | | | |
| Closing net asset value (£000s) | 2,598 | 2,562 | 2,519 |
| Closing number of shares | 719,575 | 750,098 | 754,560 |
| Operating charges | 0.06% | 0.06% | 0.07% |
| Direct transaction costs | 0.13% | 0.20% | 0.25% |
| Prices | | | |
| Highest share price (pence) | 376.52 | 365.50 | 335.20 |
| Lowest share price (pence) | 321.50 | 332.80 | 280.40 |

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

Performance values are close of business and on a bid basis which may differ from the performance summary.

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

| | 2019 % | 2018 % |
|----------------|------------------|------------------|
| Class A | 1.70 | 1.70 |
| Class I | 0.84 | 0.84 |
| Class Z | 0.06 | 0.06 |

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

Risk and reward profile

The fund currently has 3 types of share class in issue; A income, I income and Z accumulation shares. Each type of share class has the same risk and reward profile which is as follows:



The synthetic risk and reward indicator (SRRRI) 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 SRRRI level. The SRRRI is an indicator and may not accurately reflect future volatility and market conditions. The value of an investment in the fund can go up or down. When you sell your 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 share classes appear at 5 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in share price in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

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 rating during the year.

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

Portfolio statement as at 31 March 2019

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|-----------|--|----------------------|---|
| | Equities 100.84% (2018: 100.58%) | | |
| | France 1.27% (2018: 0.00%) | | |
| | Health Care 1.27% (2018: 0.00%) | | |
| 30,013 | Sanofi | 2,035 | 1.27 |
| | Germany 1.12% (2018: 0.00%) | | |
| | Technology 1.12% (2018: 0.00%) | | |
| 20,155 | SAP | 1,791 | 1.12 |
| | Ireland 1.10% (2018: 0.99%) | | |
| | Industrials 1.10% (2018: 0.99%) | | |
| 81,733 | Smurfit Kappa | 1,761 | 1.10 |
| | Switzerland 2.20% (2018: 0.00%) | | |
| | Consumer Goods 2.20% (2018: 0.00%) | | |
| 134,547 | Coca-Cola HBC | 3,518 | 2.20 |
| | United Kingdom 94.37% (2018: 98.92%) | | |
| | Basic Materials 4.53% (2018: 4.66%) | | |
| 177,206 | Johnson Matthey | 5,568 | 3.47 |
| 78,578 | Victrex | 1,694 | 1.06 |
| | | 7,262 | 4.53 |
| | Consumer Goods 7.32% (2018: 5.45%) | | |
| 362,341 | AG Barr | 2,924 | 1.82 |
| 83,475 | Bellway | 2,542 | 1.59 |
| 416,238 | Britvic | 3,964 | 2.48 |
| 1,308,406 | Taylor Wimpey | 2,296 | 1.43 |
| | | 11,726 | 7.32 |
| | Consumer Services 12.92% (2018: 16.53%) | | |
| 685,783 | Dixons Carphone | 1,006 | 0.63 |
| 201,744 | Euromoney Institutional Investor | 2,538 | 1.58 |
| 103,352 | Go-Ahead | 2,027 | 1.26 |
| 444,234 | Informa | 3,306 | 2.06 |
| 1,181,195 | ITV | 1,501 | 0.94 |
| 427,904 | Kingfisher | 1,005 | 0.63 |
| 38,052 | Next | 2,123 | 1.32 |
| 186,145 | RELX | 3,056 | 1.91 |
| 81,467 | Whitbread | 4,137 | 2.59 |
| | | 20,699 | 12.92 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---|-------------------------------|----------------------|---|
| Financials 34.24% (2018: 36.15%) | | | |
| 2,732,117 | Assura | 1,568 | 0.98 |
| 1,062,053 | Direct Line Insurance | 3,749 | 2.34 |
| 160,200 | Ethical Property ¹ | 176 | 0.11 |
| 708,245 | Greencoat UK Wind | 977 | 0.61 |
| 719,911 | Hammerson REIT | 2,417 | 1.51 |
| 127,299 | Hiscox | 1,986 | 1.24 |
| 628,541 | HSBC | 3,918 | 2.44 |
| 187,070 | Intermediate Capital | 1,992 | 1.24 |
| 507,143 | Jupiter Fund Management | 1,835 | 1.14 |
| 657,360 | Just | 402 | 0.25 |
| 352,655 | Land Securities | 3,221 | 2.01 |
| 7,263,196 | Lloyds Banking | 4,514 | 2.82 |
| 54,830 | London Stock Exchange | 2,605 | 1.63 |
| 225,957 | Paragon | 985 | 0.61 |
| 439,584 | Phoenix | 2,978 | 1.86 |
| 653,010 | PRS REIT | 644 | 0.40 |
| 385,259 | Prudential | 5,924 | 3.69 |
| 260,736 | Schroder Non-Voting Shares | 5,594 | 3.48 |
| 155,361 | St James's Place | 1,597 | 1.00 |
| 419,429 | Standard Chartered | 2,480 | 1.55 |
| 1,072,241 | Standard Life Aberdeen | 2,830 | 1.77 |
| 254,508 | 3i | 2,506 | 1.56 |
| | | <u>54,898</u> | <u>34.24</u> |
| Health Care 10.97% (2018: 12.33%) | | | |
| 109,941 | AstraZeneca | 6,745 | 4.21 |
| 446,996 | GlaxoSmithKline | 7,138 | 4.45 |
| 242,753 | Smith & Nephew | 3,697 | 2.31 |
| | | <u>17,580</u> | <u>10.97</u> |
| Industrials 7.78% (2018: 6.53%) | | | |
| 571,234 | DS Smith | 1,919 | 1.20 |
| 415,883 | Electrocomponents | 2,336 | 1.46 |
| 89,856 | Halma | 1,502 | 0.94 |
| 144,260 | Oxford Instruments | 1,409 | 0.88 |
| 1,002,215 | Rotork | 2,835 | 1.76 |
| 63,897 | Spectris | 1,604 | 1.00 |
| 11,979 | Spirax-Sarco Engineering | 861 | 0.54 |
| | | <u>12,466</u> | <u>7.78</u> |
| Technology 3.20% (2018: 3.59%) | | | |
| 418,818 | RM | 1,005 | 0.63 |
| 588,370 | Sage | 4,126 | 2.57 |
| | | <u>5,131</u> | <u>3.20</u> |
| Telecommunications 6.38% (2018: 7.28%) | | | |
| 1,035,213 | BT | 2,308 | 1.44 |
| 491,943 | Inmarsat | 2,730 | 1.70 |
| 3,714,390 | Vodafone | 5,193 | 3.24 |
| | | <u>10,231</u> | <u>6.38</u> |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---------|---|----------------------|---|
| | Utilities 7.03% (2018: 6.40%) | | |
| 502,022 | National Grid | 4,271 | 2.66 |
| 117,305 | Severn Trent | 2,318 | 1.45 |
| 245,570 | SSE | 2,915 | 1.82 |
| 216,007 | United Utilities | 1,759 | 1.10 |
| | | <u>11,263</u> | <u>7.03</u> |
| | United States 0.78% (2018: 0.67%) | | |
| | Health Care 0.00% (2018: 0.67%) | | |
| | Telecommunications 0.78% (2018: 0.00%) | | |
| 27,652 | Verizon Communications | 1,254 | 0.78 |
| | | <u>161,615</u> | <u>100.84</u> |
| | Investment assets | | |
| | Other net liabilities | (1,352) | (0.84) |
| | Total net assets | <u>160,263</u> | <u>100.00</u> |

¹ 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 2019

| | Note | 2019 | | 2018 | |
|---|------|---------|--------------|---------|----------------|
| | | £000 | £000 | £000 | £000 |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 2,841 | | (2,856) |
| Revenue | 3 | 7,277 | | 7,430 | |
| Expenses | 4 | (1,847) | | (2,049) | |
| Interest payable and similar charges | 5 | (2) | | (2) | |
| Net revenue before taxation | | 5,428 | | 5,379 | |
| Taxation | 6 | (5) | | (9) | |
| Net revenue after taxation | | | <u>5,423</u> | | <u>5,370</u> |
| Total return before distributions | | | 8,264 | | 2,514 |
| Distributions | 7 | | (7,068) | | (7,197) |
| Change in net assets attributable to shareholders from investment activities | | | <u>1,196</u> | | <u>(4,683)</u> |

Statement of change in net assets attributable to shareholders for the year ended 31 March 2019

| | 2019 | | 2018 | |
|--|-----------------|----------------|-----------------|----------------|
| | £000 | £000 | £000 | £000 |
| Opening net assets attributable to shareholders | | 175,584 | | 177,656 |
| Amounts receivable on issue of shares | 11,248 | | 19,347 | |
| Amounts payable on cancellation of shares | <u>(27,871)</u> | | <u>(16,846)</u> | |
| | | (16,623) | | 2,501 |
| Dilution adjustment | | - | | 5 |
| Change in net assets attributable to shareholders from investment activities | | 1,196 | | (4,683) |
| Retained distributions on accumulation shares | | 104 | | 105 |
| Unclaimed distributions | | 2 | | - |
| Closing net assets attributable to shareholders | | <u>160,263</u> | | <u>175,584</u> |

Balance sheet as at 31 March 2019

| | Note | 2019 £000 | 2018 £000 |
|--|------|----------------|----------------|
| Assets: | | | |
| Investments | | 161,615 | 176,597 |
| Current assets: | | | |
| Debtors | 8 | 1,699 | 1,341 |
| Cash and bank balances | 9 | 1,694 | 1,950 |
| Total assets | | 165,008 | 179,888 |
| Liabilities: | | | |
| Creditors: | | | |
| Bank overdrafts | | 1,832 | 1,122 |
| Distributions payable | | 2,721 | 2,907 |
| Other creditors | 10 | 192 | 275 |
| Total liabilities | | 4,745 | 4,304 |
| Net assets attributable to shareholders | | 160,263 | 175,584 |

Notes to the financial statements for the year ended 31 March 2019

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 gains/(losses)

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

| | 2019 | 2018 |
|-----------------------------------|--------------|----------------|
| | £000 | £000 |
| Forward currency contracts | - | 14 |
| Non-derivative securities | 2,851 | (2,800) |
| Other currency losses | (3) | (62) |
| Transaction costs | (7) | (8) |
| Net capital gains/(losses) | 2,841 | (2,856) |

3 Revenue

| | 2019 | 2018 |
|---------------------------|--------------|--------------|
| | £000 | £000 |
| Bank interest | 2 | 1 |
| Overseas dividends | 258 | 341 |
| UK dividends | 6,542 | 6,735 |
| UK REIT revenue - PID | 340 | 209 |
| UK REIT revenue - non PID | 135 | 144 |
| Total revenue | 7,277 | 7,430 |

4 Expenses

| | 2019 | 2018 |
|--|--------------|--------------|
| | £000 | £000 |
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| Annual management charge | 1,645 | 1,826 |
| GAC* | 182 | 201 |
| | <u>1,827</u> | <u>2,027</u> |

Payable to the Depositary, associates of the Depositary and agents of either of them:

| | | |
|-----------------------|--------------|--------------|
| Depositary fees | 15 | 16 |
| Safe custody fees | 5 | 6 |
| | <u>20</u> | <u>22</u> |
| Total expenses | 1,847 | 2,049 |

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £7,681 (2018: £7,458).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Interest payable | 2 | 2 |
| Total interest payable and similar charges | 2 | 2 |

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

| | 2019 £000 | 2018 £000 |
|----------------------------|--------------|--------------|
| Current tax | | |
| Overseas withholding tax | 5 | 9 |
| Total tax (note 6b) | 5 | 9 |

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% (2018: 20%). The differences are explained below:

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Net revenue before taxation | 5,428 | 5,379 |
| Corporation tax at 20% (2018: 20%) | 1,086 | 1,076 |
| Effects of: | | |
| Irrecoverable overseas tax | 5 | 9 |
| Overseas dividends* | (52) | (68) |
| UK dividends** | (1,335) | (1,376) |
| Unused management expenses | 301 | 368 |
| Tax charge for the year (note 6a) | 5 | 9 |

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

** 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 (2018: 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 £4,848,939 (2018: £4,547,664) 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

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

| | 2019 | 2018 |
|---|---------------------|---------------------|
| | £000 | £000 |
| Interim income | 4,036 | 4,228 |
| Interim accumulation | 59 | 62 |
| Final income | 2,721 | 2,907 |
| Final accumulation | 45 | 43 |
| | <u>6,861</u> | <u>7,240</u> |
| Amounts deducted on cancellation of shares | 321 | 154 |
| Amounts received on issue of shares | (114) | (197) |
| Total distributions | <u>7,068</u> | <u>7,197</u> |
| Net revenue after taxation | 5,423 | 5,370 |
| Annual management charge borne by the capital account | 1,645 | 1,826 |
| Equalisation on conversions | - | 1 |
| Total distributions | <u>7,068</u> | <u>7,197</u> |

Details of the distribution per share are set out in the distribution tables on page 60.

8 Debtors

| | 2019 | 2018 |
|--|---------------------|---------------------|
| | £000 | £000 |
| Accrued revenue | 1,054 | 983 |
| Amounts receivable for issue of shares | 611 | 134 |
| Overseas withholding tax reclaimable | 34 | 39 |
| Sales awaiting settlement | - | 185 |
| Total debtors | <u>1,699</u> | <u>1,341</u> |

9 Cash and bank balances

| | 2019 | 2018 |
|-------------------------------------|---------------------|---------------------|
| | £000 | £000 |
| Cash and bank balances | 1,694 | 1,950 |
| Total cash and bank balances | <u>1,694</u> | <u>1,950</u> |

Notes to the financial statements (continued)

10 Other creditors

| | 2019 | 2018 |
|--|-------------|-------------|
| | £000 | £000 |
| Accrued annual management charge | 134 | 148 |
| Accrued Depository's fee | 1 | 1 |
| Accrued other expenses | 27 | 18 |
| Amounts payable for cancellation of shares | 30 | 108 |
| Total other creditors | 192 | 275 |

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 because it provides key management personnel services to 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 51 and 52 and notes 4, 7, 8 and 10 on pages 53 to 55 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 (2018: nil).

13 Shareholders' funds

The fund currently has 3 share classes available; Class A (Retail with front-end charges), Class I (Institutional) and Class Z (Institutional).

The annual management charge on each share class is as follows:

| | 2019 | 2018 |
|----------|-------------|-------------|
| | % | % |
| Class A | 1.50 | 1.50 |
| Class I | 0.75 | 0.75 |
| Class Z* | 0.00 | 0.00 |

* 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 44 to 45. The distribution per share class is given in the distribution tables on page 60. All share classes have the same rights on winding up.

Shares reconciliation as at 31 March 2019

| | Class A | Class I | Class Z |
|----------------------------------|-------------------|-------------------|---------------------|
| | income | income | accumulation |
| Opening number of shares | 42,087,922 | 82,976,283 | 750,098 |
| Issues during the year | 1,859,064 | 5,975,986 | 49,984 |
| Cancellations during the year | (3,295,322) | (15,681,828) | (80,507) |
| Shares converted during the year | (84,186) | 72,205 | - |
| Closing shares in issue | 40,567,478 | 73,342,646 | 719,575 |

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 2019 (2018: nil).

2019

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

2018

The fund had no exposure to derivatives as at 31 March 2018 with a positive market value.

15 Risk

Currency risk

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

Interest rate risk

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

Other price risk

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

Leverage

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

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 |
|----------------------|-------------------|-------------------------|--|-------------------------|
| 2019 | | | | |
| Bank overdrafts | 1,832 | - | - | - |
| Distribution payable | - | 2,721 | - | - |
| Other creditors | - | 192 | - | - |
| Total | 1,832 | 2,913 | - | - |
| | | | | |
| | On demand £000 | Within one year £000 | Over one year but not more than five years £000 | Over five years £000 |
| 2018 | | | | |
| Bank overdrafts | 1,122 | - | - | - |
| Distribution payable | - | 2,907 | - | - |
| Other creditors | - | 275 | - | - |
| Total | 1,122 | 3,182 | - | - |

Notes to the financial statements (continued)

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

| | 2019 | | 2018 | |
|---------|----------------|---------------------|----------------|---------------------|
| | Assets £000 | Liabilities £000 | Assets £000 | Liabilities £000 |
| Level 1 | 161,439 | - | 176,397 | - |
| Level 2 | - | - | - | - |
| Level 3 | 176 | - | 200 | - |
| | <u>161,615</u> | <u>-</u> | <u>176,597</u> | <u>-</u> |

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. The Janus Henderson EMEA Pricing Committee of the Investment Manager is responsible for determining or approving unquoted prices. Where deemed necessary, the Janus Henderson EMEA Pricing Committee will seek ratification of decisions from the Janus Henderson Investment Performance and Risk Committee. The Janus Henderson EMEA Pricing Committee 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 assets included within level 3 is an unlisted security which has been valued by the Janus Henderson EMEA Pricing Committee using the latest share buy back price.

Notes to the financial statements (continued)

17 Direct transaction costs

| | Purchases | | Sales | |
|---|---------------|---------------|---------------|---------------|
| | 2019 £000 | 2018 £000 | 2019 £000 | 2018 £000 |
| Trades in the year | | | | |
| Equities | 46,618 | 68,037 | 64,168 | 67,704 |
| Trades in the year before transaction costs | 46,618 | 68,037 | 64,168 | 67,704 |
| Transaction costs | | | | |
| Commissions | | | | |
| Equities | 17 | 37 | 22 | 33 |
| Total commissions | 17 | 37 | 22 | 33 |
| Taxes | | | | |
| Equities | 176 | 316 | - | - |
| Total taxes | 176 | 316 | - | - |
| Other expenses | | | | |
| Equities | 6 | - | - | - |
| Total other expenses | 6 | - | - | - |
| Total transaction costs | 199 | 353 | 22 | 33 |
| Total net trades in the year after transaction costs | 46,817 | 68,390 | 64,146 | 67,671 |

| | Purchases | | Sales | |
|---|-------------------|-------------------|-----------|-----------|
| | 2019 % | 2018 % | 2019 % | 2018 % |
| Total transaction costs expressed as a percentage of asset type cost | | | | |
| Commissions | | | | |
| Equities | 0.04 | 0.05 | 0.03 | 0.05 |
| Taxes | | | | |
| Equities | 0.38 | 0.46 | - | - |
| Other expenses | | | | |
| Equities | 0.01 | - | - | - |
| Total transaction costs expressed as a percentage of net asset value | 2019 % | 2018 % | | |
| Commissions | 0.02 | 0.04 | | |
| Taxes | 0.11 | 0.17 | | |
| Other expenses | - | - | | |
| Total costs | 0.13 | 0.21 | | |

There were no in specie transfers during the year (2018: nil). There were corporate actions during the year of £503,690 (2018: £777,657).

There were no direct transaction costs associated with derivatives in the year of (2018: nil).

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

The portfolio dealing spread as at 31 March 2019 was 0.11% (2018: 0.09%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

18 Events after the Balance sheet date

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

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

Interim dividend distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: units purchased prior to 1 April 2018

Group 2: units purchased on or after 1 April 2018

| | Distribution per share | Equalisation | Total distribution per share 30/11/18 | Total distribution per share 30/11/17 |
|-----------------------------|---------------------------|--------------|--|--|
| Class A income | | | | |
| Group 1 | 3.0827 | - | 3.0827 | 2.9482 |
| Group 2 | 1.6665 | 1.4162 | 3.0827 | 2.9482 |
| Class I income | | | | |
| Group 1 | 3.6728 | - | 3.6728 | 3.4896 |
| Group 2 | 1.6218 | 2.0510 | 3.6728 | 3.4896 |
| Class Z accumulation | | | | |
| Group 1 | 8.7100 | - | 8.7100 | 7.8991 |
| Group 2 | 5.1307 | 3.5793 | 8.7100 | 7.8991 |

Final dividend distribution (accounting date 31 March 2019, paid on 31 May 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

| | Distribution per share | Equalisation | Total distribution per share 31/05/19 | Total distribution per share 31/05/18 |
|-----------------------------|---------------------------|--------------|--|--|
| Class A income | | | | |
| Group 1 | 2.1102 | - | 2.1102 | 2.0521 |
| Group 2 | 1.3602 | 0.7500 | 2.1102 | 2.0521 |
| Class I income | | | | |
| Group 1 | 2.5433 | - | 2.5433 | 2.4627 |
| Group 2 | 1.4844 | 1.0589 | 2.5433 | 2.4627 |
| Class Z accumulation | | | | |
| Group 1 | 6.2215 | - | 6.2215 | 5.7411 |
| Group 2 | 3.9850 | 2.2365 | 6.2215 | 5.7411 |

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 primarily 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 18 - 31 Mar 19 | 31 Mar 17 - 31 Mar 18 | 31 Mar 16 - 31 Mar 17 | 31 Mar 15 - 31 Mar 16 | 31 Mar 14 - 31 Mar 15 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | % | % | % | % | % |
| Class A accumulation | 6.6 | 2.9 | 15.0 | (2.7) | 14.3 |
| IA OE Mixed Investment 40-85% Shares | 4.4 | 1.6 | 17.5 | (2.9) | 10.6 |

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

Class A accumulation disclosed as it is the primary retail 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 2019

| Largest purchases | £000 | Largest sales/maturities | £000 |
|--|---------------|---------------------------------|----------------|
| Nintendo | 4,055 | Visa | 4,827 |
| Intuit | 3,159 | US Treasury 1.25% 31/12/2018 | 2,824 |
| MasterCard | 2,778 | Charles Schwab | 2,530 |
| Walt Disney | 2,692 | Henry Schein | 2,378 |
| Germany (Federal Republic of) 1.00% 15/08/2024 | 2,371 | Omron | 2,200 |
| Intact Financial | 2,198 | Shire | 2,174 |
| US Treasury 2.50% 31/03/2023 | 1,863 | Hubbell | 2,141 |
| Murata Manufacturing | 1,806 | Encompass Health | 2,030 |
| US Treasury 1.125% 31/03/2022 | 1,594 | Microsoft | 1,834 |
| Coca-Cola HBC | 1,585 | Adobe Systems | 1,707 |
| Total purchases | 90,947 | Total sales/maturities | 116,535 |

Investment Review

The fund returned 6.6% over the year under review based on Class A accumulation compared with the IA OE Mixed Investment 40%-85% Shares Index which returned 4.4%.

In the year to 31 March 2019, the MSCI World Index produced a total return of 12.5% in sterling terms. However, much of this positive return was attributable to currency movements, with the US dollar appreciating roughly 7% against both sterling and the euro. In dollar terms, the MSCI Index offered a more modest return of 4.6%. In the UK, the FTSE All Share produced a total return of 6.4%, while global bond markets also generated mid-single-digit positive returns.

Looking back at the events of the last year, it seems counterintuitive that equity markets have delivered a positive return. Indeed, on a calendar basis, 2018 was a poor year, with most markets recording a negative return. Global stock markets corrected sharply in the fourth quarter of 2018, with the MSCI World Index falling 11.2% in sterling terms, as concerns mounted about the outlook for the global economy against a backdrop of rising US interest rates, signs of slowing growth, trade war protectionism and difficult Brexit negotiations. However, the correction was short lived and there was an equally strong recovery in equity markets in the first quarter of 2019.

One of the main reasons behind the recent market strength has been the shift in tone and policy by the US Federal Reserve away from monetary tightening. The Chinese government is also starting to enact economic stimulus policies. This is a great example of reflexivity – the two-way feedback loop between investor perceptions and the economic environment – with stock market performance being a key input into central bank decision making. Fears over slowing growth were an important driver of weak markets in the prior quarter, and this in turn influenced central bank policy. The equity market rally was further reinforced by good corporate results, with many companies reporting strong growth. It is important to remember that aggregate economic statistics hide a much more complex reality, and there are many secular trends that are driving growth for the companies exposed to them.

With regards to sustainability matters there was significant news, both positive and negative. Recently, the International Energy Agency reported that carbon emissions rose by more than 2% in 2018 to reach an all-time high. This followed a 1.6% increase in 2017. Strong growth in renewable energy was not enough to offset increased coal-fired power generation in China and India, and higher oil use in transportation markets. After three years of flat emissions (from 2014 to 2016) this was sobering news in the fight against climate change. Emissions need to start declining sharply from 2020 in order for the world to stand any chance of staying within the climate targets agreed at the 2015 Paris summit.

In response to this, we are making carbon reduction a core element of our engagement programme, with the aim of encouraging our holdings to chart a path to achieving carbon neutrality. As we keep saying, economics is no longer a barrier to clean technology. In the last year, the cost of clean energy has fallen to a level where new solar and wind generation is cheaper than the running costs of existing coal and gas generation. The cost of batteries and electric vehicles continues to decline as well. In the first quarter of 2019, Tesla finally released the \$35,000 version of its Model 3 sedan.

There are signs of building momentum in the circular economy and tackling the ocean plastics crisis. More and more companies are looking at ways to use recycled plastic in their supply chains. Over the last 12 months, we have made plastics a key topic of engagement, and we are encouraged by the actions of many of our investments. As an example, Kingspan recently announced an initiative to use recycled ocean plastics as an ingredient for its insulation panels, which are used to improve the energy efficiency of buildings. It has a target of recycling 1bn plastic bottles by 2020.

The fund's allocation to international equities and the information technology (IT) sector benefited performance. Many of the fund's technology investments returned more than 30% over the year, with the largest contributors to performance being Cadence Design Systems, Microsoft and Adobe. The fund's holdings in US bonds also made a positive contribution to performance.

Asset allocation remains broadly in line with the IA Mixed Investment 40-85% shares sector, with the fund split approximately 50% international equities, 25% UK equities, 20% bonds and 5% cash. On a sector basis, the fund remains overweight the IT and industrial sectors and underweight the energy, consumer staples and financial sectors.

While aggregate economic growth is slowing, we still see cause to remain constructive in our outlook. The fact that central banks are pulling back from their course of tightening monetary policy is a significant positive for equity markets, especially for the stocks of companies that are growing; and there are still many companies that are growing strongly due to having products or services exposed to secular trends. Our investment framework is specifically designed to help us identify these types of companies. When we think about sustainability, we see a world of opportunity. We are finding exciting investment opportunities in areas such as cloud computing & artificial intelligence, electrification of transport, energy efficiency, smart cities, industry 4.0, sustainable infrastructure, financial services, education & research and healthcare. We view these as long term investment trends that will transcend both economic and political cycles, giving us confidence in the duration of future growth. Thanks to the UN Sustainable Development Goals, we see sustainability growing in importance at the company management and board level. Companies and investors are realising sustainability simply makes good business sense. And if it makes good business sense, then it makes good investment sense. Sustainability is our investment strategy.

Comparative tables for the year ended 31 March 2019

| | Class A accumulation | | |
|---|------------------------------|------------------------------|------------------------------|
| | 2019 (pence per share) | 2018 (pence per share) | 2017 (pence per share) |
| Change in net assets per share | | | |
| Opening net asset value per share | 187.37 | 180.74 | 157.26 |
| Return before operating charges* | 15.83 | 9.83 | 26.35 |
| Operating charges | (3.31) | (3.20) | (2.87) |
| Return after operating charges* | 12.52 | 6.63 | 23.48 |
| Distributions on accumulation shares | (3.58) | (1.42) | (1.55) |
| Retained distributions on accumulation shares | 3.58 | 1.42 | 1.55 |
| Closing net asset value per share | 199.89 | 187.37 | 180.74 |
| * after direct transaction costs of: | 0.08 | 0.16 | 0.14 |
| Performance | | | |
| Return after charges | 6.68% | 3.67% | 14.93% |
| Other information | | | |
| Closing net asset value (£000s) | 5,365 | 14,168 | 14,378 |
| Closing number of shares | 2,684,265 | 7,561,710 | 7,954,879 |
| Operating charges | 1.69% | 1.70% | 1.70% |
| Direct transaction costs | 0.04% | 0.08% | 0.08% |
| Prices | | | |
| Highest share price (pence) | 204.80 | 195.80 | 182.20 |
| Lowest share price (pence) | 179.80 | 178.20 | 155.20 |
| | Class I accumulation | | |
| | 2019 (pence per share) | 2018 (pence per share) | 2017 (pence per share) |
| Change in net assets per share | | | |
| Opening net asset value per share | 210.23 | 201.41 | 174.05 |
| Return before operating charges* | 17.43 | 10.59 | 28.94 |
| Operating charges | (1.84) | (1.77) | (1.58) |
| Return after operating charges* | 15.59 | 8.82 | 27.36 |
| Distributions on accumulation shares | (3.27) | (2.94) | (2.80) |
| Retained distributions on accumulation shares | 3.27 | 2.94 | 2.80 |
| Closing net asset value per share | 225.82 | 210.23 | 201.41 |
| * after direct transaction costs of: | 0.09 | 0.17 | 0.16 |
| Performance | | | |
| Return after charges | 7.42% | 4.38% | 15.72% |
| Other information | | | |
| Closing net asset value (£000s) | 98,052 | 87,938 | 80,260 |
| Closing number of shares | 43,421,150 | 41,828,238 | 39,848,165 |
| Operating charges | 0.84% | 0.84% | 0.84% |
| Direct transaction costs | 0.04% | 0.08% | 0.08% |
| Prices | | | |
| Highest share price (pence) | 230.40 | 219.30 | 202.90 |
| Lowest share price (pence) | 202.80 | 198.60 | 171.90 |

Comparative tables (continued)

| | Class Z accumulation | | |
|---|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2017 |
| | (pence per share) | (pence per share) | (pence per share) |
| Change in net assets per share | | | |
| Opening net asset value per share | 332.08 | 316.16 | 271.51 |
| Return before operating charges* | 27.07 | 16.12 | 44.83 |
| Operating charges | (0.21) | (0.20) | (0.18) |
| Return after operating charges* | 26.86 | 15.92 | 44.65 |
| Distributions on accumulation shares | (7.59) | (6.89) | (6.62) |
| Retained distributions on accumulation shares | 7.59 | 6.89 | 6.62 |
| Closing net asset value per share | 358.94 | 332.08 | 316.16 |
| * after direct transaction costs of: | 0.14 | 0.27 | 0.25 |
| Performance | | | |
| Return after charges | 8.09% | 5.04% | 16.45% |
| Other information | | | |
| Closing net asset value (£000s) | 135,844 | 155,280 | 151,952 |
| Closing number of shares | 37,846,310 | 46,759,259 | 48,062,165 |
| Operating charges | 0.06% | 0.06% | 0.06% |
| Direct transaction costs | 0.04% | 0.08% | 0.08% |
| Prices | | | |
| Highest share price (pence) | 364.80 | 346.00 | 318.50 |
| Lowest share price (pence) | 321.80 | 311.90 | 268.30 |

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 close of business and on a bid basis which may differ from the performance summary.

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

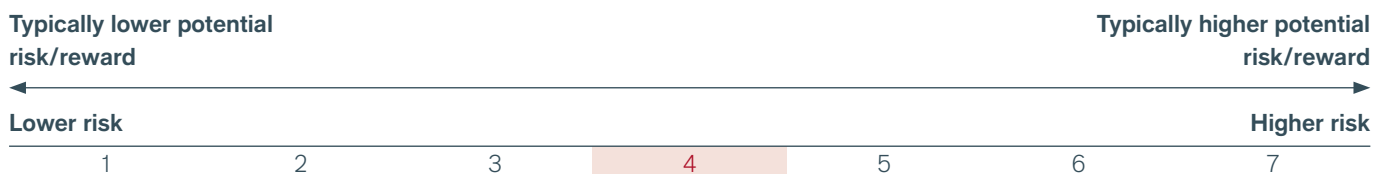
| | 2019 % | 2018 % |
|----------------|------------------|------------------|
| Class A | 1.69 | 1.70 |
| Class I | 0.84 | 0.84 |
| Class Z | 0.06 | 0.06 |

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

Risk and reward profile

The fund currently has 3 types of share class in issue; A accumulation, I accumulation and Z accumulation shares.

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



The synthetic risk and reward indicator (SRRI) is calculated based on historical volatility over a rolling 5 year period; it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions. The value of an investment in the fund can go up or down. When you sell your 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 share classes appear at 4 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in share price in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

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

Portfolio statement as at 31 March 2019

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---------|---|----------------------|---|
| | Equities 74.35% (2018: 73.53%) | | |
| | Australia 0.35% (2018: 0.00%) | | |
| | Consumer Goods 0.35% (2018: 0.00%) | | |
| 300,000 | Costa | 839 | 0.35 |
| | Austria 0.00% (2018: 0.77%) | | |
| | Technology 0.00% (2018: 0.77%) | | |
| | Brazil 0.00% (2018: 0.35%) | | |
| | Utilities 0.00% (2018: 0.35%) | | |
| | Canada 2.82% (2018: 1.46%) | | |
| | Consumer Goods 1.33% (2018: 1.11%) | | |
| 115,000 | Gildan Activewear | 3,167 | 1.33 |
| | Financials 0.95% (2018: 0.00%) | | |
| 35,000 | Intact Financial | 2,269 | 0.95 |
| | Utilities 0.54% (2018: 0.35%) | | |
| 120,000 | Boralex 'A' | 1,303 | 0.54 |
| | Finland 0.00% (2018: 0.24%) | | |
| | Industrials 0.00% (2018: 0.24%) | | |
| | France 3.67% (2018: 3.07%) | | |
| | Industrials 2.84% (2018: 2.50%) | | |
| 200,000 | Getlink | 2,328 | 0.97 |
| 40,000 | Legrand | 2,056 | 0.86 |
| 40,000 | Schneider Electric | 2,410 | 1.01 |
| | | 6,794 | 2.84 |
| | Telecommunications 0.83% (2018: 0.57%) | | |
| 159,715 | Orange | 1,993 | 0.83 |
| | Germany 1.27% (2018: 0.58%) | | |
| | Consumer Goods 0.64% (2018: 0.00%) | | |
| 20,000 | Knorr-Bremse | 1,522 | 0.64 |
| | Technology 0.63% (2018: 0.58%) | | |
| 17,082 | SAP | 1,518 | 0.63 |
| | Hong Kong 1.16% (2018: 1.00%) | | |
| | Financials 1.16% (2018: 1.00%) | | |
| 362,807 | AIA | 2,768 | 1.16 |
| | Ireland 0.65% (2018: 0.98%) | | |
| | Industrials 0.65% (2018: 0.98%) | | |
| 25,000 | Kingspan | 888 | 0.38 |
| 30,526 | Smurfit Kappa | 658 | 0.27 |
| | | 1,546 | 0.65 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---------|--|----------------------|---|
| | Israel 0.00% (2018: 0.24%) | | |
| | Oil & Gas 0.00% (2018: 0.24%) | | |
| | Japan 4.08% (2018: 4.41%) | | |
| | Consumer Goods 2.01% (2018: 1.11%) | | |
| 13,400 | Nintendo | 2,931 | 1.23 |
| 15,064 | Shimano | 1,877 | 0.78 |
| | | <u>4,808</u> | <u>2.01</u> |
| | Financials 0.00% (2018: 0.99%) | | |
| | Industrials 2.07% (2018: 2.31%) | | |
| 45,000 | Murata Manufacturing | 1,720 | 0.72 |
| 10,500 | Nidec | 1,020 | 0.43 |
| 100,400 | Shimadzu | 2,224 | 0.92 |
| | | <u>4,964</u> | <u>2.07</u> |
| | Netherlands 2.74% (2018: 2.07%) | | |
| | Consumer Services 0.55% (2018: 0.00%) | | |
| 25,000 | Wolters Kluwer | 1,305 | 0.55 |
| | Financials 0.70% (2018: 0.56%) | | |
| 180,000 | ING | 1,671 | 0.70 |
| | Technology 1.49% (2018: 1.51%) | | |
| 24,935 | ASML | 3,591 | 1.49 |
| | Switzerland 0.57% (2018: 0.00%) | | |
| | Consumer Goods 0.57% (2018: 0.00%) | | |
| 51,871 | Coca-Cola HBC | 1,356 | 0.57 |
| | United Kingdom 23.58% (2018: 25.99%) | | |
| | Basic Materials 1.11% (2018: 1.24%) | | |
| 65,923 | Johnson Matthey | 2,071 | 0.86 |
| 27,409 | Victrix | 591 | 0.25 |
| | | <u>2,662</u> | <u>1.11</u> |
| | Consumer Goods 1.73% (2018: 1.34%) | | |
| 101,953 | AG Barr | 823 | 0.34 |
| 30,137 | Bellway | 918 | 0.38 |
| 167,663 | Britvic | 1,597 | 0.67 |
| 463,663 | Taylor Wimpey | 813 | 0.34 |
| | | <u>4,151</u> | <u>1.73</u> |
| | Consumer Services 3.14% (2018: 4.35%) | | |
| 244,579 | Dixons Carphone | 359 | 0.15 |
| 74,148 | Euromoney Institutional Investor | 933 | 0.39 |
| 37,016 | Go-Ahead | 726 | 0.30 |
| 150,560 | Informa | 1,120 | 0.47 |
| 428,050 | ITV | 544 | 0.23 |
| 157,269 | Kingfisher | 369 | 0.15 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|--|-------------------------------------|----------------------|---|
| Consumer Services (continued) | | | |
| 13,873 | Next | 774 | 0.32 |
| 67,856 | RELX | 1,114 | 0.47 |
| 31,124 | Whitbread | 1,581 | 0.66 |
| | | <u>7,520</u> | <u>3.14</u> |
| Financials 8.55% (2018: 9.52%) | | | |
| 1,088,250 | Assura | 625 | 0.26 |
| 366,974 | Direct Line Insurance | 1,295 | 0.54 |
| 96,427 | Ethical Property ¹ | 106 | 0.04 |
| 255,890 | Greencoat UK Wind | 353 | 0.15 |
| 243,132 | Hammerson REIT | 816 | 0.34 |
| 49,647 | Hiscox | 774 | 0.32 |
| 238,083 | HSBC | 1,485 | 0.63 |
| 66,007 | Intermediate Capital | 703 | 0.29 |
| 168,571 | Jupiter Fund Management | 610 | 0.25 |
| 229,384 | Just | 140 | 0.06 |
| 129,789 | Land Securities | 1,185 | 0.50 |
| 2,356,290 | Lloyds Banking | 1,465 | 0.61 |
| 21,625 | London Stock Exchange | 1,027 | 0.43 |
| 658,743 | Low Carbon Accelerator ² | - | - |
| 83,117 | Paragon | 362 | 0.15 |
| 171,400 | Phoenix | 1,161 | 0.49 |
| 273,130 | PRS REIT | 269 | 0.11 |
| 135,053 | Prudential | 2,077 | 0.88 |
| 93,131 | Schroder Non-Voting Shares | 1,999 | 0.84 |
| 59,556 | St James's Place | 612 | 0.26 |
| 154,139 | Standard Chartered | 911 | 0.38 |
| 401,208 | Standard Life Aberdeen | 1,059 | 0.44 |
| 141,751 | 3i | 1,396 | 0.58 |
| | | <u>20,430</u> | <u>8.55</u> |
| Health Care 2.82% (2018: 3.09%) | | | |
| 39,855 | AstraZeneca | 2,445 | 1.02 |
| 163,415 | GlaxoSmithKline | 2,610 | 1.09 |
| 111,693 | Smith & Nephew | 1,701 | 0.71 |
| | | <u>6,756</u> | <u>2.82</u> |
| Industrials 1.77% (2018: 1.81%) | | | |
| 199,818 | DS Smith | 671 | 0.28 |
| 152,766 | Electrocomponents | 858 | 0.36 |
| 36,495 | Halma | 610 | 0.26 |
| 52,622 | Oxford Instruments | 514 | 0.21 |
| 355,614 | Rotork | 1,006 | 0.42 |
| 23,135 | Spectris | 581 | 0.24 |
| | | <u>4,240</u> | <u>1.77</u> |
| Technology 1.14% (2018: 1.15%) | | | |
| 365,164 | RM | 876 | 0.37 |
| 263,770 | Sage | 1,850 | 0.77 |
| | | <u>2,726</u> | <u>1.14</u> |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---|------------------------------|----------------------|---|
| Telecommunications 1.59% (2018: 1.89%) | | | |
| 335,241 | BT | 747 | 0.31 |
| 206,286 | Inmarsat | 1,145 | 0.48 |
| 1,365,165 | Vodafone | 1,909 | 0.80 |
| | | <u>3,801</u> | <u>1.59</u> |
| Utilities 1.73% (2018: 1.60%) | | | |
| 202,918 | National Grid | 1,726 | 0.73 |
| 42,650 | Severn Trent | 843 | 0.35 |
| 73,347 | SSE | 871 | 0.36 |
| 85,743 | United Utilities | 698 | 0.29 |
| | | <u>4,138</u> | <u>1.73</u> |
| United States 33.46% (2018: 32.37%) | | | |
| Basic Materials 0.65% (2018: 0.53%) | | | |
| 18,039 | Avery Dennison | 1,564 | 0.65 |
| Consumer Goods 2.83% (2018: 2.66%) | | | |
| 34,588 | Aptiv | 2,110 | 0.88 |
| 243,200 | Enova Systems ² | - | - |
| 11,309 | McCormick Non-Voting Shares | 1,307 | 0.55 |
| 36,316 | Nike 'B' | 2,346 | 0.98 |
| 4,698 | Tesla | 1,009 | 0.42 |
| | | <u>6,772</u> | <u>2.83</u> |
| Consumer Services 1.14% (2018: 0.00%) | | | |
| 32,000 | Walt Disney | 2,727 | 1.14 |
| Financials 7.51% (2018: 7.06%) | | | |
| 17,916 | AON | 2,346 | 0.98 |
| 10,500 | Crown Castle International | 1,031 | 0.43 |
| 6,500 | Equinix | 2,260 | 0.94 |
| 37,319 | Marsh & McLennan | 2,689 | 1.12 |
| 16,000 | MasterCard | 2,890 | 1.21 |
| 140,000 | Physicians Realty Trust REIT | 2,022 | 0.85 |
| 56,370 | Progressive | 3,119 | 1.31 |
| 40,856 | Walker & Dunlop | 1,596 | 0.67 |
| | | <u>17,953</u> | <u>7.51</u> |
| Health Care 3.33% (2018: 4.91%) | | | |
| 48,000 | Encompass Health | 2,152 | 0.90 |
| 15,000 | Humana | 3,062 | 1.27 |
| 30,000 | Teladoc Health | 1,280 | 0.54 |
| 7,687 | Waters | 1,485 | 0.62 |
| | | <u>7,979</u> | <u>3.33</u> |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|--|--|----------------------|---|
| Industrials 4.59% (2018: 6.36%) | | | |
| 34,503 | A.O. Smith | 1,412 | 0.59 |
| 13,616 | IPG Photonics | 1,586 | 0.66 |
| 22,804 | National Instruments | 776 | 0.32 |
| 8,000 | PayPal | 637 | 0.27 |
| 40,000 | TE Connectivity | 2,479 | 1.04 |
| 24,060 | Wabtec | 1,361 | 0.57 |
| 45,000 | Xylem | 2,731 | 1.14 |
| | | <u>10,982</u> | <u>4.59</u> |
| Technology 12.89% (2018: 10.17%) | | | |
| 19,602 | Adobe | 4,008 | 1.68 |
| 30,000 | Autodesk | 3,587 | 1.50 |
| 20,000 | Blackbaud | 1,223 | 0.51 |
| 42,500 | Cadence Design Systems | 2,071 | 0.87 |
| 22,610 | Cognizant Technology Solutions | 1,257 | 0.53 |
| 18,500 | Intuit | 3,711 | 1.55 |
| 14,411 | Lam Research | 1,979 | 0.83 |
| 33,878 | Microchip Technology | 2,157 | 0.90 |
| 63,553 | Microsoft | 5,753 | 2.40 |
| 20,000 | Salesforce.com | 2,431 | 1.02 |
| 32,456 | Texas Instruments | 2,642 | 1.10 |
| | | <u>30,819</u> | <u>12.89</u> |
| Utilities 0.52% (2018: 0.68%) | | | |
| 130,000 | Evoqua Water Technologies | <u>1,256</u> | <u>0.52</u> |
| Bonds 20.87% (2018: 19.82%) | | | |
| Australia 0.00% (2018: 0.05%) | | | |
| Fixed Rate Bond 0.00% (2018: 0.05%) | | | |
| Belgium 0.04% (2018: 0.00%) | | | |
| Fixed Rate Bond 0.04% (2018: 0.00%) | | | |
| EUR 100,000 | Elia System Operator 1.375% 14/01/2026 | <u>89</u> | <u>0.04</u> |
| Canada 0.28% (2018: 0.24%) | | | |
| Fixed Rate Bond 0.28% (2018: 0.24%) | | | |
| CAD 1,000,000 | Canada (Government of) 1.50% 01/06/2026 | 571 | 0.24 |
| GBP 100,000 | Liberty Living Finance 2.625% 28/11/2024 | <u>100</u> | <u>0.04</u> |
| | | <u>671</u> | <u>0.28</u> |
| Czech Republic 0.06% (2018: 0.00%) | | | |
| Fixed Rate Bond 0.06% (2018: 0.00%) | | | |
| USD 200,000 | CPI Property Group 4.75% 08/03/2023 | <u>155</u> | <u>0.06</u> |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---------------|---|----------------------|---|
| | Denmark 0.00% (2018: 0.16%) | | |
| | Fixed Rate Bond 0.00% (2018: 0.16%) | | |
| | France 0.50% (2018: 0.74%) | | |
| | Fixed Rate Bond 0.38% (2018: 0.54%) | | |
| USD 436,000 | BNP Paribas 3.375% 09/01/2025 | 328 | 0.13 |
| USD 400,000 | BPCE 5.15% 21/07/2024 | 320 | 0.13 |
| EUR 100,000 | Orange 1.125% 15/07/2024 | 89 | 0.04 |
| GBP 100,000 | Orange 3.25% 15/01/2032 | 106 | 0.04 |
| EUR 100,000 | Unibail-Rodamco 2.125% Perpetual | 85 | 0.04 |
| | | <u>928</u> | <u>0.38</u> |
| | Variable Rate Bond 0.12% (2018: 0.20%) | | |
| EUR 300,000 | Orange VAR Perpetual | <u>277</u> | <u>0.12</u> |
| | Germany 1.34% (2018: 0.61%) | | |
| | Fixed Rate Bond 1.29% (2018: 0.56%) | | |
| GBP 300,000 | Aroundtown 3.25% 18/07/2027 | 300 | 0.13 |
| USD 220,000 | Aroundtown 5.375% 21/03/2029 | 171 | 0.07 |
| GBP 225,000 | Deutsche Bahn Finance 1.375% 07/07/2025 | 224 | 0.09 |
| USD 400,000 | Deutsche Telekom International Finance 8.75% 15/06/2030 | 422 | 0.18 |
| EUR 770,000 | Germany (Federal Republic of) 0.25% 15/08/2028 | 686 | 0.29 |
| EUR 1,380,000 | Germany (Federal Republic of) 1.00% 15/08/2024 | <u>1,283</u> | <u>0.53</u> |
| | | <u>3,086</u> | <u>1.29</u> |
| | Variable Rate Bond 0.05% (2018: 0.05%) | | |
| GBP 100,000 | Munich Reinsurance 6.625% 26/05/2042 | <u>114</u> | <u>0.05</u> |
| | Italy 0.00% (2018: 0.10%) | | |
| | Fixed Rate Bond 0.00% (2018: 0.10%) | | |
| | Luxembourg 0.08% (2018: 0.08%) | | |
| | Fixed Rate Bond 0.08% (2018: 0.08%) | | |
| GBP 200,000 | B&M European Value Retail 4.125% 01/02/2022 | <u>202</u> | <u>0.08</u> |
| | Netherlands 0.48% (2018: 0.44%) | | |
| | Fixed Rate Bond 0.35% (2018: 0.33%) | | |
| GBP 100,000 | ABN AMRO Bank 1.00% 30/06/2020 | 100 | 0.04 |
| GBP 400,000 | ABN AMRO Bank 1.375% 07/06/2022 | 398 | 0.17 |
| EUR 200,000 | ABN AMRO Bank 7.125% 06/07/2022 | 208 | 0.09 |
| GBP 110,000 | Rabobank Nederland 4.625% 23/05/2029 | <u>124</u> | <u>0.05</u> |
| | | <u>830</u> | <u>0.35</u> |
| | Variable Rate Bond 0.13% (2018: 0.11%) | | |
| USD 400,000 | ABN AMRO Bank VAR 27/03/2028 | <u>310</u> | <u>0.13</u> |
| | Norway 0.07% (2018: 0.14%) | | |
| | Fixed Rate Bond 0.07% (2018: 0.14%) | | |
| EUR 200,000 | Sparebank 1 Oestlandet 0.875% 13/03/2023 | <u>174</u> | <u>0.07</u> |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|-------------|--|----------------------|---|
| | Spain 0.00% (2018: 0.14%) | | |
| | Fixed Rate Bond 0.00% (2018: 0.14%) | | |
| | Sweden 0.20% (2018: 0.31%) | | |
| | Fixed Rate Bond 0.20% (2018: 0.31%) | | |
| EUR 300,000 | Fastighets AB Balder 1.875% 14/03/2025 | 260 | 0.11 |
| EUR 250,000 | Nordea Bank 4.50% 26/03/2020 | 224 | 0.09 |
| | | <u>484</u> | <u>0.20</u> |
| | Switzerland 0.13% (2018: 0.19%) | | |
| | Fixed Rate Bond 0.08% (2018: 0.15%) | | |
| GBP 200,000 | UBS 1.25% 10/12/2020 | 199 | 0.08 |
| | Variable Rate Bond 0.05% (2018: 0.04%) | | |
| GBP 100,000 | Zurich Finance UK 6.625% Perpetual | 111 | 0.05 |
| | United Kingdom 10.36% (2018: 10.43%) | | |
| | Asset Backed 0.12% (2018: 0.31%) | | |
| GBP 9,666 | Canary Wharf Finance 6.455% 22/10/2033 | 12 | 0.01 |
| GBP 258,972 | Gwynt y Môr 2.778% 17/02/2034 | 271 | 0.11 |
| | | <u>283</u> | <u>0.12</u> |
| | Fixed Rate Bond 9.89% (2018: 9.65%) | | |
| GBP 100,000 | AA Bond 2.875% 31/01/2022 | 96 | 0.04 |
| GBP 100,000 | AA Bond 4.248% 31/07/2020 | 102 | 0.04 |
| GBP 100,000 | AA Bond 4.875% 31/07/2024 | 99 | 0.04 |
| GBP 200,000 | Affordable Housing Finance 2.893% 11/08/2043 | 235 | 0.10 |
| GBP 160,000 | Affordable Housing Finance 3.80% 20/05/2042 | 214 | 0.09 |
| GBP 300,000 | Anglian Water Services Financing 1.625% 10/08/2025 | 295 | 0.12 |
| GBP 130,000 | Anglian Water Services Financing 2.75% 26/10/2029 | 136 | 0.06 |
| GBP 200,000 | Assura Financing 3.00% 19/07/2028 | 206 | 0.09 |
| GBP 500,000 | A2Dominion Housing 3.50% 15/11/2028 | 515 | 0.22 |
| GBP 300,000 | Barclays 2.375% 06/10/2023 | 298 | 0.12 |
| GBP 300,000 | Bazalgette Finance 2.375% 29/11/2027 | 304 | 0.13 |
| GBP 220,000 | Blend Funding 3.459% 21/09/2047 | 236 | 0.10 |
| GBP 200,000 | BNP Paribas 3.375% 23/01/2026 | 209 | 0.09 |
| GBP 60,000 | Broadgate Financing 4.821% 05/07/2033 | 79 | 0.03 |
| GBP 100,000 | Bromford 3.125% 03/05/2048 | 104 | 0.04 |
| GBP 300,000 | Bunzl Finance 2.25% 11/06/2025 | 296 | 0.12 |
| GBP 200,000 | Clarion Funding 2.625% 18/01/2029 | 204 | 0.09 |
| EUR 500,000 | Compass 1.875% 27/01/2023 | 460 | 0.19 |
| GBP 300,000 | Coventry Building Society 1.875% 24/10/2023 | 300 | 0.13 |
| GBP 434,209 | Delamare Finance 5.5457% 19/02/2029 | 492 | 0.21 |
| GBP 200,000 | Direct Line Insurance 4.75% Perpetual | 166 | 0.07 |
| GBP 100,000 | Dwr Cymru Financing 2.50% 31/03/2036 | 103 | 0.04 |
| GBP 130,000 | Dwr Cymru Financing 6.015% 31/03/2028 | 174 | 0.07 |
| EUR 200,000 | Experian Finance 1.375% 25/06/2026 | 176 | 0.07 |
| GBP 50,000 | FirstGroup 8.75% 08/04/2021 | 56 | 0.02 |
| GBP 100,000 | Futures Treasury 3.375% 08/02/2044 | 106 | 0.04 |
| EUR 200,000 | Global Switch 1.50% 31/01/2024 | 173 | 0.07 |
| GBP 120,000 | HSBC Bank FRN 22/07/2028 | 123 | 0.05 |
| GBP 200,000 | HSBC Bank 4.75% 24/03/2046 | 242 | 0.10 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|------------------------------------|---|----------------------|---|
| Fixed Rate Bond (continued) | | | |
| GBP 100,000 | Incommunities Treasury 3.25% 21/03/2049 | 105 | 0.04 |
| GBP 100,000 | Land Securities Capital Markets 2.375% 29/03/2027 | 103 | 0.04 |
| GBP 60,000 | LCR Finance 4.50% 07/12/2028 | 77 | 0.03 |
| GBP 80,000 | Lloyds Bank 6.50% 17/09/2040 | 129 | 0.05 |
| GBP 200,000 | Lloyds Bank 7.5% 15/04/2024 | 252 | 0.11 |
| GBP 100,000 | London & Quadrant Housing 2.625% 05/05/2026 | 103 | 0.04 |
| GBP 160,000 | Motability Operations 5.625% 29/11/2030 | 218 | 0.09 |
| EUR 200,000 | Nationwide Building Society 2.00% 25/07/2029 | 170 | 0.07 |
| USD 350,000 | Nationwide Building Society 4.125% 18/10/2032 | 250 | 0.10 |
| GBP 250,000 | Network Rail Infrastructure Finance 4.375% 09/12/2030 | 329 | 0.14 |
| GBP 200,000 | Northumbrian Water Finance 1.625% 11/10/2026 | 192 | 0.08 |
| GBP 200,000 | Notting Hill Genesis 2.875% 31/01/2029 | 204 | 0.09 |
| GBP 150,000 | Optivo Finance 3.283% 22/03/2048 | 157 | 0.07 |
| GBP 100,000 | Orbit Capital 3.375% 14/06/2048 | 106 | 0.04 |
| GBP 100,000 | Orbit Capital 3.50% 24/03/2045 | 107 | 0.04 |
| GBP 200,000 | Pennon 2.875% Perpetual | 200 | 0.08 |
| GBP 100,000 | Pension Insurance 5.625% 20/09/2030 | 99 | 0.04 |
| GBP 300,000 | Phoenix 4.125% 20/07/2022 | 307 | 0.13 |
| GBP 200,000 | Places for People Treasury 2.875% 17/08/2026 | 198 | 0.08 |
| GBP 200,000 | PRS Finance 2.00% 23/01/2029 | 206 | 0.09 |
| GBP 200,000 | Prudential 5.00% 20/07/2055 | 218 | 0.09 |
| GBP 50,000 | Prudential 6.125% 19/12/2031 | 66 | 0.03 |
| GBP 200,000 | RAC Bond 4.87% 06/05/2026 | 194 | 0.08 |
| GBP 320,000 | Santander UK 1.875% 17/02/2020 | 322 | 0.13 |
| GBP 200,000 | Santander UK 2.92% 08/05/2026 | 202 | 0.08 |
| GBP 200,000 | Scottish Widows 5.50% 16/06/2023 | 221 | 0.09 |
| EUR 200,000 | Sky 2.50% 15/09/2026 | 192 | 0.08 |
| GBP 99,231 | TC Dudgeon OFTO 3.158% 12/11/2038 | 106 | 0.04 |
| GBP 50,000 | Tesco 6.125% 24/02/2022 | 55 | 0.02 |
| GBP 200,000 | THFC Funding No.3 5.20% 11/10/2043 | 274 | 0.11 |
| GBP 100,000 | Transport for London 2.125% 24/04/2025 | 104 | 0.04 |
| GBP 220,000 | Transport for London 2.25% 09/08/2022 | 227 | 0.09 |
| GBP 100,000 | Transport for London 4.00% 12/09/2033 | 123 | 0.05 |
| GBP 100,000 | Tritax Big Box REIT 2.625% 14/12/2026 | 100 | 0.04 |
| GBP 100,000 | Tritax Big Box REIT 3.125% 14/12/2031 | 101 | 0.04 |
| GBP 550,000 | UK Treasury 0.50% 22/07/2022 | 547 | 0.24 |
| GBP 1,245,000 | UK Treasury 1.50% 22/07/2047 | 1,229 | 0.52 |
| GBP 1,160,000 | UK Treasury 1.75% 07/09/2037 | 1,210 | 0.52 |
| GBP 200,000 | UK Treasury 2.00% 07/09/2025 | 215 | 0.09 |
| GBP 500,000 | UK Treasury 2.00% 22/07/2020 | 509 | 0.21 |
| GBP 410,000 | UK Treasury 3.25% 22/01/2044 | 552 | 0.24 |
| GBP 155,000 | UK Treasury 3.50% 22/07/2068 | 267 | 0.11 |
| GBP 4,000 | UK Treasury 3.75% 07/09/2020 | 4 | - |
| GBP 332,000 | UK Treasury 3.75% 22/07/2052 | 528 | 0.22 |
| GBP 175,000 | UK Treasury 4.00% 07/03/2022 | 192 | 0.08 |
| GBP 350,000 | UK Treasury 4.00% 22/01/2060 | 625 | 0.27 |
| GBP 320,000 | UK Treasury 4.25% 07/03/2036 | 457 | 0.19 |
| GBP 525,000 | UK Treasury 4.25% 07/12/2040 | 790 | 0.34 |
| GBP 695,000 | UK Treasury 4.25% 07/12/2046 | 1,113 | 0.48 |
| GBP 317,000 | UK Treasury 4.25% 07/12/2049 | 527 | 0.22 |
| GBP 185,000 | UK Treasury 4.50% 07/09/2034 | 266 | 0.11 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---|--|----------------------|---|
| Fixed Rate Bond (continued) | | | |
| GBP 142,000 | UK Treasury 4.50% 07/12/2042 | 226 | 0.09 |
| GBP 480,000 | UK Treasury 4.75% 07/12/2038 | 750 | 0.32 |
| GBP 200,000 | UK Treasury 6.00% 07/12/2028 | 293 | 0.12 |
| GBP 100,000 | Unite 3.50% 15/10/2028 | 103 | 0.04 |
| GBP 100,000 | United Utilities Water Finance 2.625% 12/02/2031 | 103 | 0.04 |
| GBP 100,000 | University of Cambridge 3.75% 17/10/2052 | 137 | 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 | 280 | 0.12 |
| GBP 110,000 | Wessex Water Services Finance 4.00% 24/09/2021 | 117 | 0.05 |
| GBP 200,000 | Western Power Distribution 3.50% 16/10/2026 | 206 | 0.09 |
| | | 23,656 | 9.89 |
| Stepped Rate Bond 0.09% (2018: 0.00%) | | | |
| GBP 200,000 | Co-Operative Bank 6.875% 08/07/2020 | 209 | 0.09 |
| Variable Rate Bond 0.26% (2018: 0.47%) | | | |
| GBP 100,000 | Aviva 6.125% Perpetual | 107 | 0.04 |
| GBP 100,000 | CYBG 5.00% 09/02/2026 | 100 | 0.04 |
| GBP 208,000 | HSBC Bank 5.375% 04/11/2030 | 240 | 0.10 |
| GBP 141,000 | HSBC Bank 5.844% Perpetual | 180 | 0.08 |
| | | 627 | 0.26 |
| United States 7.33% (2018: 6.19%) | | | |
| Fixed Rate Bond 7.33% (2018: 6.19%) | | | |
| USD 600,000 | AIG Global Funding 1.90% 06/10/2021 | 447 | 0.19 |
| GBP 300,000 | AT&T 2.90% 04/12/2026 | 306 | 0.13 |
| GBP 100,000 | AT&T 4.875% 01/06/2044 | 117 | 0.05 |
| USD 150,000 | AT&T 5.45% 01/03/2047 | 123 | 0.05 |
| USD 439,000 | Bank of America 3.419% 20/12/2028 | 329 | 0.14 |
| USD 500,000 | Bank of America 4.45% 03/03/2026 | 400 | 0.17 |
| GBP 250,000 | Bank of America 6.125% 15/09/2021 | 277 | 0.12 |
| USD 235,000 | Brown & Brown 4.50% 15/03/2029 | 182 | 0.08 |
| USD 416,000 | Charter Communications Operating Capital 4.908% 23/07/2025 | 337 | 0.14 |
| EUR 200,000 | Chubb INA 2.50% 15/03/2038 | 183 | 0.08 |
| USD 760,000 | Citigroup 2.05% 07/06/2019 | 583 | 0.24 |
| GBP 200,000 | Citigroup 2.75% 24/01/2024 | 205 | 0.09 |
| USD 600,000 | Citigroup 4.125% 25/07/2028 | 462 | 0.19 |
| USD 228,000 | Comcast 4.25% 15/10/2030 | 186 | 0.08 |
| USD 190,000 | Comcast 4.95% 15/10/2058 | 161 | 0.07 |
| USD 400,000 | CVS Health 3.70% 09/03/2023 | 312 | 0.13 |
| GBP 100,000 | Digital Stout 2.75% 19/07/2024 | 101 | 0.04 |
| USD 200,000 | E*Trade Financial 2.95% 24/08/2022 | 153 | 0.06 |
| USD 600,000 | FedEx 3.25% 01/04/2026 | 458 | 0.19 |
| USD 280,000 | Interpublic 4.65% 01/10/2028 | 224 | 0.09 |
| GBP 100,000 | JPMorgan Chase 1.875% 10/02/2020 | 101 | 0.04 |
| USD 800,000 | JPMorgan Chase 2.295% 15/08/2021 | 607 | 0.25 |
| USD 700,000 | JPMorgan Chase 2.95% 01/10/2026 | 525 | 0.22 |
| GBP 300,000 | McKesson 3.125% 17/02/2029 | 303 | 0.13 |
| USD 700,000 | Microsoft 3.45% 08/08/2036 | 542 | 0.23 |
| USD 600,000 | United Parcel Service 3.4% 15/11/2046 | 413 | 0.17 |
| USD 3,245,000 | US Treasury 1.125% 31/03/2022 | 2,466 | 1.03 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---|---|----------------------|---|
| Fixed Rate Bond (continued) | | | |
| USD 750,000 | US Treasury 2.375% 29/02/2024 | 579 | 0.24 |
| USD 1,644,000 | US Treasury 2.50% 15/05/2046 | 1,186 | 0.50 |
| USD 2,525,000 | US Treasury 2.50% 31/03/2023 | 1,957 | 0.82 |
| USD 620,000 | US Treasury 2.75% 15/02/2028 | 489 | 0.20 |
| USD 350,000 | US Treasury 2.75% 15/08/2042 | 267 | 0.11 |
| USD 1,023,000 | US Treasury 2.75% 15/08/2047 | 774 | 0.32 |
| USD 1,585,000 | US Treasury 2.875% 15/08/2028 | 1,264 | 0.53 |
| USD 400,000 | Verizon Communications 5.15% 15/09/2023 | 337 | 0.14 |
| GBP 150,000 | Wells Fargo 5.25% 01/08/2023 | 169 | 0.07 |
| | | 17,525 | 7.33 |
| Derivatives 0.00% (2018: 0.00%) | | | |
| Forward Foreign Exchange Contracts 0.00% (2018: 0.00%)³ | | | |
| | Investment assets | 227,820 | 95.22 |
| | Other net assets | 11,441 | 4.78 |
| | Total net assets | 239,261 | 100.00 |

¹ Manually priced securities

² Suspended or delisted securities

³ Unquoted 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 2019

| | Note | 2019 | | 2018 | |
|---|------|---------|----------------------|---------|---------------------|
| | | £000 | £000 | £000 | £000 |
| Income | | | | | |
| Net capital gains | 2 | | 13,859 | | 7,374 |
| Revenue | 3 | 6,043 | | 5,924 | |
| Expenses | 4 | (1,032) | | (1,079) | |
| Interest payable and similar charges | 5 | (5) | | (2) | |
| Net revenue before taxation | | 5,006 | | 4,843 | |
| Taxation | 6 | (307) | | (224) | |
| Net revenue after taxation | | | <u>4,699</u> | | <u>4,619</u> |
| Total return before distributions | | | 18,558 | | 11,993 |
| Distributions | 7 | | (4,699) | | (4,619) |
| Change in net assets attributable to shareholders from investment activities | | | <u>13,859</u> | | <u>7,374</u> |

Statement of change in net assets attributable to shareholders for the year ended 31 March 2019

| | 2019 | | 2018 | |
|--|-----------------|-----------------------|-----------------|-----------------------|
| | £000 | £000 | £000 | £000 |
| Opening net assets attributable to shareholders | | 257,386 | | 246,590 |
| Amounts receivable on issue of shares | 11,962 | | 17,360 | |
| Amounts payable on cancellation of shares | <u>(48,665)</u> | | <u>(18,557)</u> | |
| | | (36,703) | | (1,197) |
| Dilution adjustment | | 20 | | - |
| Change in net assets attributable to shareholders from investment activities | | 13,859 | | 7,374 |
| Retained distributions on accumulation shares | | 4,699 | | 4,619 |
| Closing net assets attributable to shareholders | | <u>239,261</u> | | <u>257,386</u> |

Balance sheet as at 31 March 2019

| | Note | 2019 £000 | 2018 £000 |
|--|------|----------------|----------------|
| Assets: | | | |
| Investments | | 227,820 | 240,271 |
| Current assets: | | | |
| Debtors | 8 | 1,700 | 1,662 |
| Cash and bank balances | 9 | 10,712 | 16,376 |
| Total assets | | 240,232 | 258,309 |
| Liabilities: | | | |
| Investment liabilities | | - | 1 |
| Provisions for liabilities | 10 | 6 | 6 |
| Creditors: | | | |
| Other creditors | 11 | 965 | 916 |
| Total liabilities | | 971 | 923 |
| Net assets attributable to shareholders | | 239,261 | 257,386 |

Notes to the financial statements for the year ended 31 March 2019

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 gains

Net capital gains on investments during the year comprise:

| | 2019 £000 | 2018 £000 |
|-------------------------------|----------------------------|----------------------------|
| Forward currency contracts | (121) | (5) |
| Non-derivative securities | 13,786 | 7,569 |
| Other currency gains/(losses) | 202 | (181) |
| Transaction costs | (8) | (9) |
| Net capital gains | 13,859 | 7,374 |

3 Revenue

| | 2019 £000 | 2018 £000 |
|-----------------------------|----------------------------|----------------------------|
| Bank interest | 63 | 32 |
| Interest on debt securities | 1,377 | 1,329 |
| Overseas dividends | 1,755 | 1,594 |
| Overseas REIT revenue | 136 | 81 |
| UK dividends | 2,528 | 2,743 |
| UK REIT revenue - PID | 132 | 84 |
| UK REIT revenue - non PID | 52 | 61 |
| Total revenue | 6,043 | 5,924 |

4 Expenses

| | 2019 £000 | 2018 £000 |
|--|----------------------------|----------------------------|
| Payable to the ACD, associates of the ACD and agents of either of them: | | |
| Annual management charge | 845 | 879 |
| GAC* | 155 | 164 |
| | <u>1,000</u> | <u>1,043</u> |
| Payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary fees | 22 | 22 |
| Safe custody fees | 9 | 14 |
| | <u>31</u> | <u>36</u> |
| Other expenses: | | |
| Professional fees | 1 | - |
| | <u>1</u> | <u>-</u> |
| Total expenses | 1,032 | 1,079 |

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £7,681 (2018: £7,458).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Interest payable | 5 | 2 |
| Total interest payable and similar charges | 5 | 2 |

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

| | 2019 £000 | 2018 £000 |
|----------------------------|--------------|--------------|
| Current tax | | |
| Double tax relief | (25) | (10) |
| Overseas withholding tax | 198 | 143 |
| UK corporation tax | 134 | 90 |
| Total current tax | 307 | 223 |
| Deferred tax | | |
| Deferred tax (note 6c) | - | 1 |
| Total tax (note 6b) | 307 | 224 |

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% (2018: 20%). The differences are explained below:

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Net revenue before taxation | 5,006 | 4,843 |
| Corporation tax at 20% (2018: 20%) | 1,001 | 969 |
| Effects of: | | |
| Deferred tax | - | 1 |
| Double tax relief | (25) | (10) |
| Irrecoverable overseas tax | 198 | 143 |
| Movement in taxable accrued income | - | 2 |
| Overseas dividends* | (351) | (319) |
| UK dividends** | (516) | (562) |
| Tax charge for the year (note 6a) | 307 | 224 |

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

** 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

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Provision at start of year | 6 | 5 |
| Deferred tax charge for year (note 6a) | - | 1 |
| Provision at end of year | 6 | 6 |

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

| | 2019 £000 | 2018 £000 |
|----------------------------|--------------|--------------|
| Interim accumulation | 2,815 | 2,660 |
| Final accumulation | 1,884 | 1,959 |
| Total distributions | 4,699 | 4,619 |

Details of the distribution per share are set out in the distribution tables on page 90.

8 Debtors

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Accrued revenue | 1,024 | 966 |
| Amounts receivable for issue of shares | 187 | 340 |
| Currency transactions awaiting settlement | 58 | - |
| Overseas withholding tax reclaimable | 25 | 25 |
| Sales awaiting settlement | 406 | 331 |
| Total debtors | 1,700 | 1,662 |

9 Cash and bank balances

| | 2019 £000 | 2018 £000 |
|-------------------------------------|---------------|---------------|
| Cash and bank balances | 10,712 | 16,376 |
| Total cash and bank balances | 10,712 | 16,376 |

10 Provisions for liabilities

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| The provisions for liabilities comprise: | | |
| Deferred tax | 6 | 6 |
| Total provision for liabilities | 6 | 6 |

Notes to the financial statements (continued)

11 Other creditors

| | 2019 | 2018 |
|--|-------------|-------------|
| | £000 | £000 |
| Accrued annual management charge | 68 | 75 |
| Accrued Depository's fee | 2 | 2 |
| Accrued other expenses | 30 | 18 |
| Amounts payable for cancellation of shares | 171 | 656 |
| Corporation tax payable | 57 | 42 |
| Currency transactions awaiting settlement | 58 | - |
| Purchases awaiting settlement | 579 | 123 |
| Total other creditors | 965 | 916 |

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 because it provides key management personnel services to 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 77 and 78 and notes 4, 8, and 11 on pages 79 to 82 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 56.78% of the total net assets of the fund as at the year end (2018: 60.33%).

14 Shareholders' funds

The fund currently has 3 share classes available; Class A (Retail with front-end charges), Class I (Institutional) and Class Z (Institutional). The annual management charge on each share class is as follows:

| | 2019 | 2018 |
|----------|-------------|-------------|
| | % | % |
| Class A | 1.50 | 1.50 |
| Class I | 0.75 | 0.75 |
| Class Z* | 0.00 | 0.00 |

* 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 63 to 64. The distribution per share class is given in the distribution tables on page 90. 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 2019

| | Class A accumulation | Class I accumulation | Class Z accumulation |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| Opening number of shares | 7,561,710 | 41,828,238 | 46,759,259 |
| Issues during the year | 472,963 | 4,948,265 | 50,152 |
| Cancellations during the year | (5,313,763) | (3,387,855) | (8,963,101) |
| Shares converted during the year | (36,645) | 32,502 | - |
| Closing shares in issue | 2,684,265 | 43,421,150 | 37,846,310 |

15 Financial derivatives

The fund may use financial derivatives for the purposes of efficient portfolio 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 2019 (2018: nil).

2019

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

2018

The fund had no exposure to derivatives as at 31 March 2018 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.

| 2019 | Investment assets £000 | Other net assets £000 | Total net assets £000 |
|-------------------|---------------------------|--------------------------|--------------------------|
| Currency | | | |
| Australian dollar | 839 | 8 | 847 |
| Brazilian real | - | 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 |
| Total | 227,820 | 11,441 | 239,261 |

| 2018 | Investment assets including investment liabilities £000 | Other net assets £000 | Total net assets £000 |
|------------------|--|--------------------------|--------------------------|
| Currency | | | |
| Brazilian real | 905 | - | 905 |
| Canadian dollar | 4,285 | 12 | 4,297 |
| Euro | 22,283 | 1,252 | 23,535 |
| Hong Kong dollar | 2,562 | - | 2,562 |
| Japanese yen | 11,346 | 66 | 11,412 |
| Norwegian krone | - | 11 | 11 |
| Swiss franc | 1,984 | - | 1,984 |
| UK sterling | 96,717 | 14,436 | 111,153 |
| US dollar | 100,188 | 1,339 | 101,527 |
| Total | 240,270 | 17,116 | 257,386 |

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:

| 2019 | Floating rate financial assets £000 | Fixed rate financial assets £000 | Non-interest bearing assets £000 | Total £000 |
|-------------------|--|---|---|-----------------------|
| Australian dollar | - | - | 847 | 847 |
| Brazilian real | - | - | 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 |
| Total | 12,360 | 48,284 | 179,588 | 240,232 |

| 2018 | Floating rate financial assets £000 | Fixed rate financial assets £000 | Non-interest bearing assets £000 | Total £000 |
|------------------|--|---|---|-----------------------|
| Brazilian real | - | - | 905 | 905 |
| Canadian dollar | - | 530 | 3,767 | 4,297 |
| Euro | 1,473 | 4,773 | 17,289 | 23,535 |
| Hong Kong dollar | - | - | 2,562 | 2,562 |
| Japanese yen | - | - | 11,412 | 11,412 |
| Norwegian krone | - | - | 9 | 9 |
| Swiss franc | - | - | 1,984 | 1,984 |
| UK sterling | 15,794 | 26,732 | 69,408 | 111,934 |
| US dollar | 1,352 | 16,733 | 83,586 | 101,671 |
| Total | 18,619 | 48,768 | 190,922 | 258,309 |

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

| 2018 | Floating rate financial liabilities £000 | Fixed rate financial liabilities £000 | Non-interest bearing liabilities £000 | Total £000 |
|--------------|---|--|--|-----------------------|
| UK sterling | - | - | 923 | 923 |
| Total | - | - | 923 | 923 |

Notes to the financial statements (continued)

16 Risk (continued)

Credit Ratings

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

| | Market value £000 | Percentage of total net assets % |
|---------------------------------------|-------------------------|---|
| 2018 | | |
| Investments | | |
| Investment grade (AAA - BBB) | 46,935 | 18.23 |
| Below investment grade (BB and below) | 1,949 | 0.76 |
| Unrated | 2,128 | 0.83 |
| Total debt securities | 51,012 | 19.82 |
| Derivatives | (1) | - |
| Equities | 189,259 | 73.53 |
| Investment assets | 240,270 | 93.35 |
| Other net assets | 17,116 | 6.65 |
| Total net assets | 257,386 | 100.00 |

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 |
| | % | % | % | % | % | % | % |
| 2019 | 4.90 | 7.38 | 6.09 | 20.00 | 24.52 | 36.91 | 30.43 |
| 2018 | 4.48 | 5.89 | 4.88 | 20.00 | 22.42 | 29.45 | 24.42 |

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 |
|----------------------------|-------------------|-------------------------|--|-------------------------|
| 2019 | | | | |
| Provisions for liabilities | - | - | 6 | - |
| Other creditors | - | 965 | - | - |
| Total | - | 965 | 6 | - |
| | | | | |
| | On demand £000 | Within one year £000 | Over one year but not more than five years £000 | Over five years £000 |
| 2018 | | | | |
| Provisions for liabilities | - | - | 6 | - |
| Investment liabilities | - | 1 | - | - |
| Other creditors | - | 916 | - | - |
| Total | - | 917 | 6 | - |

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

| | 2019 | | 2018 | |
|---------|----------------|---------------------|----------------|---------------------|
| | Assets £000 | Liabilities £000 | Assets £000 | Liabilities £000 |
| Level 1 | 199,608* | - | 207,861* | - |
| Level 2 | 28,106 | - | 32,289 | 1 |
| Level 3 | 106 | - | 121 | - |
| | 227,820 | - | 240,271 | 1 |

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined to be sufficiently close to a binding quoted price, amount to £21,824,939 as at 31 March 2019 (2018: £18,722,899).

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. The Janus Henderson EMEA Pricing Committee of the Investment Manager is responsible for determining or approving unquoted prices. Where deemed necessary, the Janus Henderson EMEA Pricing Committee will seek ratification of decisions from the Janus Henderson Investment Performance and Risk Committee. The Janus Henderson EMEA Pricing Committee 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 assets included within level 3 is an unlisted security which has been valued by the Janus Henderson EMEA Pricing Committee using the latest share buyback price.

18 Direct transaction costs

| | Purchases | | Sales | |
|---|---------------|----------------|----------------|----------------|
| | 2019 £000 | 2018 £000 | 2019 £000 | 2018 £000 |
| Trades in the year | | | | |
| Debt securities | 31,075 | 36,829 | 33,635 | 28,112 |
| Equities | 59,772 | 80,251 | 82,923 | 75,509 |
| Trades in the year before transaction costs | 90,847 | 117,080 | 116,558 | 103,621 |
| Transaction costs | | | | |
| Commissions | | | | |
| Debt securities | - | - | - | - |
| Equities | 17 | 55 | 22 | 52 |
| Total commissions | 17 | 55 | 22 | 52 |
| Taxes | | | | |
| Debt securities | - | - | - | - |
| Equities | 75 | 102 | - | 4 |
| Total taxes | 75 | 102 | - | 4 |
| Other expenses | | | | |
| Debt securities | - | - | - | - |
| Equities | 8 | 2 | 1 | 2 |
| Total other expenses | 8 | 2 | 1 | 2 |
| Total transaction costs | 100 | 159 | 23 | 58 |
| Total net trades in the year after transaction costs | 90,947 | 117,239 | 116,535 | 103,563 |

| | Purchases | | Sales | |
|---|-----------|-----------|-----------|-----------|
| | 2019 % | 2018 % | 2019 % | 2018 % |
| Total transaction costs expressed as a percentage of asset type cost | | | | |
| Commissions | | | | |
| Debt securities | - | - | - | - |
| Equities | 0.03 | 0.07 | 0.03 | 0.07 |
| Taxes | | | | |
| Debt securities | - | - | - | - |
| Equities | 0.13 | 0.13 | - | 0.01 |
| Other expenses | | | | |
| Debt securities | - | - | - | - |
| Equities | 0.01 | - | - | - |

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

| | 2019 | 2018 |
|---|-------------|-------------|
| | % | % |
| Total transaction costs expressed as a percentage of net asset value | | |
| Commissions | 0.02 | 0.04 |
| Taxes | 0.03 | 0.04 |
| Other expenses | - | - |
| Total costs | <u>0.05</u> | <u>0.08</u> |

There were no in specie transfers during the year of (2018: nil). There were corporate actions during the year of £476,355 (2018: £2,334,432).

There were no direct transaction costs associated with derivatives in the year (2018: nil).

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

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 2019 was 0.16% (2018: 0.14%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

19 Events after the Balance sheet date

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

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

Interim dividend distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: units purchased prior to 1 April 2018

Group 2: units purchased on or after 1 April 2018

| | Distribution per share | Total distribution per share 30/11/18 | Total distribution per share 30/11/17 |
|-----------------------------|---------------------------|--|--|
| Class A accumulation | | | |
| Group 1 | 3.0081 | 3.0081 | 0.9819 |
| Group 2 | 3.0081 | 3.0081 | 0.9819 |
| Class I accumulation | | | |
| Group 1 | 1.9068 | 1.9068 | 1.7147 |
| Group 2 | 1.9068 | 1.9068 | 1.7147 |
| Class Z accumulation | | | |
| Group 1 | 4.2204 | 4.2204 | 3.8637 |
| Group 2 | 4.2204 | 4.2204 | 3.8637 |

Final dividend distribution (accounting date 31 March 2019, paid on 31 May 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

| | Distribution per share | Total distribution per share 31/05/19 | Total distribution per share 31/05/18 |
|-----------------------------|---------------------------|--|--|
| Class A accumulation | | | |
| Group 1 | 0.5674 | 0.5674 | 0.4391 |
| Group 2 | 0.5674 | 0.5674 | 0.4391 |
| Class I accumulation | | | |
| Group 1 | 1.3660 | 1.3660 | 1.2254 |
| Group 2 | 1.3660 | 1.3660 | 1.2254 |
| Class Z accumulation | | | |
| Group 1 | 3.3698 | 3.3698 | 3.0225 |
| Group 2 | 3.3698 | 3.3698 | 3.0225 |

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 2018.

| | Headcount (1) | Total Remuneration (£000s) (2,3) |
|--|---------------|----------------------------------|
| Janus Henderson UK Responsible Income Fund | 1,943 | 343 |
| of which | | |
| Fixed Remuneration | 1,943 | 155 |
| Variable Remuneration | 1,933 | 188 |
| Carried Interest | n/a | - |
| Janus Henderson UK Responsible Income Fund Remuneration Code Staff | 175 | 313 |
| of which | | |
| Senior Management (4) | 27 | 25 |
| Other Code Staff (5) | 148 | 288 |
| Janus Henderson Global Sustainable Equity Fund | 1,943 | 948 |
| of which | | |
| Fixed Remuneration | 1,943 | 530 |
| Variable Remuneration | 1,933 | 418 |
| Carried Interest | n/a | - |
| Janus Henderson Global Sustainable Equity Fund Remuneration Code Staff | 174 | 823 |
| of which | | |
| Senior Management (4) | 27 | 103 |
| Other Code Staff (5) | 147 | 720 |
| Janus Henderson Institutional Global Responsible Managed Fund | 1,943 | 286 |
| of which | | |
| Fixed Remuneration | 1,943 | 160 |
| Variable Remuneration | 1,933 | 126 |
| Carried Interest | n/a | - |
| Janus Henderson Institutional Global Responsible Managed Fund Remuneration Code Staff | 174 | 248 |
| of which | | |
| Senior Management (4) | 27 | 31 |
| Other Code Staff (5) | 147 | 217 |

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**

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 an regulated by the Commission de Surveillance du Secteur Financier).

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