



# ANNUAL REPORT & ACCOUNTS

For the year ended  
31 July 2020

Janus Henderson  
— INVESTORS —

Janus Henderson Investment Funds Series II



# Who are Janus Henderson Investors?



\* Source: Janus Henderson Investors. Staff and AUM data as at 30 June 2020. AUM data excludes Exchange-Traded Note ('ETN') assets.

## Who we are

The notion of "connecting" is powerful – it has shaped our evolution and our world today. At Janus Henderson Investors ('Janus Henderson'), we seek to benefit clients through the connections we make.

Connections enable strong relationships with clients based on trust and insight as well as the flow of ideas among our investment teams and our engagement with companies, all of which allow us to make a positive difference. These connections are central to our values as a firm, to what active management stands for and to the outperformance we seek to deliver.

Our commitment to active management offers clients the opportunity to outperform passive strategies over the course of market cycles. Through times of both market calm and growing uncertainty, our managers apply their experience weighing risk versus reward potential – seeking to ensure clients are on the right side of change.

## Why Janus Henderson Investors?

At Janus Henderson, we believe in linking our world-class investment teams and experienced global distribution professionals with our clients around the world.

### Active because active matters

We selectively invest in what we believe are the most compelling opportunities. Our investment teams are free to form their own views and seek to actively position portfolios to connect clients with their financial goals.

### Global strength to deliver local solutions

We offer true global reach with a presence in all major markets, combined with the responsiveness, tailored solutions and personal touch you would expect from a local partner.

### Empowering clients through knowledge shared

We connect our clients with insights and knowledge that empower them to make better investment and business decisions.

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

We are pleased to present the Annual Report and Accounts for Janus Henderson Investment Funds Series II (the 'Company') for the year ended 31 July 2020.

### **Authorised status**

The Company is an open-ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC000189 and authorised by the Financial Conduct Authority (FCA) with effect from 30 August 2002. It is an Undertakings for Collective Investment in Transferable Securities (UCITS) scheme structured as an umbrella company, comprising of one sub fund ('fund'), complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the Company is governed by the OEIC regulations, COLL, its Instrument of Incorporation and Prospectus.

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

### **Other information**

Following the FCA's Asset Management Market Study, ESMA updated its guidance and as a result the investment objective and policy has changed on the fund, in particular if the fund is targeting a certain performance. This was effective 5 May 2020. The investment objective and policy can be found on page 14.

### **Brexit update**

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

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

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

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

### **Value assessment**

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

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

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

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

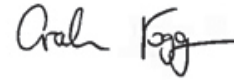
### **COVID-19**

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

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

### Director's statement

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



G Foggin  
(Director)

19 October 2020

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

### Service providers

	Name	Address	Regulator
<b>Authorised Corporate Director</b>	<b>Henderson Investment Funds Limited</b> Member of the Investment Association  The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Dealing – 0845 608 8703 Enquiries – 0800 832 832	Authorised and regulated by the Financial Conduct Authority
<b>Directors of the ACD</b>	R Chaudhuri (from 17.03.20) A Crooke G Foggin G Fogo S Hillenbrand H J de Sausmarez P Shea* F Smith* R Thompson (to 31.12.19) *Independent		
<b>Investment Manager</b>	<b>Henderson Global Investors Limited</b> The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
<b>Shareholder Administrator</b>	<b>SS&amp;C Financial Services International Limited and SS&amp;C Financial Services Europe Limited</b>	SS&C House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	<b>NatWest Trustee and Depository Services Limited</b> The ultimate holding company is the Royal Bank of Scotland Group plc	250 Bishopsgate London EC2M 4AA	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority
<b>Independent Auditors</b>	<b>PricewaterhouseCoopers LLP</b>	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
<b>Legal Adviser</b>	<b>Eversheds Sutherland (International) LLP</b>	One Wood Street London EC2V 7WS	The Law Society

## **Statement of Authorised Corporate Director's (ACD) responsibilities** for the year ended 31 July 2020

The FCA's COLL requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view, in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014, United Kingdom Generally Accepted Accounting Practice (UK GAAP) (United Kingdom Accounting Standards, comprising FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland), of the financial affairs of the Company and its sub-fund, and its revenue/expenditure for the year. In preparing the financial statements the ACD is required to:

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

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



## Statement of Depositary's responsibilities and report of the Depositary to the shareholders of Janus Henderson Investment Funds Series II (the 'Company')

for the year ended 31 July 2020

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited  
London  
19 October 2020

# Independent Auditors' report to the shareholders of Janus Henderson Investment Funds Series II

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Janus Henderson Investment Funds Series II (the 'Company'):

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

Janus Henderson Investment Funds Series II is an Open Ended Investment Company ('OEIC') with a single sub-fund. The financial statements of the company comprise the financial statements of its sub-fund. We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the balance sheet as at 31 July 2020; the statement of total return and the statement of change in net assets attributable to shareholders; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

### Reporting on other information

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

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

### Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's 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 Investment Funds Series II

## 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 4, 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 its sub-fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the company or its sub-fund, or has no realistic alternative but to do so.

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

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

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

### Use of this report

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

### Other required reporting

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

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

#### Collective Investment Schemes Sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
19 October 2020

## **1 Accounting policies**

### **(a) Basis of preparation**

The financial statements of Janus Henderson Investment Funds Series II (the 'Company') comprise the financial statements of Janus Henderson Cautious Managed Fund. They have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the SORP for UK Authorised Funds issued by the IMA in May 2014, the Financial Reporting Standard 102 (FRS 102), the FCA'S COLL and the Company's Instrument of Incorporation and Prospectus.

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

### **(b) Basis of valuation of investments**

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

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

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

### **(c) Revenue recognition**

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

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

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

Bank interest is recognised on an accruals basis.

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

Revenue earned on derivatives and interest on margin are accounted for on an accruals basis.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the fund is required to take up all or some of the shares underwritten in which case an appropriate proportion of the commission received is deducted from the cost of the relevant shares.

Stock lending revenue is accounted for on an accruals basis, net of bank and agent fees.

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.

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

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

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

### **Annual Management Charge (AMC)**

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

## Aggregated notes to the financial statements (continued)

### 1 Accounting policies (continued)

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

The investment objective of the fund is to provide a combination of income and 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 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 the fund will pay will depend on the costs attributable to each share class based on whether the class is a 'Retail' class or an 'Institutional' class. The GAC accrues on a daily basis and is payable to the ACD by each share class monthly.

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

With the exception of the AMC, the GAC and revenue derived from the gains/losses on hedged class forward currency contracts, which are directly attributable to individual share classes, all revenue and expenses are allocated to share classes pro rata to the value of the net assets of the relevant share class on the day that the revenue or expense is incurred.

#### (e) Exchange rates

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

#### (f) Taxation

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

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

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

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

#### (g) Cash flow statement

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

#### (h) Hedged share classes

The following hedged share classes are available within the fund:

- Class A EUR (hedged) accumulation
- Class I EUR (hedged) accumulation
- Class I USD (hedged) accumulation

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 currency transactions will not cause the Euro and US Dollar 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 and US Dollar hedged class shares will not be completely protected from all currency fluctuations.

#### (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.

## Aggregated notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (i) Treatment of derivatives (continued)

##### Bond future contracts

The unrealised gain/(loss) on open future contracts is disclosed in the Portfolio statement. The margins paid on these contracts are included in amounts held at derivative clearing houses and brokers. The net gains/(losses) are apportioned between the revenue account and derivative securities in Net capital gains/(losses) on investments, reflecting the nature of the return. The basis of the apportionment is typically made by reference to the yield on the underlying security or index or other appropriate source.

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

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

### 2 Distribution policy

The distribution policy of the fund is to distribute/accumulate all available revenue, after the deduction of expenses properly chargeable against revenue, subject to any of the AMC 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.

For the purpose of calculating the distribution, interest on debt securities is computed on an effective yield basis, the same basis on which it is reflected in the financial statements.

Stock dividends are not taken into account when determining the amount available for distribution.

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

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

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

The fund makes distributions on a monthly basis for the EM and M classes and on a quarterly basis (31 December, 31 March, 30 June and 30 September) for all other share classes.

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

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

#### Equalisation

Income equalisation applies to the fund.

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

### 3 Risk

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

## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

The risk management policy and process for the fund is designed to satisfy the regulatory requirements for a UCITS; associated regulatory technical standards and guidelines; and local regulations. The framework for risk controls and limits for the fund 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 fund's activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. These financial risks: market risk (comprising currency risk, interest rate risk and other market price risk), credit and counterparty risk and liquidity risk and the approach to the management of these risks, are set out below and remain unchanged from the previous accounting year. For a detailed explanation of these and further risks involved in investing in the fund, reference should be made to the Prospectus; investors and prospective investors are recommended to discuss all potential risks with their own legal, tax and financial advisors.

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

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

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

#### (a) Market risk

Market risk is the risk of loss resulting from fluctuations in the market value of positions in the fund attributable to changes in market variables such as interest rates, foreign exchange rates or an issuer's creditworthiness. The investments of the fund are subject to normal market fluctuations and other risks inherent in investing in securities in pursuance of the investment objective and policy.

Funds investing outside the UK are exposed to and can hold investments in currencies other than pounds sterling (the fund base currency), so fluctuations in exchange rates may cause the value of the investments to rise or fall. The fund may hold fixed interest securities which are the debts of governments and companies, generally in the form of bonds. These bonds are particularly affected by changes in interest rates, inflation and the decline in creditworthiness of an issuer, which may in turn affect the bond's value.

The fund may use derivatives for hedging purposes and efficient portfolio management. Derivatives are linked in value to an underlying asset and any fall in the value of that asset may result in a loss greater than the original amount invested in the derivative itself. It is not intended that using derivatives for efficient portfolio management will alter the risk profile or increase the volatility of the fund. In adverse situations, however, the fund's use of derivatives may become ineffective in hedging or efficient portfolio management and the fund may suffer significant loss as a result.

The global exposure of the fund is calculated using the commitment approach; the commitment approach means that financial derivative instruments are converted into the market value of the equivalent position in the underlying asset(s).

The sensitivity of the fund to market risk is calculated using the Value-at-Risk (VaR) approach. VaR is a mathematical-statistical concept and is commonly used as a standard measure of risk in the financial sector. The maximum potential loss that the fund 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 investment portfolio are taken into consideration including those undertaken for efficient portfolio management purposes. VaR is calculated using a Monte Carlo simulation approach; 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.

Please refer to the individual fund's accounts for details of leverage and sensitivity analysis.

#### Currency risk

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

A proportion of a fund's assets and income may be denominated in currencies other than sterling (the fund's functional currency and the one in which financial statements are reported). As a result, movements in exchange rates may affect the sterling value of those items so the funds total return and Balance sheet can be significantly affected by currency fluctuations.

The Investment Manager may seek to manage exposure to currency movements by using hedging transactions in line with each fund's investment objective, powers and limits, though this will not eliminate the fund's currency risk.

Please refer to the individual fund's accounts for details of currency exposure.

## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

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

##### Hedged share classes

Class A EUR (hedged) accumulation, Class I EUR (hedged) accumulation and Class I USD (hedged) accumulation are hedged share classes. These hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of exchange rate fluctuations between the share class currency and 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 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 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 hedged class shares will not be completely protected from all currency fluctuations.

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

##### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Some securities such as bonds are directly impacted by interest rate movements but others are indirectly affected.

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

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

##### Other market price risk

Other market price risk is the risk that the value of the fund's investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. The risk arises mainly from uncertainty about future prices of financial instruments the fund might hold. It represents the potential loss the fund might suffer through holding market positions in the face of price movements. The fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy.

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

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

#### (b) Credit and counterparty risk

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

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



## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

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

The fund's assets that are held with banks could be exposed to credit and counterparty risk. The banks used by the fund and ACD are subject to regular reviews. Only counterparties that have been approved by Janus Henderson's Counterparty Risk Committee are used for derivative transactions, as detailed in note 13; further details of stock lending activity and associated collateral are included in note 14.

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

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

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

#### (c) Operational risk

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

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

#### (d) Liquidity risk

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

The fund is generally able to realise cash quickly to meet its liabilities. The main liquidity requirements of the fund include the redemption of any 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 fund's cash position to ensure it can meet its liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the fund's portfolio in order to meet redemption requests. In addition the ACD monitors market liquidity of all securities, with particular focus on collective investment schemes which may contain restrictions on withdrawals, seeking to ensure the fund maintains sufficient liquidity to meet known and potential redemption activity. The fund's cash balances are monitored daily by the ACD. When investments cannot be realised in time to meet any potential liability, the fund may borrow up to 10% of its value to ensure settlement.

A maturity analysis of the fund's financial liabilities is disclosed in the fund's accounts.

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

#### (e) Brexit risk

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

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

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

# Janus Henderson Cautious Managed Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Stephen Payne and Philip Payne

### Investment objective and policy

The fund aims to provide a return, from a combination of income and capital growth over the long term.

Performance target: To outperform the 50% FTSE All Share + 50% ICE Bank of America ML Sterling Non Gilt Index by 1.5% per annum, before the deduction of charges, over any 5 year period.

The fund invests in shares (also known as equities) and bonds of governments, companies or any other type of issuer, in any country. At all times the investment in equities will be limited to a maximum of 60% of the value of the fund's portfolio and the fund will normally have a strong bias towards UK companies and bonds. Companies and bond issuers may be of any size, in any industry. At all times the fund will be limited to a maximum of 60% in company shares.

The fund is actively managed with reference to the 50% FTSE All Share + 50% ICE Bank of America ML Sterling Non Gilt Index, which is broadly representative of the securities in which it may invest, as this forms the basis of the fund's performance target. The investment manager has a high degree of freedom to choose individual investments for the fund.

### Performance summary

	31 Jul 19 - 31 Jul 20	31 Jul 18 - 31 Jul 19	31 Jul 17 - 31 Jul 18	31 Jul 16 - 31 Jul 17	31 Jul 15 - 31 Jul 16
	%	%	%	%	%
<b>Class I accumulation (Net)</b>	(5.9)	(0.3)	3.6	7.6	2.4
<b>50% FTSE All Share + 50% ICE Bank of America ML Sterling Non Gilt Index</b>	(6.7)	5.1	4.7	8.7	7.8
<b>IA Mixed Investment 20-60% Shares Sector</b>	(2.3)	4.0	3.1	8.3	5.5
<b>Class I accumulation (Gross)</b>	(5.2)	0.4	4.4	8.3	3.1
<b>50% FTSE All Share + 50% ICE Bank of America ML Sterling Non Gilt Index + 1.5%</b>	(5.3)	6.6	6.3	10.3	9.4

Please note that the performance target is to be achieved over a specific annualised time period. Refer to the performance target section above within the investment objective.

Source: Morningstar

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

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are at close of business.

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

From 1 July 2020, the Benchmark changed to 50% FTSE All Share + 50% ICE Bank of America ML Sterling Non Gilt Index.

Performance data (as at 31 July 2020) is shown against the previous Benchmark, 50% FTSE All Share + 50% ICE Bank of America ML 5-15 Year Sterling Non Gilt Index. This change was made to align the benchmark with the fund's investment objective and policy.

### Benchmark usage

Index: 50% FTSE All Share + 50% ICE Bank of America ML Sterling Non Gilt Index

Index usage: Target

Index description: The 50% FTSE All Share + 50% ICE Bank of America ML Sterling Non Gilt Index is a composite index reflecting 50% exposure to shares listed on the London Stock Exchange and 50% exposure to corporate bonds. It is the basis of the fund's performance target.

Peer group: IA Mixed Investment 20-60% Shares Sector

Peer group usage: Comparator

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

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.

## Authorised Corporate Director's report (continued)

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

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales/maturities</b>	<b>£000</b>
US Treasury 2.375% 29/02/2024	25,542	US Treasury 0.625% Index-Linked 15/01/2024	87,470
UK Treasury 1.75% 07/09/2037	25,512	US Treasury 0.125% Index-Linked 15/07/2024	54,650
UK Treasury 0.875% 22/10/2029	24,917	UK Treasury 3.75% 07/09/2019	36,250
US Treasury 1.625% 15/08/2029	24,169	US Treasury 1.625% 15/08/2029	26,666
UK Treasury 4.50% 07/09/2034	20,983	UK Treasury 0.875% 22/10/2029	25,406
UK Treasury 1.50% 22/07/2026	16,802	UK Treasury 1.75% 07/09/2037	24,907
Unilever	15,829	US Treasury 2.375% Index-Linked 15/01/2025	23,981
Anglo American	14,574	UK Treasury 1.875% Index-Linked 22/11/2022	22,374
UK Treasury 1.50% 22/07/2047	11,805	US Treasury 2.375% 29/02/2024	22,364
Citigroup 1.75% 23/10/2026	10,741	Reckitt Benckiser	20,293
<b>Total purchases</b>	<b>910,872</b>	<b>Total sales/maturities</b>	<b>1,092,214</b>

### Investment review

The fund fell 5.2% based on Class I accumulation (Gross) over the year under review, compared with a fall of 5.3% in the 50% FTSE All Share + 50% ICE Bank of America ML Sterling Non Gilt Index +1.5%.

The year under review was a tale of two halves for UK equities. Investors responded positively to greater clarity around Brexit, following a decisive UK election result in December 2019. Unfortunately, this optimism proved short-lived. The inexorable spread of COVID-19 in the first quarter of 2020 prompted national shutdowns, with stock markets and corporate bonds experiencing a collapse in investor sentiment. Global markets rebounded quickly in the second quarter of 2020, with huge support packages from governments and central banks helping to bolster economic activity. Nonetheless, UK stocks continued to lag, with a negative perception of the UK's handling of the pandemic combining with renewed Brexit uncertainty.

Against such a volatile backdrop, the equity portfolio proved more resilient than the FTSE All Share Index overall, due to its relatively defensive positioning in utilities and pharmaceuticals. The oil and gas sector, where we had an underweight position, was hit particularly hard after disagreements between Saudi Arabia and Russia. Overall, however, most areas of the market struggled in such adverse business conditions.

At a stock level, the top contributor was Barrick Gold, which delivered as a defensive hedge, when interest rates are so low. Health and hygiene product manufacturers were in demand, including Roche and Reckitt Benckiser. Spread betting firm IG did well as it benefited from heightened volatility. The main detractors were businesses directly affected by the pandemic, such as travel firm Carnival and companies carrying debt on their balance sheets, such as Cineworld. We missed out on the strong performance of AstraZeneca, a stock we did not hold. We favoured other pharmaceutical firms, where we saw more attractive valuations and prospects.

Within the fixed income arena, the holdings in US Treasuries and UK gilts did their defensive job alongside careful credit risk selection. However, there were pockets of weakness in lower-quality (BBB-rated) bonds and bank bonds.

In terms of changes to the portfolio, our focus was to build holdings in quality businesses that generate high returns on capital and strong cash flows, which can deliver compounded returns over time. We initiated positions in marketing and distribution business DCC and UDG Healthcare, an advisory and services provider. The sharp sell-off in the first quarter of 2020 allowed us to selectively invest in some quality businesses that we believed would emerge well from the crisis, such as Land Securities and Whitbread. Within the oil sector, we switched from BP to TOTAL and Neste. We predicted that BP would have to cut its dividend while it was relatively highly geared. The two new overseas holdings introduced a little more diversification, with better balance sheets and environmental, social and governance credentials.

On the fixed income side, we reduced our large US inflation-linked position into strength in the final quarter of 2019. We reinvested the proceeds in corporate bonds we saw as robust, often via attractive new issues, and conventional US Treasuries, where we saw better value than in UK gilts. The fund's cash position came down as we invested in liquid short-dated, quality bonds. We also reduced our short-duration stance, as our view of the prospects for global growth had weakened and central banks were pivoting monetary policy to a more accommodative stance.

This left us with a fixed income portfolio at the turn of the year that we saw as well positioned as a defensive hedge to help offset the potential risks from our equity portfolio. As we moved further into 2020, we increased our allocation to UK utilities through bonds issued by United Utilities Water Finance, Severn Trent Water and Thames Water Utilities Finance, and participated in new issuances from Credit Suisse, Grainger, BP Capital Markets and others. We exited some higher-risk credits such as Kraft Heinz Foods and British Insurance.

While lockdowns are easing and economic activity has consequently picked up, the UK is now in a deep recession. Nonetheless, we see prospects for a recovery as we move into 2021. We will ultimately get past the virus, leading to a sustained resurgence in global economic activity. The COVID-19 pandemic has represented a very significant, but in most cases short-lived, hit to corporate profitability. There may be longer-term implications for specific industries, such as tourism and entertainment, and we are factoring these considerations into our thinking. But we believe that attention will return to the long-term cash flows of businesses, which are the bedrock of valuations for company shares or bonds over time.

We are carefully watching how economies might react to the ending of furlough support schemes, as well as the risks of a 'second wave' of infections and Brexit in the coming months. Hence, we retain defensive exposure through our allocation to bonds and within the equity portfolio. While there are still many uncertainties, we believe the UK represents an intrinsically valuable market, with many good quality companies priced at a significant discount relative to their global peers.

## Comparative tables for the year ended 31 July 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	268.81	271.36	263.36
Return before operating charges*	(15.49)	1.23	11.82
Operating charges	(3.84)	(3.78)	(3.82)
Return after operating charges*	(19.33)	(2.55)	8.00
Distributions on accumulation shares	(7.88)	(9.75)	(9.09)
Retained distributions on accumulation shares	7.88	9.75	9.09
Closing net asset value per share	249.48	268.81	271.36
* after direct transaction costs of:	0.37	0.25	0.29

### Performance

Return after charges	(7.19%)	(0.94%)	3.04%
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### Other information

Closing net asset value (£000s)	347,576	422,392	524,019
Closing number of shares	139,319,765	157,131,976	193,106,443
Operating charges	1.45%	1.44%	1.44%
Direct transaction costs	0.14%	0.10%	0.11%

### Prices

Highest share price (pence)	286.40	271.80	273.73
Lowest share price (pence)	216.30	248.20	254.40

	Class A income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	146.49	153.48	154.13
Return before operating charges*	(8.25)	0.57	6.82
Operating charges	(2.07)	(2.12)	(2.21)
Return after operating charges*	(10.32)	(1.55)	4.61
Distributions on income shares	(4.25)	(5.44)	(5.26)
Closing net asset value per share	131.92	146.49	153.48
* after direct transaction costs of:	0.20	0.14	0.17

### Performance

Return after charges	(7.04%)	(1.01%)	2.99%
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### Other information

Closing net asset value (£000s)	45,303	55,384	148,762
Closing number of shares	34,341,791	37,807,956	96,928,365
Operating charges	1.45%	1.44%	1.44%
Direct transaction costs	0.14%	0.10%	0.11%

### Prices

Highest share price (pence)	154.80	153.70	156.70
Lowest share price (pence)	116.10	139.10	146.60

## Comparative tables (continued)

	Class C accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	742.84	744.61	717.66
Return before operating charges*	(44.25)	2.27	30.94
Operating charges	(4.11)	(4.04)	(3.99)
Return after operating charges*	(48.36)	(1.77)	26.95
Distributions on accumulation shares	(22.23)	(26.70)	(25.10)
Retained distributions on accumulation shares	22.23	26.70	25.10
Closing net asset value per share	694.48	742.84	744.61
* after direct transaction costs of:	1.03	0.69	0.80
<b>Performance</b>			
Return after charges	(6.51%)	(0.24%)	3.76%
<b>Other information</b>			
Closing net asset value (£000s)	29,020	33,866	37,267
Closing number of shares	4,178,656	4,558,939	5,004,889
Operating charges	0.56%	0.56%	0.55%
Direct transaction costs	0.14%	0.10%	0.11%
<b>Prices</b>			
Highest share price (pence)	793.90	749.30	750.18
Lowest share price (pence)	600.60	683.10	696.50

	Class E accumulation	
	2020 (pence per share)	24/06/19 - 31/07/19 (pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	268.88	264.90 <sup>1</sup>
Return before operating charges*	(15.78)	4.25
Operating charges	(2.52)	(0.27)
Return after operating charges*	(18.30)	3.98
Distributions on accumulation shares	(7.81)	(2.73)
Retained distributions on accumulation shares	7.81	2.73
Closing net asset value per share	250.58	268.88
* after direct transaction costs of:	0.37	0.26
<b>Performance</b>		
Return after charges	(6.81%)	1.50%
<b>Other information</b>		
Closing net asset value (£000s)	12,487	12,376
Closing number of shares	4,983,166	4,602,866
Operating charges	0.95%	0.94%
Direct transaction costs	0.14%	0.10%
<b>Prices</b>		
Highest share price (pence)	287.00	271.20
Lowest share price (pence)	217.00	264.70

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

## Comparative tables (continued)

	Class E income	
	2020	24/06/19 - 31/07/19
	(pence per share)	(pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	146.56	145.87 <sup>2</sup>
Return before operating charges*	(8.40)	2.34
Operating charges	(1.36)	(0.15)
Return after operating charges*	(9.76)	2.19
Distributions on income shares	(4.21)	(1.50)
Closing net asset value per share	132.59	146.56
* after direct transaction costs of:	0.20	0.14
<b>Performance</b>		
Return after charges	(6.66%)	1.50%
<b>Other information</b>		
Closing net asset value (£000s)	16,561	14,790
Closing number of shares	12,490,426	10,091,059
Operating charges	0.95%	0.94%
Direct transaction costs	0.14%	0.10%
<b>Prices</b>		
Highest share price (pence)	155.20	149.40
Lowest share price (pence)	116.50	145.80

<sup>2</sup> Class E income launched on 24 June 2019 and this is the first published price.

	Class EM accumulation	
	2020	24/06/19 - 31/07/19
	(pence per share)	(pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	142.19	140.08 <sup>3</sup>
Return before operating charges*	(8.33)	2.25
Operating charges	(1.32)	(0.14)
Return after operating charges*	(9.65)	2.11
Distributions on accumulation shares	(4.14)	(1.95)
Retained distributions on accumulation shares	4.14	1.95
Closing net asset value per share	132.54	142.19
* after direct transaction costs of:	0.19	0.14
<b>Performance</b>		
Return after charges	(6.79%)	1.51%
<b>Other information</b>		
Closing net asset value (£000s)	70	25
Closing number of shares	53,198	17,475
Operating charges	0.95%	0.94%
Direct transaction costs	0.14%	0.10%
<b>Prices</b>		
Highest share price (pence)	151.70	143.40
Lowest share price (pence)	114.70	140.00

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

## Comparative tables (continued)

	Class EM income	
	2020	24/06/19 - 31/07/19
	(pence per share)	(pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	110.85	110.27 <sup>4</sup>
Return before operating charges*	(6.36)	1.78
Operating charges	(1.02)	(0.11)
Return after operating charges*	(7.38)	1.67
Distributions on income shares	(3.19)	(1.09)
Closing net asset value per share	100.28	110.85
* after direct transaction costs of:	0.15	0.11
<b>Performance</b>		
Return after charges	(6.66%)	1.51%
<b>Other information</b>		
Closing net asset value (£000s)	1,484	1,385
Closing number of shares	1,479,702	1,249,918
Operating charges	0.95%	0.94%
Direct transaction costs	0.14%	0.10%
<b>Prices</b>		
Highest share price (pence)	116.70	112.60
Lowest share price (pence)	87.89	110.20

<sup>4</sup> Class EM income launched on 24 June 2019 and this is the first published price.

	Class I accumulation		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	243.53	244.42	235.86
Return before operating charges*	(14.43)	0.79	10.25
Operating charges	(1.71)	(1.68)	(1.69)
Return after operating charges*	(16.14)	(0.89)	8.56
Distributions on accumulation shares	(7.27)	(8.75)	(8.23)
Retained distributions on accumulation shares	7.27	8.75	8.23
Closing net asset value per share	227.39	243.53	244.42
* after direct transaction costs of:	0.34	0.23	0.26
<b>Performance</b>			
Return after charges	(6.63%)	(0.36%)	3.63%
<b>Other information</b>			
Closing net asset value (£000s)	529,752	738,964	988,640
Closing number of shares	232,968,699	303,439,620	404,488,155
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.14%	0.10%	0.11%
<b>Prices</b>			
Highest share price (pence)	260.10	245.60	246.30
Lowest share price (pence)	196.70	224.10	228.70



## Comparative tables (continued)

	Class I income		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	120.70	125.68	125.52
Return before operating charges*	(6.98)	0.32	5.37
Operating charges	(0.84)	(0.86)	(0.89)
Return after operating charges*	(7.82)	(0.54)	4.48
Distributions on income shares	(3.56)	(4.44)	(4.32)
Closing net asset value per share	109.32	120.70	125.68
* after direct transaction costs of:	0.16	0.11	0.14

### Performance

Return after charges	(6.48%)	(0.43%)	3.57%
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### Other information

Closing net asset value (£000s)	134,554	189,455	330,367
Closing number of shares	123,079,364	156,967,037	262,862,605
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.14%	0.10%	0.11%

### Prices

Highest share price (pence)	127.90	125.90	128.00
Lowest share price (pence)	96.05	114.20	119.90

	Class M accumulation		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	142.12	143.77	139.79
Return before operating charges*	(8.10)	0.69	6.36
Operating charges	(2.36)	(2.34)	(2.38)
Return after operating charges*	(10.46)	(1.65)	3.98
Distributions on accumulation shares	(4.16)	(5.16)	(4.45)
Retained distributions on accumulation shares	4.16	5.16	4.45
Closing net asset value per share	131.66	142.12	143.77
* after direct transaction costs of:	0.20	0.13	0.15

### Performance

Return after charges	(7.36%)	(1.15%)	2.85%
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### Other information

Closing net asset value (£000s)	776	1,272	1,707
Closing number of shares	589,447	894,849	1,187,199
Operating charges	1.68%	1.69%	1.69%
Direct transaction costs	0.14%	0.10%	0.11%

### Prices

Highest share price (pence)	151.30	144.00	145.06
Lowest share price (pence)	114.20	131.40	134.90

## Comparative tables (continued)

	Class M income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	110.77	116.29	117.09
Return before operating charges*	(6.18)	0.46	5.20
Operating charges	(1.81)	(1.87)	(1.96)
Return after operating charges*	(7.99)	(1.41)	3.24
Distributions on income shares	(3.21)	(4.11)	(4.04)
Closing net asset value per share	99.57	110.77	116.29
* after direct transaction costs of:	0.15	0.11	0.13

### Performance

Return after charges	(7.21%)	(1.21%)	2.77%
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### Other information

Closing net asset value (£000s)	5,591	7,113	10,260
Closing number of shares	5,614,917	6,421,795	8,822,588
Operating charges	1.68%	1.69%	1.69%
Direct transaction costs	0.14%	0.10%	0.11%

### Prices

Highest share price (pence)	116.30	116.50	118.70
Lowest share price (pence)	87.46	105.20	111.00

### Class A EUR (hedged) accumulation

	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	963.35	967.15	950.55
Return before operating charges*	(69.12)	9.42	30.26
Operating charges	(13.21)	(13.22)	(13.66)
Return after operating charges*	(82.33)	(3.80)	16.60
Distributions on accumulation shares	(26.99)	(35.31)	(32.47)
Retained distributions on accumulation shares	26.99	35.31	32.47
Closing net asset value per share	881.02	963.35	967.15
* after direct transaction costs of:	1.27	0.88	1.04

### Performance

Return after charges (Share class base currency)	(8.55%)	(0.39%)	1.75%
Return after charges (Share class currency hedged)	(7.70%)	(2.29%)	2.01%

### Other information

Closing net asset value (£000s)	6	7	38
Closing number of shares	712	712	3,926
Operating charges	1.45%	1.44%	1.44%
Direct transaction costs	0.14%	0.10%	0.11%

### Prices

Highest share price (Euro cents)	1,122.00	1,085.00	1,095.86
Lowest share price (Euro cents)	848.70	986.20	1,020.00

## Comparative tables (continued)

	Class I EUR (hedged) accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	989.51	987.59	965.19
Return before operating charges*	(72.53)	8.60	29.25
Operating charges	(6.67)	(6.68)	(6.85)
Return after operating charges*	(79.20)	1.92	22.40
Distributions on accumulation shares	(28.12)	(34.64)	(32.94)
Retained distributions on accumulation shares	28.12	34.64	32.94
Closing net asset value per share	910.31	989.51	987.59
* after direct transaction costs of:	1.31	0.90	1.06
<b>Performance</b>			
Return after charges (Share class base currency)	(8.00%)	0.19%	2.32%
Return after charges (Share class currency hedged)	(7.15%)	(1.71%)	2.59%
<b>Other information</b>			
Closing net asset value (£000s)	324	461	514
Closing number of shares	35,542	46,534	52,086
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.14%	0.10%	0.11%
<b>Prices</b>			
Highest share price (Euro cents)	1,156.00	1,109.00	1,117.77
Lowest share price (Euro cents)	874.90	1,010.00	1,040.00
	Class I USD (hedged) accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,009.48	930.28	881.62
Return before operating charges*	(107.79)	85.78	54.89
Operating charges	(6.93)	(6.58)	(6.23)
Return after operating charges*	(114.72)	79.20	48.66
Distributions on accumulation shares	(28.98)	(34.47)	(30.23)
Retained distributions on accumulation shares	28.98	34.47	30.23
Closing net asset value per share	894.76	1,009.48	930.28
* after direct transaction costs of:	1.36	0.88	0.96
<b>Performance</b>			
Return after charges (Share class base currency)	(11.36%)	8.51%	5.52%
Return after charges (Share class currency hedged)	(4.99%)	1.29%	4.99%
<b>Other information</b>			
Closing net asset value (£000s)	11,156	12,493	9,966
Closing number of shares	1,246,778	1,237,600	1,071,254
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.14%	0.10%	0.11%
<b>Prices</b>			
Highest share price (USD cents)	1,328.77	1,246.80	1,225.86
Lowest share price (USD cents)	1,011.30	1,125.81	1,136.21

## Comparative tables (continued)

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

### **Operating charges**

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

### **Share class launches and closures**

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

### **Hedged share classes**

Class A EUR (hedged) accumulation, Class I EUR (hedged) accumulation and Class I USD (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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 <sup>1</sup> %	Estimated OCF from 1 July 2020 <sup>2</sup> %
<b>Class A</b>	1.45 <sup>3</sup>	1.44	1.48	n/a
<b>Class C</b>	0.56 <sup>4</sup>	0.56	0.57	n/a
<b>Class E<sup>5</sup></b>	0.95 <sup>3</sup>	0.94	0.98	n/a
<b>Class EM<sup>5</sup></b>	0.95 <sup>3</sup>	0.94	0.98	n/a
<b>Class I</b>	0.71 <sup>6</sup>	0.71	0.73	n/a
<b>Class M</b>	1.68 <sup>3,7</sup>	1.69	n/a	1.48

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

<sup>1</sup> The estimated ongoing charge is based on the new GAC rates to the year ended 31 July 2020.

<sup>2</sup> The estimated ongoing charge is based on the new AMC rates to the year ended 31 July 2020.

<sup>3</sup> The GAC on Class A, Class E, Class EM and Class M increased from 0.18% to 0.22% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

<sup>4</sup> The GAC on Class C increased from 0.045% to 0.06% on 5 May 2020 and therefore the rate applied is not consistent through the year.

<sup>5</sup> Class E accumulation, Class E income, Class EM accumulation and Class EM income launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

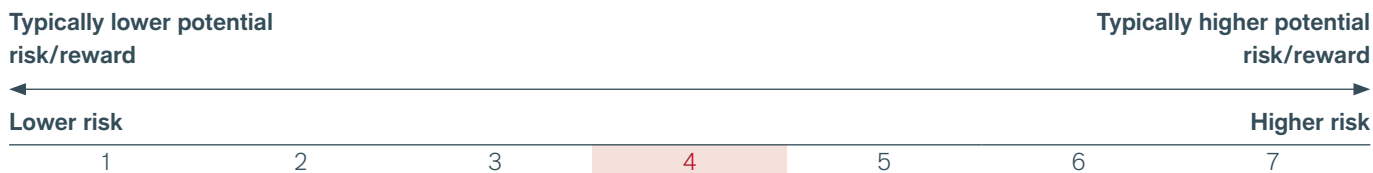
<sup>6</sup> The GAC on Class I increased from 0.075% to 0.09% on 5 May 2020 and therefore the rate applied is not consistent through the year.

<sup>7</sup> The AMC on Class M decreased from 1.50% to 1.25% on 1 July 2020 and therefore the rate applied is not consistent through the year.

## Risk and reward profile

The fund currently has 14 types of share class in issue: A accumulation, A income, C accumulation, E accumulation, E income, EM accumulation, EM income, I accumulation, I income, M accumulation, M income, A EUR (hedged) accumulation, I EUR (hedged) accumulation and I USD (hedged) accumulation.

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



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

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

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

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

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

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

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

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

\* Class E accumulation, E income, EM accumulation and EM income launched on 24 June 2019. As these share classes do not have a 5 year history, a synthetic history has been created for Class E accumulation and E income using the A accumulation and A income share classes, and for Class EM accumulation and EM income using the M accumulation and M income share classes.

## Portfolio statement as at 31 July 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 54.68% (2019: 51.72%)</b>		
	<b>Canada 1.74% (2019: 0.69%)</b>		
	<b>Basic Materials 1.74% (2019: 0.69%)</b>		
900,036	Barrick Gold	19,786	1.74
	<b>France 1.47% (2019: 0.52%)</b>		
	<b>Health Care 0.65% (2019: 0.52%)</b>		
92,151	Sanofi	7,349	0.65
	<b>Oil &amp; Gas 0.82% (2019: 0.00%)</b>		
332,767	TOTAL	9,381	0.82
	<b>Germany 0.50% (2019: 0.20%)</b>		
	<b>Consumer Goods 0.50% (2019: 0.20%)</b>		
75,000	Henkel	5,660	0.50
	<b>Ireland 0.44% (2019: 0.49%)</b>		
	<b>Consumer Services 0.00% (2019: 0.49%)</b>		
	<b>Health Care 0.44% (2019: 0.00%)</b>		
695,541	UDG Healthcare	4,952	0.44
	<b>Japan 0.00% (2019: 0.68%)</b>		
	<b>Health Care 0.00% (2019: 0.68%)</b>		
	<b>Mexico 0.00% (2019: 0.40%)</b>		
	<b>Basic Materials 0.00% (2019: 0.40%)</b>		
	<b>Netherlands 1.51% (2019: 3.65%)</b>		
	<b>Oil &amp; Gas 1.51% (2019: 3.65%)</b>		
1,583,530	Royal Dutch Shell 'B'	17,115	1.51
	<b>Switzerland 1.28% (2019: 1.47%)</b>		
	<b>Basic Materials 0.00% (2019: 0.59%)</b>		
	<b>Health Care 1.28% (2019: 0.88%)</b>		
55,000	Roche Non-Voting Shares	14,560	1.28
	<b>United Kingdom 46.59% (2019: 42.31%)</b>		
	<b>Basic Materials 4.57% (2019: 2.36%)</b>		
1,143,821	Anglo American	21,391	1.89
5,000,000	Elementis	3,190	0.28
406,396	Johnson Matthey	9,099	0.80
450,000	Mondi	6,134	0.54
200,000	Rio Tinto	9,230	0.81
150,000	Victrex	2,811	0.25
		51,855	4.57

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Goods 11.24% (2019: 8.07%)</b>			
500,000	AG Barr	2,150	0.19
501,517	Associated British Foods	8,852	0.78
1,395,240	British American Tobacco	35,223	3.11
850,000	Britvic	6,787	0.60
1,500,000	Countryside Properties	4,251	0.37
126,500	Cranswick	4,529	0.40
1,250,000	Crest Nicholson	2,339	0.21
1,630,625	Imperial Brands	20,807	1.83
314,969	Persimmon	7,566	0.67
132,430	Reckitt Benckiser	10,205	0.90
750,000	Redrow	3,207	0.28
750,000	Tate & Lyle	4,884	0.43
365,000	Unilever	16,691	1.47
		127,491	11.24
<b>Consumer Services 6.34% (2019: 5.87%)</b>			
4,644,055	Cineworld	1,774	0.16
586,901	Compass	6,165	0.54
750,000	Euromoney Institutional Investor	5,955	0.52
450,000	Go-Ahead	2,790	0.25
700,000	GVC	4,652	0.41
700,000	Inchcape	3,004	0.26
1,383,152	International Consolidated Airlines	2,279	0.20
5,000,000	ITV	2,834	0.25
2,000,000	Moneysupermarket.Com	5,880	0.52
3,169,573	National Express	4,802	0.42
698,265	RELX	11,277	1.00
1,805,411	SSP	3,712	0.33
5,299,766	Tesco	11,506	1.02
241,606	Whitbread	5,267	0.46
		71,897	6.34
<b>Financials 10.07% (2019: 10.00%)</b>			
1,995,533	Aviva	5,262	0.46
8,069,856	Barclays	8,115	0.72
550,000	Close Brothers	6,028	0.53
1,250,000	Direct Line Insurance	3,705	0.33
1,993,366	HICL Infrastructure	3,345	0.29
3,806,839	HSBC	13,026	1.15
752,139	IG	5,536	0.49
250,000	Intermediate Capital	3,368	0.30
2,593,632	John Laing	7,656	0.67
3,449,463	Juridica Investments <sup>1</sup>	-	-
10,504,939	Just	4,706	0.41
1,334,521	Lancashire	10,336	0.91
1,355,048	Land Securities	7,813	0.69
34,158,912	Lloyds Banking	8,979	0.79
36,350	Nationwide Building Society CDDS	5,785	0.51
1,964,055	OneSavings Bank	4,635	0.41



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Financials (continued)</b>			
941,213	Provident Financial	1,544	0.14
721,869	Prudential	7,980	0.70
600,000	Savills	4,488	0.40
500,000	Standard Chartered	1,929	0.17
		<u>114,236</u>	<u>10.07</u>
<b>Health Care 4.50% (2019: 4.71%)</b>			
1,000,000	Clinigen	7,055	0.62
2,475,000	GlaxoSmithKline	37,862	3.34
407,028	Smith & Nephew	6,177	0.54
		<u>51,094</u>	<u>4.50</u>
<b>Industrials 4.61% (2019: 5.35%)</b>			
2,778,698	Babcock International	8,014	0.71
2,477,760	BAE Systems	12,145	1.07
10,000,000	Capita	3,423	0.30
90,000	DCC	6,149	0.54
850,000	Howden Joinery	4,168	0.37
250,000	James Fisher & Sons	2,860	0.25
4,000,000	Melrose Industries	3,410	0.30
1,750,000	PageGroup	6,125	0.54
440,705	Smiths	5,972	0.53
		<u>52,266</u>	<u>4.61</u>
<b>Oil &amp; Gas 0.61% (2019: 1.82%)</b>			
1,450,000	Hunting	2,600	0.23
2,250,000	John Wood	4,298	0.38
		<u>6,898</u>	<u>0.61</u>
<b>Technology 0.51% (2019: 0.46%)</b>			
791,669	Sage	5,774	0.51
<b>Telecommunications 0.52% (2019: 1.31%)</b>			
5,991,641	BT	5,907	0.52
<b>Utilities 3.62% (2019: 2.36%)</b>			
10,000,000	Centrica	4,877	0.43
2,374,560	National Grid	21,381	1.88
576,601	Penon	6,144	0.54
669,968	SSE	8,716	0.77
		<u>41,118</u>	<u>3.62</u>
<b>United States 1.15% (2019: 1.31%)</b>			
<b>Consumer Goods 0.25% (2019: 0.38%)</b>			
1,659,562	TI Fluid Systems	2,888	0.25
<b>Consumer Services 0.30% (2019: 0.69%)</b>			
418,271	Carnival	3,457	0.30

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Health Care 0.60% (2019: 0.24%)</b>		
150,000	Bristol-Myers Squibb	6,703	0.60
	<b>Bonds 44.31% (2019: 44.63%)</b>		
	<b>Belgium 0.08% (2019: 0.20%)</b>		
	<b>Zero / Discount Rate Bond 0.08% (2019: 0.20%)</b>		
GBP 850,000	Anheuser-Busch InBev 2.85% 25/05/2037	933	0.08
	<b>Czech Republic 0.17% (2019: 0.00%)</b>		
	<b>Fixed Rate Bond 0.17% (2019: 0.00%)</b>		
GBP 2,020,000	CPI Property 2.75% 22/01/2028	1,948	0.17
	<b>Denmark 0.74% (2019: 0.43%)</b>		
	<b>Fixed Rate Bond 0.74% (2019: 0.43%)</b>		
GBP 1,580,000	Danske Bank 2.25% 14/01/2028	1,601	0.14
GBP 2,130,000	Orsted 2.125% 17/05/2027	2,309	0.20
GBP 3,920,000	Orsted 2.50% 16/05/2033	4,530	0.40
		<u>8,440</u>	<u>0.74</u>
	<b>France 3.33% (2019: 1.65%)</b>		
	<b>Fixed Rate Bond 2.91% (2019: 1.28%)</b>		
GBP 1,400,000	Banque Fédérative du Crédit Mutuel 1.25% 05/12/2025	1,432	0.13
GBP 1,100,000	BNP Paribas 1.875% 14/12/2027	1,125	0.10
GBP 3,800,000	Crédit Agricole 1.25% 02/10/2024	3,896	0.34
GBP 1,150,000	Électricité de France 5.125% 22/09/2050	1,802	0.16
GBP 4,600,000	Électricité de France 6.125% 02/06/2034	6,921	0.60
GBP 3,100,000	LVMH 1.125% 11/02/2027	3,139	0.28
GBP 4,000,000	Orange 3.25% 15/01/2032	4,742	0.42
GBP 3,400,000	Société Générale 1.875% 03/10/2024	3,468	0.31
GBP 3,900,000	Total Capital International 1.66% 22/07/2026	4,122	0.36
GBP 1,200,000	Total Capital International 1.75% 07/07/2025	1,269	0.11
GBP 1,100,000	Vinci 2.25% 15/03/2027	1,173	0.10
		<u>33,089</u>	<u>2.91</u>
	<b>Variable Rate Bond 0.42% (2019: 0.37%)</b>		
GBP 3,100,000	Électricité de France 6.00% Perpetual	3,355	0.30
GBP 1,300,000	Orange 5.875% Perpetual	1,378	0.12
		<u>4,733</u>	<u>0.42</u>
	<b>Germany 1.44% (2019: 1.22%)</b>		
	<b>Fixed Rate Bond 1.44% (2019: 1.22%)</b>		
GBP 4,900,000	Aroundtown 3.625% 10/04/2031	5,211	0.46
GBP 2,500,000	Aroundtown 4.75% Perpetual	2,515	0.22
GBP 2,900,000	innogy Finance 6.25% 03/06/2030	4,147	0.37
GBP 2,800,000	Siemens Financieringsmaatschappij 0.875% 05/06/2023	2,830	0.25
GBP 1,600,000	Volkswagen Financial Services 1.625% 10/02/2024	1,612	0.14
		<u>16,315</u>	<u>1.44</u>
	<b>Hong Kong 0.29% (2019: 0.00%)</b>		
	<b>Fixed Rate Bond 0.29% (2019: 0.00%)</b>		
GBP 3,200,000	CK Hutchison 2.00% 17/10/2027	3,275	0.29

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Iceland 0.00% (2019: 0.00%)</b>		
	<b>Asset Backed 0.00% (2019: 0.00%)</b>		
GBP 475,000	Kaupthing Singer & Friedlander 7.50% 13/11/2019 <sup>1</sup>	-	-
	<b>Ireland 0.00% (2019: 0.05%)</b>		
	<b>Fixed Rate Bond 0.00% (2019: 0.05%)</b>		
GBP 2,300,000	Lambay Capital Securities 6.25% Perpetual <sup>2</sup>	6	-
EUR 1,825,000	Waterford Wedgewood 9.875% Perpetual <sup>1</sup>	-	-
		<u>6</u>	<u>-</u>
	<b>Italy 0.30% (2019: 0.16%)</b>		
	<b>Fixed Rate Bond 0.30% (2019: 0.16%)</b>		
GBP 950,000	Enel Finance International 5.75% 14/09/2040	1,489	0.13
GBP 1,100,000	Enel Finance International 5.75% 22/06/2037	1,671	0.15
GBP 180,000	Intesa Sanpaolo 5.148% 10/06/2030	193	0.02
		<u>3,353</u>	<u>0.30</u>
	<b>Japan 0.21% (2019: 0.00%)</b>		
	<b>Fixed Rate Bond 0.21% (2019: 0.00%)</b>		
EUR 2,540,000	Takeda Pharmaceutical 1.375% 09/07/2032	2,368	0.21
	<b>Luxembourg 0.36% (2019: 0.14%)</b>		
	<b>Asset Backed 0.00% (2019: 0.00%)</b>		
EUR 1,089,681	Hellas Telecommunications III 8.50% 15/10/2013 <sup>1</sup>	-	-
	<b>Fixed Rate Bond 0.36% (2019: 0.14%)</b>		
EUR 2,930,000	SES 2.00% 02/07/2028	2,670	0.23
EUR 1,800,000	Vivion Investments 3.00% 08/08/2024	1,454	0.13
		<u>4,124</u>	<u>0.36</u>
	<b>Netherlands 0.56% (2019: 0.00%)</b>		
	<b>Fixed Rate Bond 0.56% (2019: 0.00%)</b>		
GBP 4,900,000	ABN AMRO Bank 1.375% 16/01/2025	5,010	0.44
GBP 1,200,000	ING 3.00% 18/02/2026	1,310	0.12
		<u>6,320</u>	<u>0.56</u>
	<b>Norway 0.21% (2019: 0.00%)</b>		
	<b>Fixed Rate Bond 0.21% (2019: 0.00%)</b>		
GBP 2,350,000	DNB Bank 1.375% 12/06/2023	2,406	0.21
	<b>Spain 0.23% (2019: 0.26%)</b>		
	<b>Fixed Rate Bond 0.23% (2019: 0.26%)</b>		
GBP 2,500,000	Abertis Infraestructuras 3.375% 27/11/2026	2,655	0.23
	<b>Sweden 0.13% (2019: 0.00%)</b>		
	<b>Fixed Rate Bond 0.13% (2019: 0.00%)</b>		
EUR 1,600,000	Scania 2.25% 03/06/2025	1,492	0.13

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Switzerland 0.66% (2019: 0.15%)</b>		
	<b>Fixed Rate Bond 0.66% (2019: 0.15%)</b>		
GBP 3,680,000	Credit Suisse 2.25% 09/06/2028	3,770	0.33
EUR 1,320,000	Firmenich Productions 1.75% 30/04/2030	1,271	0.11
EUR 1,650,000	Firmenich Productions 1.375% 30/10/2026	1,553	0.14
EUR 970,000	Lonza Finance International 1.625% 21/04/2027	931	0.08
		<u>7,525</u>	<u>0.66</u>
	<b>United Kingdom 27.02% (2019: 20.71%)</b>		
	<b>Asset Backed 0.59% (2019: 0.46%)</b>		
GBP 4,939,181	Tesco Property Finance 6.0517% 13/10/2039	<u>6,716</u>	<u>0.59</u>
	<b>Fixed Rate Bond 24.38% (2019: 14.54%)</b>		
GBP 1,660,000	Accent Capital 2.625% 18/07/2049	2,022	0.18
GBP 4,800,000	Annington Funding 2.646% 12/07/2025	5,147	0.45
GBP 1,800,000	Annington Funding 3.184% 12/07/2029	2,006	0.18
GBP 340,000	Aviva 4.00% 03/06/2055	355	0.03
GBP 4,836,000	Barclays 10.00% 21/05/2021	5,172	0.46
GBP 3,000,000	Barclays 3.00% 08/05/2026	3,193	0.28
GBP 2,000,000	Barclays 3.25% 17/01/2033	2,203	0.19
GBP 2,880,000	BAT International Finance 2.25% 26/06/2028	2,906	0.26
GBP 3,500,000	BAT International Finance 7.25% 12/03/2024	4,250	0.37
GBP 1,530,000	B&M European Value Retail 3.625% 15/07/2025	1,545	0.14
GBP 3,200,000	BNP Paribas 3.375% 23/01/2026	3,531	0.31
GBP 1,060,000	BP Capital Markets 1.827% 08/09/2025	1,113	0.10
EUR 2,170,000	BP Capital Markets 3.25% Perpetual	1,995	0.18
GBP 3,630,000	BP Capital Markets 4.25% Perpetual	3,748	0.33
GBP 2,300,000	British Telecommunications 3.125% 21/11/2031	2,606	0.23
GBP 3,000,000	Cadent Finance 2.125% 22/09/2028	3,204	0.28
GBP 3,400,000	Cadent Finance 2.625% 22/09/2038	3,844	0.34
GBP 12,500,000	Cattles 6.875% Perpetual <sup>1</sup>	-	-
GBP 1,264,000	Centrica 4.375% 13/03/2029	1,522	0.13
GBP 1,250,000	Centrica 7.00% 19/09/2033	1,949	0.17
GBP 2,970,000	Clarion Funding 1.875% 22/01/2035	3,101	0.27
GBP 5,450,000	Co-operative 5.125% 17/05/2024	5,717	0.50
GBP 5,890,000	Coventry Building Society 1.50% 23/01/2023	6,002	0.53
GBP 3,800,000	Diageo Finance 1.75% 12/10/2026	4,024	0.35
GBP 1,000,000	Diageo Finance 2.875% 27/03/2029	1,151	0.10
GBP 2,270,000	Direct Line Insurance 4.00% 05/06/2032	2,444	0.22
GBP 4,490,000	Dwr Cymru Financing 1.375% 31/03/2033	4,582	0.40
GBP 3,600,000	Dwr Cymru Financing 1.625% 31/03/2026	3,638	0.32
GBP 2,830,000	Eastern Power Networks 2.125% 25/11/2033	3,096	0.27
GBP 900,000	ENW Finance 1.415% 30/07/2030	912	0.08
GBP 1,940,000	Eversholt Funding 2.742% 30/06/2040	2,023	0.18
GBP 2,200,000	Experian Finance 3.25% 07/04/2032	2,612	0.23
GBP 6,444,000	Friends Life 8.25% 21/04/2022	7,169	0.64
GBP 3,750,000	GlaxoSmithKline Capital 1.625% 12/05/2035	3,908	0.34
GBP 1,590,000	Grainger 3.00% 03/07/2030	1,649	0.15
GBP 600,000	Heathrow Funding 2.75% Perpetual	629	0.06
GBP 500,000	Heathrow Funding 4.625% 31/10/2046	686	0.06

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Fixed Rate Bond</b> (continued)		
GBP 5,700,000	Heathrow Funding 6.75% 03/12/2026	7,205	0.64
GBP 485,000	Hiscox 6.125% 24/11/2045	525	0.05
GBP 4,500,000	HSBC 3.00% 29/05/2030	4,827	0.43
GBP 2,050,000	HSBC 6.00% 29/03/2040	2,649	0.23
GBP 2,000,000	Imperial Brands Finance 5.50% 28/09/2026	2,422	0.21
GBP 680,000	Karbon Homes 3.375% 15/11/2047	936	0.08
GBP 1,770,000	Legal & General 4.50% 01/11/2050	1,912	0.17
GBP 1,066,000	Legal & General 5.375% 27/10/2045	1,207	0.11
GBP 1,250,000	Lloyds Bank Corporate Markets 1.50% 23/06/2023	1,268	0.11
GBP 2,300,000	Lloyds Bank 7.5% 15/04/2024	2,843	0.25
GBP 6,380,000	Logicor Financing 1.875% 17/11/2026	6,523	0.57
GBP 460,000	Manchester Airport Funding 2.875% 30/09/2044	456	0.04
GBP 1,200,000	M&G 3.875% 20/07/2049	1,236	0.11
GBP 2,300,000	M&G 5.56% 20/07/2055	2,556	0.23
GBP 2,800,000	Motability Operations 1.75% 03/07/2029	2,980	0.26
GBP 2,530,000	Motability Operations 2.375% 03/07/2039	2,914	0.26
GBP 2,980,000	National Grid Electricity Transmission 1.125% 07/07/2028	3,032	0.27
GBP 2,160,000	National Grid Electricity Transmission 1.375% 16/09/2026	2,244	0.20
GBP 1,200,000	National Grid Electricity Transmission 2.00% 17/04/2040	1,298	0.11
GBP 1,300,000	Next 3.00% 26/08/2025	1,322	0.12
GBP 1,100,000	Next 3.625% 18/05/2028	1,122	0.10
GBP 1,420,000	Northern Powergrid (Yorkshire) 2.25% 09/10/2059	1,668	0.15
GBP 600,000	Northern Powergrid (Yorkshire) 5.125% 04/05/2035	876	0.08
GBP 1,500,000	Optivo Finance 3.283% 22/03/2048	1,925	0.17
GBP 410,000	Pearson Funding 3.75% 04/06/2030	442	0.04
GBP 780,000	Pension Insurance 4.625% 07/05/2031	850	0.07
GBP 1,060,000	Platform HG Finance 1.625% 10/08/2055	1,049	0.09
GBP 4,660,000	PRS Finance 1.50% 24/08/2034	4,916	0.43
GBP 2,900,000	RL Finance Bonds No.4 4.875% 07/10/2049	3,073	0.27
GBP 3,700,000	Royal Bank of Scotland 2.875% 19/09/2026	3,914	0.34
GBP 2,700,000	Royal Bank of Scotland 3.125% 28/03/2027	2,891	0.25
GBP 670,000	Sanctuary Capital 2.375% 14/04/2050	788	0.07
GBP 4,200,000	Santander UK 2.92% 08/05/2026	4,431	0.39
GBP 1,950,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	2,155	0.19
GBP 2,000,000	Scottish Widows 5.50% 16/06/2023	2,184	0.19
GBP 900,000	SEGRO 2.375% 11/10/2029	979	0.09
GBP 1,110,000	Severn Trent Water 2.00% 02/06/2040	1,193	0.11
GBP 2,710,000	Sovereign Housing Capital 2.375% 04/11/2048	3,175	0.28
GBP 2,390,000	SP Transmission 2.00% 13/11/2031	2,576	0.23
GBP 1,610,000	SSE 3.74% Perpetual	1,658	0.15
EUR 1,780,000	Standard Chartered Bank 2.50% 09/09/2030	1,637	0.14
GBP 2,200,000	Tesco 2.50% 02/05/2025	2,335	0.21
USD 1,400,000	Tesco 6.15% 15/11/2037	1,401	0.12
GBP 2,150,000	Thames Water Utilities Finance 2.375% 22/04/2040	2,271	0.20
GBP 2,933,000	Thames Water Utilities Finance 2.625% 24/01/2032	3,219	0.28
GBP 1,400,000	Thames Water Utilities Finance 3.50% 25/02/2028	1,604	0.14
GBP 2,000,000	Thames Water Utilities Finance 4.375% 03/07/2034	2,633	0.23
GBP 2,000,000	Tritax Big Box REIT 2.625% 14/12/2026	2,149	0.19
GBP 13,615,000	UK Treasury 1.50% 22/07/2026	14,932	1.33
GBP 7,530,000	UK Treasury 1.50% 22/07/2047	9,187	0.82

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond (continued)</b>			
GBP 885,000	UK Treasury 1.75% 07/09/2037	1,067	0.09
GBP 1,180,000	UK Treasury 4.50% 07/09/2034	1,859	0.16
GBP 1,950,000	Unilever 1.50% 22/07/2026	2,073	0.18
GBP 2,920,000	United Utilities Water Finance 1.875% 03/06/2042	3,108	0.27
GBP 1,660,000	United Utilities Water Finance 2.00% 03/07/2033	1,818	0.16
GBP 1,200,000	Virgin Money 4.00% 25/09/2026	1,226	0.11
GBP 2,300,000	Vodafone 3.00% 12/08/2056	2,623	0.23
GBP 2,500,000	Vodafone 4.875% 03/10/2078	2,661	0.23
GBP 5,000,000	Western Power Distribution West Midlands 5.75% 16/04/2032	7,323	0.66
GBP 3,520,000	Westfield Stratford City Finance 1.642% 04/08/2026	3,557	0.31
GBP 1,200,000	WM Morrison Supermarkets 3.50% 27/07/2026	1,360	0.12
GBP 900,000	WM Morrison Supermarkets 4.75% 04/07/2029	1,132	0.10
GBP 1,000,000	WPP Finance 2010 3.75% 19/05/2032	1,070	0.09
GBP 1,730,000	Wrekin Housing 2.50% 22/10/2048	2,055	0.18
GBP 4,260,000	Yorkshire Water Finance 1.75% 26/11/2026	4,361	0.38
		276,535	24.38
<b>Index Linked Bond 0.00% (2019: 2.30%)</b>			
<b>Variable Rate Bond 2.05% (2019: 3.41%)</b>			
GBP 4,900,000	Aviva 6.125% Perpetual	5,320	0.47
GBP 4,869,000	BUPA Finance 6.125% Perpetual	4,870	0.43
GBP 2,200,000	HSBC 3.00% 22/07/2028	2,357	0.21
GBP 2,100,000	NGG Finance 5.625% 18/06/2073	2,411	0.21
GBP 3,930,000	RL Finance Bonds 6.125% 30/11/2043	4,355	0.38
GBP 1,500,000	RSA Insurance VAR 10/10/2045	1,680	0.15
GBP 2,235,000	SSE 3.875% Perpetual	2,238	0.20
		23,231	2.05
<b>United States 8.58% (2019: 19.66%)</b>			
<b>Asset Backed 0.00% (2019: 0.31%)</b>			
GBP 190,488	Lehman Brothers 7.875% 08/05/2018 <sup>1</sup>	3	-
<b>Fixed Rate Bond 7.35% (2019: 6.86%)</b>			
GBP 1,800,000	Apple 3.05% 31/07/2029	2,183	0.19
GBP 1,400,000	AT&T 2.90% 04/12/2026	1,539	0.14
GBP 1,300,000	AT&T 4.375% 14/09/2029	1,584	0.14
GBP 2,000,000	AT&T 4.875% 01/06/2044	2,774	0.24
GBP 2,600,000	Berkshire Hathaway Finance 2.375% 19/06/2039	3,007	0.27
GBP 6,840,000	Citigroup 1.75% 23/10/2026	7,041	0.62
GBP 1,400,000	Comcast 1.50% 20/02/2029	1,448	0.13
GBP 2,000,000	Comcast 1.875% 20/02/2036	2,108	0.19
GBP 1,320,000	Fidelity National Information Services 2.25% 03/12/2029	1,403	0.12
GBP 2,400,000	Fidelity National Information Services 3.36% 21/05/2031	2,813	0.25
GBP 1,550,000	GE Capital UK Funding 5.875% 18/01/2033	1,871	0.16
GBP 800,000	GE Capital UK Funding 6.25% 05/05/2038	1,030	0.09
USD 6,000,000	Mars 3.60% 01/04/2034	5,654	0.50
GBP 1,500,000	Time Warner Cable 5.75% 02/06/2031	1,919	0.17
EUR 3,600,000	Upjohn Finance 1.362% 23/06/2027	3,342	0.29
USD 30,900,000	US Treasury 2.375% 29/02/2024	25,414	2.24

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond (continued)</b>			
GBP 1,000,000	Verizon Communications 2.50% 08/04/2031	1,126	0.10
GBP 2,900,000	Verizon Communications 3.375% 27/10/2036	3,661	0.32
GBP 2,900,000	Walmart 5.25% 28/09/2035	4,618	0.41
GBP 3,390,000	Wells Fargo 2.125% 24/09/2031	3,537	0.31
GBP 5,000,000	Wells Fargo 2.50% 02/05/2029	5,363	0.47
		<u>83,435</u>	<u>7.35</u>
<b>Index Linked Bond 1.23% (2019: 12.49%)</b>			
USD 2,278,100	US Treasury 0.625% Index-Linked 15/01/2024	2,027	0.18
USD 9,861,000	US Treasury 2.375% Index-Linked 15/01/2025	11,885	1.05
		<u>13,912</u>	<u>1.23</u>
<b>Derivatives 0.27% (2019: (0.65%))</b>			
<b>Futures (0.02%) (2019: 0.00%)</b>			
(3)	CBT US Ultra Bond September 2020	(17)	-
(60)	CBT US 10 year Ultra September 2020	(221)	(0.03)
(78)	EUX Euro Bobl September 2020	(53)	-
(39)	EUX Euro Bund September 2020	(50)	-
107	ICE Long Gilt September 2020	97	0.01
		<u>(244)</u>	<u>(0.02)</u>
<b>Forward Foreign Exchange Contracts 0.33% (2019: (0.67%))<sup>3</sup></b>			
	Buy CAD 1,044,042 : Sell GBP 613,955 August 2020	(20)	-
	Buy CAD 1,048,542 : Sell GBP 621,480 August 2020	(25)	-
	Buy CAD 1,107,044 : Sell GBP 636,571 September 2020	(7)	-
	Buy CAD 1,147,546 : Sell GBP 672,312 September 2020	(20)	-
	Buy CAD 2,331,093 : Sell GBP 1,376,999 August 2020	(51)	-
	Buy CAD 315,013 : Sell GBP 186,705 August 2020	(8)	-
	Buy CAD 319,513 : Sell GBP 187,764 August 2020	(6)	-
	Buy CAD 396,016 : Sell GBP 228,881 September 2020	(4)	-
	Buy CAD 450,018 : Sell GBP 264,132 September 2020	(8)	-
	Buy CAD 481,519 : Sell GBP 281,059 August 2020	(7)	-
	Buy CAD 504,020 : Sell GBP 294,692 September 2020	(8)	-
	Buy CAD 549,022 : Sell GBP 320,579 September 2020	(8)	-
	Buy CAD 549,022 : Sell GBP 323,396 August 2020	(11)	-
	Buy CAD 61,815 : Sell GBP 36,127 August 2020	(1)	-
	Buy CAD 792,032 : Sell GBP 468,897 September 2020	(18)	-
	Buy CAD 985,539 : Sell GBP 583,185 August 2020	(23)	-
	Buy CHF 1,683,111 : Sell GBP 1,440,629 August 2020	(31)	-
	Buy CHF 205,500 : Sell GBP 170,526 August 2020	2	-
	Buy CHF 213,764 : Sell GBP 182,837 August 2020	(4)	-
	Buy CHF 222,000 : Sell GBP 188,431 August 2020	(2)	-
	Buy CHF 222,750 : Sell GBP 189,758 September 2020	(3)	-
	Buy CHF 225,500 : Sell GBP 191,148 September 2020	(2)	-
	Buy CHF 237,000 : Sell GBP 198,808 August 2020 <sup>4</sup>	-	-
	Buy CHF 284,625 : Sell GBP 243,099 August 2020	(5)	-
	Buy CHF 287,375 : Sell GBP 241,131 September 2020 <sup>4</sup>	-	-
	Buy CHF 288,750 : Sell GBP 244,755 September 2020	(3)	-
	Buy CHF 382,500 : Sell GBP 316,050 August 2020	4	-
	Buy CHF 444,000 : Sell GBP 377,236 August 2020	(5)	-

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b> <small>(continued)</small>			
	Buy CHF 459,000 : Sell GBP 385,715 August 2020	(1)	-
	Buy CHF 501,000 : Sell GBP 421,252 August 2020	(2)	-
	Buy CHF 508,750 : Sell GBP 432,218 September 2020	(6)	-
	Buy CHF 580,250 : Sell GBP 493,015 September 2020	(7)	-
	Buy CHF 732,000 : Sell GBP 616,901 August 2020	(4)	-
	Buy EUR 1,202,787 : Sell GBP 1,083,851 August 2020 <sup>4</sup>	-	-
	Buy EUR 122,586 : Sell GBP 110,897 August 2020 <sup>4</sup>	-	-
	Buy EUR 1,230,161 : Sell GBP 1,128,463 August 2020	(20)	-
	Buy EUR 1,280,000 : Sell GBP 1,140,377 August 2020	13	-
	Buy EUR 1,348,937 : Sell GBP 1,211,482 August 2020	4	-
	Buy EUR 1,375,776 : Sell GBP 1,225,772 August 2020	14	-
	Buy EUR 169,500 : Sell GBP 150,863 August 2020	2	-
	Buy EUR 1,838,117 : Sell GBP 1,672,869 August 2020	(17)	-
	Buy EUR 2,215,464 : Sell GBP 2,003,974 August 2020	(8)	-
	Buy EUR 226,282 : Sell GBP 206,360 September 2020	(2)	-
	Buy EUR 2,642,263 : Sell GBP 2,360,903 August 2020	20	-
	Buy EUR 277,119 : Sell GBP 249,728 August 2020 <sup>4</sup>	-	-
	Buy EUR 339,113 : Sell GBP 302,136 August 2020	3	-
	Buy EUR 39,143 : Sell GBP 34,971 August 2020 <sup>4</sup>	-	-
	Buy EUR 4,433,235 : Sell GBP 4,039,919 September 2020	(43)	-
	Buy EUR 475,568 : Sell GBP 433,764 September 2020	(5)	-
	Buy EUR 605,198 : Sell GBP 551,552 September 2020	(6)	-
	Buy EUR 605,536 : Sell GBP 543,465 August 2020	2	-
	Buy EUR 61,200 : Sell GBP 55,718 September 2020	(1)	-
	Buy EUR 616,848 : Sell GBP 553,778 August 2020	2	-
	Buy EUR 71,600 : Sell GBP 65,429 September 2020	(1)	-
	Buy EUR 787,239 : Sell GBP 712,191 August 2020	(3)	-
	Buy EUR 95,800 : Sell GBP 86,373 September 2020 <sup>4</sup>	-	-
	Buy EUR 976,215 : Sell GBP 875,803 September 2020	4	-
	Buy GBP 10,255,656 : Sell CAD 17,414,532 September 2020	351	0.03
	Buy GBP 1,076,730 : Sell EUR 1,189,357 August 2020	5	-
	Buy GBP 121,127 : Sell USD 153,200 August 2020	4	-
	Buy GBP 1,259,015 : Sell EUR 1,413,858 August 2020	(15)	-
	Buy GBP 142,416 : Sell USD 180,900 August 2020	5	-
	Buy GBP 1,431,112 : Sell EUR 1,592,976 August 2020	(4)	-
	Buy GBP 14,609,622 : Sell CHF 17,398,250 August 2020	35	-
	Buy GBP 1,583,654 : Sell EUR 1,777,419 August 2020	(18)	-
	Buy GBP 166,620 : Sell CHF 198,000 September 2020	1	-
	Buy GBP 167,337 : Sell EUR 187,300 August 2020	(1)	-
	Buy GBP 16,739,267 : Sell EUR 18,755,578 August 2020	(161)	(0.01)
	Buy GBP 1,702,161 : Sell EUR 1,887,921 September 2020 <sup>4</sup>	-	-
	Buy GBP 175,319 : Sell CHF 206,250 September 2020	2	-
	Buy GBP 17,672 : Sell USD 22,999 August 2020 <sup>4</sup>	-	-
	Buy GBP 189,780 : Sell CAD 324,013 August 2020	5	-
	Buy GBP 190,716 : Sell CHF 225,000 August 2020	2	-
	Buy GBP 19,275,379 : Sell USD 23,713,318 August 2020	1,209	0.11
	Buy GBP 196,164 : Sell CHF 237,000 August 2020	(2)	-
	Buy GBP 1,964,533 : Sell EUR 2,170,000 August 2020	9	-
	Buy GBP 199,131 : Sell CAD 337,514 August 2020	7	-
	Buy GBP 201,077 : Sell CHF 236,500 September 2020	3	-



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b> <small>(continued)</small>			
	Buy GBP 2,078 : Sell USD 2,695 August 2020 <sup>4</sup>	-	-
	Buy GBP 208,753 : Sell CHF 246,125 September 2020	2	-
	Buy GBP 2,161,577 : Sell EUR 2,400,000 August 2020	(1)	-
	Buy GBP 216,938 : Sell CAD 364,515 August 2020	10	-
	Buy GBP 21,882,647 : Sell EUR 24,242,341 September 2020	28	-
	Buy GBP 2,188,316 : Sell EUR 2,420,000 August 2020	8	-
	Buy GBP 258,937 : Sell CHF 304,500 August 2020	4	-
	Buy GBP 2,635,642 : Sell EUR 2,913,739 August 2020	10	-
	Buy GBP 284,966 : Sell CAD 481,519 August 2020	11	-
	Buy GBP 289,576 : Sell CHF 345,000 August 2020	1	-
	Buy GBP 2,963,232 : Sell CHF 3,495,250 September 2020	33	-
	Buy GBP 306,154 : Sell CAD 525,333 August 2020	7	-
	Buy GBP 307,199 : Sell CHF 369,000 August 2020	(2)	-
	Buy GBP 335,115 : Sell CAD 576,023 September 2020	8	-
	Buy GBP 345,103 : Sell CAD 585,023 August 2020	12	-
	Buy GBP 355,468 : Sell CHF 420,750 September 2020	3	-
	Buy GBP 357,566 : Sell CAD 603,024 August 2020	15	-
	Buy GBP 366,394 : Sell CHF 434,500 September 2020	2	-
	Buy GBP 366,650 : Sell CAD 625,525 September 2020	11	-
	Buy GBP 416,320 : Sell CHF 495,000 August 2020	2	-
	Buy GBP 420,163 : Sell EUR 471,347 August 2020	(5)	-
	Buy GBP 426,083 : Sell CAD 715,529 August 2020	19	-
	Buy GBP 438,237 : Sell CAD 751,530 September 2020	11	-
	Buy GBP 466,026 : Sell CHF 552,000 August 2020	4	-
	Buy GBP 4,862,354 : Sell JPY 642,686,602 August 2020	231	0.02
	Buy GBP 50,892 : Sell USD 65,100 September 2020	1	-
	Buy GBP 512,703 : Sell CAD 877,535 August 2020	14	-
	Buy GBP 528,172 : Sell CAD 904,536 September 2020	14	-
	Buy GBP 55,439 : Sell EUR 61,300 August 2020 <sup>4</sup>	-	-
	Buy GBP 566,912 : Sell CAD 967,539 September 2020	17	-
	Buy GBP 575,529 : Sell EUR 632,844 September 2020	5	-
	Buy GBP 57,871 : Sell EUR 63,900 August 2020 <sup>4</sup>	-	-
	Buy GBP 589,461 : Sell USD 745,006 September 2020	22	-
	Buy GBP 60,671,768 : Sell USD 75,882,606 September 2020	2,868	0.26
	Buy GBP 607,689 : Sell EUR 666,866 September 2020	7	-
	Buy GBP 609,423 : Sell CAD 1,044,042 September 2020	16	-
	Buy GBP 610,133 : Sell CAD 1,030,541 August 2020	24	-
	Buy GBP 619,750 : Sell EUR 683,608 September 2020	3	-
	Buy GBP 63,184 : Sell EUR 70,600 September 2020 <sup>4</sup>	-	-
	Buy GBP 65,977 : Sell USD 81,600 August 2020	4	-
	Buy GBP 66,928 : Sell EUR 73,600 August 2020	1	-
	Buy GBP 702,566 : Sell CAD 1,201,548 August 2020	19	-
	Buy GBP 718,699 : Sell EUR 800,000 August 2020	(2)	-
	Buy GBP 724,973 : Sell EUR 803,273 September 2020	1	-
	Buy GBP 73,534 : Sell EUR 80,900 September 2020	1	-
	Buy GBP 76,761 : Sell USD 96,300 August 2020	3	-
	Buy GBP 832,594 : Sell EUR 927,080 August 2020	(3)	-
	Buy GBP 835,150 : Sell EUR 925,718 August 2020	1	-
	Buy GBP 84,893 : Sell EUR 95,200 August 2020	(1)	-
	Buy GBP 90,949 : Sell EUR 99,900 September 2020	1	-

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b> (continued)			
	Buy GBP 9,199,294 : Sell CAD 15,576,288 August 2020	340	0.03
	Buy GBP 962,214 : Sell CAD 1,656,066 September 2020	20	-
	Buy GBP 981,131 : Sell EUR 1,101,300 August 2020	(11)	-
	Buy GBP 996,930 : Sell EUR 1,112,137 August 2020	(5)	-
	Buy JPY 642,686,602 : Sell GBP 4,785,973 September 2020	(154)	(0.01)
	Buy USD 116,900 : Sell GBP 93,194 August 2020	(4)	-
	Buy USD 167,100 : Sell GBP 132,566 September 2020	(5)	-
	Buy USD 1,782,355 : Sell GBP 1,408,903 September 2020	(51)	-
	Buy USD 2,164,129 : Sell GBP 1,716,023 August 2020	(67)	(0.01)
	Buy USD 2,189,107 : Sell GBP 1,737,205 August 2020	(69)	(0.01)
	Buy USD 3,127,286 : Sell GBP 2,511,473 August 2020	(129)	(0.01)
	Buy USD 3,274,068 : Sell GBP 2,598,298 August 2020	(104)	(0.01)
	Buy USD 3,365,146 : Sell GBP 2,644,236 August 2020	(80)	(0.01)
	Buy USD 48,588 : Sell GBP 38,080 August 2020	(1)	-
	Buy USD 5,755,824 : Sell GBP 4,563,873 August 2020	(179)	(0.02)
	Buy USD 7,604,154 : Sell GBP 6,097,161 September 2020	(305)	(0.03)
	Buy USD 7,608 : Sell GBP 5,906 August 2020 <sup>4</sup>	-	-
	Buy USD 8,717 : Sell GBP 6,933 August 2020 <sup>4</sup>	-	-
	Buy USD 9,543 : Sell GBP 7,264 August 2020 <sup>4</sup>	-	-
	Buy USD 973,473 : Sell GBP 771,221 August 2020	(30)	-
		3,707	0.33
<b>Forward Foreign Exchange Contracts (Hedged share classes) (0.04%)</b> <b>(2019: 0.02%)<sup>3</sup></b>			
	Buy EUR 1,309 : Sell GBP 1,179 August 2020 <sup>4</sup>	-	-
	Buy EUR 22 : Sell GBP 20 August 2020 <sup>4</sup>	-	-
	Buy EUR 417,607 : Sell GBP 376,103 August 2020 <sup>4</sup>	-	-
	Buy EUR 7,134 : Sell GBP 6,425 August 2020 <sup>4</sup>	-	-
	Buy GBP 106 : Sell EUR 118 August 2020 <sup>4</sup>	-	-
	Buy GBP 186,131 : Sell USD 242,826 August 2020	1	-
	Buy GBP 2,376 : Sell USD 3,018 August 2020 <sup>4</sup>	-	-
	Buy GBP 27,685 : Sell USD 34,672 August 2020	1	-
	Buy GBP 36,368 : Sell USD 45,929 August 2020	1	-
	Buy GBP 40,351 : Sell USD 50,924 August 2020	2	-
	Buy GBP 45,393 : Sell EUR 49,820 August 2020 <sup>4</sup>	-	-
	Buy GBP 5,586 : Sell EUR 6,185 August 2020 <sup>4</sup>	-	-
	Buy GBP 5,906 : Sell USD 7,609 August 2020 <sup>4</sup>	-	-
	Buy GBP 7,264 : Sell USD 9,544 August 2020 <sup>4</sup>	-	-
	Buy USD 14,976,139 : Sell GBP 11,866,659 August 2020	(456)	(0.04)
	Buy USD 18,262 : Sell GBP 14,570 August 2020	(1)	-
	Buy USD 23,000 : Sell GBP 17,672 August 2020 <sup>4</sup>	-	-
	Buy USD 2,695 : Sell GBP 2,078 August 2020 <sup>4</sup>	-	-
	Buy USD 4,735 : Sell GBP 3,718 August 2020 <sup>4</sup>	-	-
	Buy USD 5,326 : Sell GBP 4,195 August 2020 <sup>4</sup>	-	-

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts (Hedged share classes)</b> <small>(continued)</small>			
	Buy USD 76,794 : Sell GBP 60,399 August 2020	(2)	-
	Buy USD 89,970 : Sell GBP 69,882 August 2020	(1)	-
		<u>(455)</u>	<u>(0.04)</u>
	<b>Investment assets including investment liabilities</b>	<b>1,126,209</b>	<b>99.26</b>
	Other net assets	8,451	0.74
	<b>Total net assets</b>	<b>1,134,660</b>	<b>100.00</b>

<sup>1</sup> Defaulted

<sup>2</sup> Manually priced securities

<sup>3</sup> Unquoted securities

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

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

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

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital losses	2		(116,551)		(72,917)
Revenue	3	42,778		65,025	
Expenses	4	(12,883)		(15,949)	
Interest payable and similar charges	5	(4)		-	
Net revenue before taxation		29,891		49,076	
Taxation	6	(856)		(1,215)	
Net revenue after taxation			29,035		47,861
Total return before distributions			(87,516)		(25,056)
<b>Distributions</b>	7		(40,225)		(61,825)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(127,741)</b>		<b>(86,881)</b>

## Statement of change in net assets attributable to shareholders

for the year ended 31 July 2020

	2020		2019	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>1,489,983</b>		<b>2,051,540</b>
Amounts receivable on issue of shares	35,288		29,794	
Amounts payable on cancellation of shares	(294,975)		(551,949)	
		(259,687)		(522,155)
Change in net assets attributable to shareholders from investment activities		(127,741)		(86,881)
Retained distributions on accumulation shares		32,102		47,475
Unclaimed distributions		3		4
<b>Closing net assets attributable to shareholders</b>		<b>1,134,660</b>		<b>1,489,983</b>

**Balance sheet** as at 31 July 2020

	Note	2020 £000	2019 £000
<b>Assets:</b>			
Investments		1,128,825	1,436,725
Current assets:			
Debtors	8	12,509	24,851
Cash and bank balances	9	3,602	56,233
<b>Total assets</b>		<b>1,144,936</b>	<b>1,517,809</b>
<b>Liabilities:</b>			
Investment liabilities		2,616	10,775
Creditors:			
Amounts held at derivative clearing houses and brokers		97	-
Distributions payable		1,424	2,707
Other creditors	10	6,139	14,344
<b>Total liabilities</b>		<b>10,276</b>	<b>27,826</b>
<b>Net assets attributable to shareholders</b>		<b>1,134,660</b>	<b>1,489,983</b>

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

### 1 Accounting policies

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

### 2 Net capital losses

Net capital losses on investments during the year comprise:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Derivative securities	485	-
Forward currency contracts	9,378	(22,393)
Forward currency contracts on hedged share classes	(736)	174
Non-derivative securities	(125,960)	(51,404)
Other currency gains	304	721
Transaction costs	(22)	(15)
<b>Net capital losses</b>	<b>(116,551)</b>	<b>(72,917)</b>

### 3 Revenue

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Bank interest	201	931
Derivative revenue	(5)	-
Hedged income on forward currency contracts	(8)	4
Interest on debt securities	15,393	22,231
Overseas dividends	2,501	2,880
Stock lending revenue	277	495
UK dividends	24,231	37,899
UK REIT revenue - PID	187	580
Underwriting commission	1	5
<b>Total revenue</b>	<b>42,778</b>	<b>65,025</b>

### 4 Expenses

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	11,190	13,968
GAC*	1,568	1,841
	<u>12,758</u>	<u>15,809</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	66	83
Safe custody fees	59	57
	<u>125</u>	<u>140</u>
<b>Total expenses</b>	<b>12,883</b>	<b>15,949</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £12,799 (2019: £12,799).

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	4	-
<b>Total interest payable and similar charges</b>	<b>4</b>	<b>-</b>

### 6 Taxation

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

The tax charge comprises:

	2020 £000	2019 £000
<b>Current tax</b>		
UK corporation tax	601	1,369
Overseas withholding tax	255	20
Adjustment in respect of prior periods	-	(174)
<b>Total tax (note 6b)</b>	<b>856</b>	<b>1,215</b>

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

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	29,891	49,076
Corporation tax at 20% (2019: 20%)	5,978	9,815
Effects of:		
Adjustment in respect of prior periods	-	(174)
Indexation tax adjustments	(31)	(290)
Irrecoverable overseas tax	255	20
Overseas dividends	(500)	(576)
UK dividends*	(4,846)	(7,580)
<b>Tax charge for the year (note 6a)</b>	<b>856</b>	<b>1,215</b>

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

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

#### c) Deferred tax

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

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

There were no factors that may affect future tax charges 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:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Interim income	5,590	8,506
Interim accumulation	25,515	35,096
Final income	1,424	2,707
Final accumulation	6,587	12,379
	<u>39,116</u>	<u>58,688</u>
Amounts deducted on cancellation of shares	1,333	3,341
Amounts received on issue of shares	(224)	(204)
<b>Total distributions</b>	<b><u>40,225</u></b>	<b><u>61,825</u></b>
Net revenue after taxation	29,035	47,861
Annual management charge borne by the capital account	11,190	13,968
Equalisation on conversions	-	(4)
<b>Total distributions</b>	<b><u>40,225</u></b>	<b><u>61,825</u></b>

Details of the distribution per share are set out in the Distribution tables on pages 54 to 65.

### 8 Debtors

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Accrued revenue	7,883	9,573
Amounts receivable for issue of shares	41	114
Corporation tax recoverable	98	-
Currency transactions awaiting settlement	-	5,908
Income tax recoverable	5	21
Overseas withholding tax reclaimable	79	32
Sales awaiting settlement	4,403	9,203
<b>Total debtors</b>	<b><u>12,509</u></b>	<b><u>24,851</u></b>

### 9 Cash and bank balances

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Amounts held at derivative clearing houses and brokers	1,131	-
Cash and bank balances	2,471	56,233
<b>Total cash and bank balances</b>	<b><u>3,602</u></b>	<b><u>56,233</u></b>



## Notes to the financial statements (continued)

### 10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	846	1,062
Accrued Depository's fee	6	7
Accrued other expenses	151	152
Amounts payable for cancellation of shares	3,567	4,720
Corporation tax payable	-	698
Currency transactions awaiting settlement	-	5,888
Purchases awaiting settlement	1,569	1,817
<b>Total other creditors</b>	<b>6,139</b>	<b>14,344</b>

### 11 Contingent liabilities and commitments

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

### 12 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 40 and 41 and notes 4, 7, 8 and 10 on pages 42 to 45 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

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

### 13 Shareholders' funds

The fund currently has 9 share classes available; Class A (Retail with front-end charges), Class C (Private), Class E (Retail with front-end charges), Class EM (Retail clean), Class I (Institutional), Class M (Retail non standard), Class A EUR (Retail with front-end charges), Class I EUR (Institutional) and Class I USD (Institutional USD). The annual management charge on each share class is as follows:

	2020 %	2019 %
Class A	1.25	1.25
Class C	0.50	0.50
Class E	0.75	0.75
Class EM	0.75	0.75
Class I	0.625	0.625
Class M <sup>1</sup>	1.25	1.50

<sup>1</sup> The AMC on Class M decreased from 1.50% to 1.25% on 1 July 2020.

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 17 to 24. The distribution per share class is given in the Distribution tables on pages 54 to 65. All share classes have the same rights on winding up.

### Shares reconciliation as at 31 July 2020

	Class A accumulation	Class A income	Class C accumulation	Class E accumulation
Opening number of shares	157,131,976	37,807,956	4,558,939	4,602,866
Issues during the year	9,746,545	1,994,380	128,005	73,142
Cancellations during the year	(26,569,321)	(2,334,071)	(508,288)	(385,212)
Shares converted during the year	(989,435)	(3,126,474)	-	692,370
<b>Closing shares in issue</b>	<b>139,319,765</b>	<b>34,341,791</b>	<b>4,178,656</b>	<b>4,983,166</b>

## Notes to the financial statements (continued)

### 13 Shareholders' funds (continued)

#### Shares reconciliation as at 31 July 2020 (continued)

	Class E income	Class EM accumulation	Class EM income	Class I accumulation
Opening number of shares	10,091,059	17,475	1,249,918	303,439,620
Issues during the year	306,608	1,627	21,562	(80,181)
Cancellations during the year	(669,696)	(2,377)	(67,510)	(70,758,174)
Shares converted during the year	2,762,455	36,473	275,732	367,434
<b>Closing shares in issue</b>	<b>12,490,426</b>	<b>53,198</b>	<b>1,479,702</b>	<b>232,968,699</b>

	Class I income	Class M accumulation	Class M income	Class A EUR (hedged) accumulation
Opening number of shares	156,967,037	894,849	6,421,795	712
Issues during the year	607,832	1,627	66,796	-
Cancellations during the year	(34,907,110)	(263,870)	(524,002)	-
Shares converted during the year	411,605	(43,159)	(349,672)	-
<b>Closing shares in issue</b>	<b>123,079,364</b>	<b>589,447</b>	<b>5,614,917</b>	<b>712</b>

	Class I EUR (hedged) accumulation	Class I USD (hedged) accumulation
Opening number of shares	46,534	1,237,600
Issues during the year	-	396,639
Cancellations during the year	(10,992)	(387,461)
Shares converted during the year	-	-
<b>Closing shares in issue</b>	<b>35,542</b>	<b>1,246,778</b>

### 14 Financial derivatives

The fund may use financial derivatives for hedging purposes and 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 July 2020 (2019: nil).

#### 2020

At 31 July 2020 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Forward foreign exchange contracts (hedged share classes) £000	Futures £000	Total by counterparty £000
BNP Paribas	5,522	-	-	5,522
JP Morgan	-	5	-	5
UBS	-	-	97	97
	<b>5,522</b>	<b>5</b>	<b>97</b>	<b>5,624</b>

## Notes to the financial statements (continued)

### 14 Financial derivatives (continued)

2019

At 31 July 2019 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts	Forward foreign exchange contracts (hedged share classes) £000	Total by counterparty £000
BNP Paribas	722	-	722
JP Morgan	-	304	304
	<u>722</u>	<u>304</u>	<u>1,026</u>

### 15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with BNP Paribas acting as the stock lending agent in order to generate additional revenue.

Stock lending revenue is disclosed under 'Revenue' in the Statement of total return.

Eligible collateral types for Stock lending and borrowing transactions are approved by the Investment Manager and may consist of securities issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope, generally subject to a minimum long term credit rating of at least A- by one or more major credit rating agency or listed equities on eligible markets. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102.50% to 110.00% of the value of the stock on loan.

2020

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
ABN AMRO	21,059	23,683	Equity
Bank of Nova Scotia	12,295	13,684	Equity
Barclays	1,460	1,942	Equity
BNP Paribas	466	545	Corporate Bond
BNP Paribas	24	28	Government Bond
	<u>490</u>	<u>573</u>	
Credit Suisse	274	425	Equity
HSBC	9,611	10,681	Equity
ING Bank	8,324	9,257	Equity
JP Morgan	12,419	13,108	Corporate Bond
JP Morgan	9,631	10,055	Government Bond
	<u>22,050</u>	<u>23,163</u>	
Natixis	28,194	31,326	Equity
Société Générale	8,075	8,981	Equity
	<u>111,832</u>	<u>123,715</u>	

## Notes to the financial statements (continued)

### 15 Stock lending (continued)

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	326	49	277

### 2019

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
ABN AMRO	6,888	7,653	Equity
Bank of Nova Scotia	66,836	74,263	Equity
Barclays	20,416	20,958	Government Bond
BNP Paribas	1,747	1,858	Corporate Bond
Credit Suisse	119	130	Corporate Bond
Deutsche Bank	10,752	12,003	Equity
ING Bank	8,499	9,445	Equity
JP Morgan	764	810	Corporate Bond
JP Morgan	836	930	Equity
JP Morgan	4,789	5,074	Government Bond
	<u>6,389</u>	<u>6,814</u>	
Morgan Stanley	1,539	1,593	Government Bond
Natixis	179,957	203,490	Equity
Société Générale	14,623	16,248	Equity
	<u>317,765</u>	<u>354,455</u>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	582	87	495

## Notes to the financial statements (continued)

### 16 Risk

#### Currency risk

The fund's net exposure to currency risk (including any instruments used to hedge foreign currencies) 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 significant. The interest rate risk profile of the fund's financial assets and financial liabilities at the year end is set out in the following table:

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
<b>2020</b>				
Canadian dollar	-	-	19,786	19,786
Euro	312	18,713	22,560	41,585
Swiss franc	-	-	14,566	14,566
UK sterling	36,653	409,756	568,738	1,015,147
US dollar	386	46,381	7,085	53,852
<b>Total</b>	<b>37,351</b>	<b>474,850</b>	<b>632,735</b>	<b>1,144,936</b>
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
<b>2019</b>				
Canadian dollar	-	-	10,803	10,803
Euro	-	3,384	18,070	21,454
Japanese yen	-	-	10,195	10,195
Swiss franc	-	-	13,219	13,219
UK sterling	118,842	357,101	731,601	1,207,544
US dollar	4,900	237,027	12,667	254,594
<b>Total</b>	<b>123,742</b>	<b>597,512</b>	<b>796,555</b>	<b>1,517,809</b>
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
<b>2020</b>				
Canadian dollar	-	-	225	225
Euro	-	-	259	259
Japanese yen	-	-	154	154
Swiss franc	-	-	74	74
UK sterling	97	-	7,732	7,829
US dollar	-	-	1,735	1,735
<b>Total</b>	<b>97</b>	<b>-</b>	<b>10,179</b>	<b>10,276</b>
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
<b>2019</b>				
Euro	-	-	3	3
Japanese yen	-	-	1	1
Swiss franc	-	-	1	1
UK sterling	-	-	21,913	21,913
US dollar	-	-	5,908	5,908
<b>Total</b>	<b>-</b>	<b>-</b>	<b>27,826</b>	<b>27,826</b>

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Credit Ratings

2020	Market value £000	Percentage of total net assets %
<b>Investments</b>		
Investment grade (AAA - BBB)	487,880	43.00
Below investment grade (BB and below)	14,925	1.31
Unrated	9	-
<b>Total debt securities</b>	<b>502,814</b>	<b>44.31</b>
Derivatives	3,008	0.27
Equities	620,387	54.68
<b>Investment assets including investment liabilities</b>	<b>1,126,209</b>	<b>99.26</b>
Other net assets	8,451	0.74
<b>Total net assets</b>	<b>1,134,660</b>	<b>100.00</b>

2019	Market value £000	Percentage of total net assets %
<b>Investments</b>		
Investment grade (AAA - BBB)	614,220	41.22
Below investment grade (BB and below)	40,821	2.74
Unrated	9,980	0.67
<b>Total debt securities</b>	<b>665,021</b>	<b>44.63</b>
Derivatives	(9,749)	(0.65)
Equities	770,678	51.72
<b>Investment assets including investment liabilities</b>	<b>1,425,950</b>	<b>95.70</b>
Other net assets	64,033	4.30
<b>Total net assets</b>	<b>1,489,983</b>	<b>100.00</b>

#### Other market price risk

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

#### Sensitivity analysis

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

VaR Results	Actual absolute VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%	%	%	%	%
2020	3.49	12.88	7.01	20	17.47	64.38	35.07
2019	2.96	4.37	3.78	20	14.78	21.83	18.92

#### Leverage

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

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2020</b>				
Amounts held at derivatives clearing houses and brokers	97	-	-	-
Derivative financial liabilities	-	2,616	-	-
Distribution payable	-	1,424	-	-
Other creditors	-	6,139	-	-
<b>Total</b>	<b>97</b>	<b>10,179</b>	<b>-</b>	<b>-</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2019</b>				
Derivative financial liabilities	-	10,775	-	-
Distribution payable	-	2,707	-	-
Other creditors	-	14,344	-	-
<b>Total</b>	<b>-</b>	<b>27,826</b>	<b>-</b>	<b>-</b>

### 17 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

## Notes to the financial statements (continued)

### 17 Fair value disclosure (continued)

#### Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	681,071*	341	1,059,953*	-
Level 2	447,748	2,275	376,743	10,775
Level 3	6	-	29	-
	<b>1,128,825</b>	<b>2,616</b>	<b>1,436,725</b>	<b>10,775</b>

\* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £66,372,107 as at 31 July 2020 (2019: £301,119,041).

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit some other method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. Janus Henderson UK & EMEA Fair Value Pricing Committee (FVPC) of the Investment Manager is responsible for determining or approving unquoted prices. Where deemed necessary, the FVPC will seek ratification of decisions from the Janus Henderson Investment Performance and Risk Committee. The FVPC meets on a monthly basis and consists of representatives from various parts of the Investment manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The Lambay Capital Securities 6.25% Perpetual holding included within level 3 is a defaulted bond which has been valued by the FVPC at their best estimate of fair value, using broker quotes.

### 18 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
<b>Trades in the year</b>				
Debt securities	563,202	251,295	739,612	268,769
Equities	345,956	282,306	352,744	579,013
<b>Trades in the year before transaction costs</b>	<b>909,158</b>	<b>533,601</b>	<b>1,092,356</b>	<b>847,782</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	124	117	142	263
<b>Total commissions</b>	<b>124</b>	<b>117</b>	<b>142</b>	<b>263</b>
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	1,562	1,213	-	-
<b>Total taxes</b>	<b>1,562</b>	<b>1,213</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	28	25	-	1
<b>Total other expenses</b>	<b>28</b>	<b>25</b>	<b>-</b>	<b>1</b>
<b>Total transaction costs</b>	<b>1,714</b>	<b>1,355</b>	<b>142</b>	<b>264</b>
<b>Total net trades in the year after transaction costs</b>	<b>910,872</b>	<b>534,956</b>	<b>1,092,214</b>	<b>847,518</b>



## Notes to the financial statements (continued)

### 18 Direct transaction costs (continued)

	Purchases		Sales	
	2020 %	2019 %	2020 %	2019 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	0.04	0.04	0.04	0.05
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	0.45	0.43	-	-
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	0.01	0.01	-	-
	<b>2020 %</b>	<b>2019 %</b>		
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.02	0.02		
Taxes	0.12	0.08		
Other expenses	-	-		
<b>Total costs</b>	<b>0.14</b>	<b>0.10</b>		

There were no in specie transfers during the year (2019: nil). There were corporate actions during the year of £3,615,649 (2019: £40,446,099)

There were direct transaction costs associated with derivatives in the year of £906 (2019: nil) which is 0.00% of the average net asset value of the fund (2019: 0.00%).

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 July 2020 was 0.40% (2019: 0.24%). The portfolio dealing spread is calculated at a 12 noon valuation point.

### 19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value is £1,092,033,083 which is a drop of 3.8% from the balance sheet date. The fall in NAV is due to the fall in value of the underlying investments and net outflows from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

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

### Interim dividend distribution (accounting date 31 August 2019, paid on 30 September 2019)

Group 1: shares purchased prior to 1 August 2019

Group 2: shares purchased on or after 1 August 2019

	Distribution per share	Equalisation	Total distribution per share 30/09/19	Total distribution per share 28/09/18
<b>Class EM accumulation<sup>1</sup></b>				
Group 1	0.3165	-	0.3165	n/a
Group 2	0.2982	0.0183	0.3165	n/a
<b>Class EM income<sup>1</sup></b>				
Group 1	0.3000	-	0.3000	n/a
Group 2	-	0.3000	0.3000	n/a
<b>Class M accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	0.1717	0.1448	0.3165	0.3165
<b>Class M income</b>				
Group 1	0.3000	-	0.3000	0.3000
Group 2	-	0.3000	0.3000	0.3000

<sup>1</sup> Class EM accumulation and Class EM income launched on 24 June 2019.

### Interim dividend distribution (accounting date 30 September 2019, paid on 31 October 2019)

Group 1: shares purchased prior to 1 September 2019

Group 2: shares purchased on or after 1 September 2019

	Distribution per share	Equalisation	Total distribution per share 31/10/19	Total distribution per share 31/10/18
<b>Class EM accumulation<sup>1</sup></b>				
Group 1	0.3165	-	0.3165	n/a
Group 2	0.0321	0.2844	0.3165	n/a
<b>Class EM income<sup>1</sup></b>				
Group 1	0.3000	-	0.3000	n/a
Group 2	0.0102	0.2898	0.3000	n/a
<b>Class M accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	-	0.3165	0.3165	0.3165
<b>Class M income</b>				
Group 1	0.3000	-	0.3000	0.3000
Group 2	0.0040	0.2960	0.3000	0.3000

<sup>1</sup> Class EM accumulation and Class EM income launched on 24 June 2019.

## Distribution tables (continued)

### Interim dividend distribution (accounting date 31 October 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
<b>Class EM accumulation<sup>1</sup></b>				
Group 1	0.3165	-	0.3165	n/a
Group 2	0.1116	0.2049	0.3165	n/a
<b>Class EM income<sup>1</sup></b>				
Group 1	0.2877	-	0.2877	n/a
Group 2	0.0711	0.2166	0.2877	n/a
<b>Class M accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	0.0191	0.2974	0.3165	0.3165
<b>Class M income</b>				
Group 1	0.3000	-	0.3000	0.3000
Group 2	0.0280	0.2720	0.3000	0.3000

<sup>1</sup> Class EM accumulation and Class EM income launched on 24 June 2019.

## Distribution tables (continued)

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

Group 1: shares purchased prior to 1 August 2019

Group 2: shares purchased on or after 1 August 2019

	Distribution per share	Equalisation	Total distribution per share 31/12/19	Total distribution per share 31/12/18
<b>Class A accumulation</b>				
Group 1	2.2135	-	2.2135	2.4250
Group 2	0.4007	1.8128	2.2135	2.4250
<b>Class A income</b>				
Group 1	1.2065	-	1.2065	1.3697
Group 2	0.3986	0.8079	1.2065	1.3697
<b>Class C accumulation</b>				
Group 1	6.1268	-	6.1268	6.7455
Group 2	0.5885	5.5383	6.1268	6.7455
<b>Class E accumulation<sup>1</sup></b>				
Group 1	2.1709	-	2.1709	n/a
Group 2	1.0557	1.1152	2.1709	n/a
<b>Class E income<sup>1</sup></b>				
Group 1	1.1835	-	1.1835	n/a
Group 2	0.4008	0.7827	1.1835	n/a
<b>Class I accumulation</b>				
Group 1	2.0066	-	2.0066	2.2093
Group 2	0.8688	1.1378	2.0066	2.2093
<b>Class I income</b>				
Group 1	0.9948	-	0.9948	1.1373
Group 2	0.4352	0.5596	0.9948	1.1373
<b>Class A EUR (hedged) accumulation<sup>2</sup></b>				
Group 1	8.7925	-	8.7925	9.6597
Group 2	8.7925	-	8.7925	9.6597
<b>Class I EUR (hedged) accumulation<sup>2</sup></b>				
Group 1	9.0413	-	9.0413	9.9794
Group 2	9.0413	-	9.0413	9.9794
<b>Class I USD (hedged) accumulation<sup>3</sup></b>				
Group 1	10.4388	-	10.4388	11.0446
Group 2	4.4462	5.9926	10.4388	11.0446

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

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

<sup>3</sup> in USD cents per share

## Distribution tables (continued)

### Interim dividend distribution (accounting date 30 November 2019, paid on 31 December 2019)

Group 1: shares purchased prior to 1 November 2019

Group 2: shares purchased on or after 1 November 2019

	Distribution per share	Equalisation	Total distribution per share 31/12/19	Total distribution per share 31/12/18
<b>Class EM accumulation<sup>1</sup></b>				
Group 1	0.3165	-	0.3165	n/a
Group 2	0.1185	0.1980	0.3165	n/a
<b>Class EM income<sup>1</sup></b>				
Group 1	0.3000	-	0.3000	n/a
Group 2	-	0.3000	0.3000	n/a
<b>Class M accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	0.0175	0.2990	0.3165	0.3165
<b>Class M income</b>				
Group 1	0.3000	-	0.3000	0.3000
Group 2	-	0.3000	0.3000	0.3000

<sup>1</sup> Class EM accumulation and Class EM income launched on 24 June 2019.

### Interim dividend distribution (accounting date 31 December 2019, paid on 31 January 2020)

Group 1: shares purchased prior to 1 December 2019

Group 2: shares purchased on or after 1 December 2019

	Distribution per share	Equalisation	Total distribution per share 31/01/20	Total distribution per share 31/01/19
<b>Class EM accumulation<sup>1</sup></b>				
Group 1	0.3165	-	0.3165	n/a
Group 2	-	0.3165	0.3165	n/a
<b>Class EM income<sup>1</sup></b>				
Group 1	0.3000	-	0.3000	n/a
Group 2	0.0372	0.2628	0.3000	n/a
<b>Class M accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	-	0.3165	0.3165	0.3165
<b>Class M income</b>				
Group 1	0.3000	-	0.3000	0.3000
Group 2	0.0160	0.2840	0.3000	0.3000

<sup>1</sup> Class EM accumulation and Class EM income launched on 24 June 2019.

## Distribution tables (continued)

### Interim dividend distribution (accounting date 31 January 2020, paid on 28 February 2020)

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased on or after 1 January 2020

	Distribution per share	Equalisation	Total distribution per share 28/02/20	Total distribution per share 28/02/19
<b>Class EM accumulation<sup>1</sup></b>				
Group 1	0.3165	-	0.3165	n/a
Group 2	-	0.3165	0.3165	n/a
<b>Class EM income<sup>1</sup></b>				
Group 1	0.1731	-	0.1731	n/a
Group 2	0.0276	0.1455	0.1731	n/a
<b>Class M accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	-	0.3165	0.3165	0.3165
<b>Class M income</b>				
Group 1	0.1895	-	0.1895	0.3000
Group 2	0.0251	0.1644	0.1895	0.3000

<sup>1</sup> Class EM accumulation and Class EM income launched on 24 June 2019.

## Distribution tables (continued)

### Interim dividend distribution (accounting date 31 January 2020, paid on 31 March 2020)

Group 1: shares purchased prior to 1 November 2019

Group 2: shares purchased on or after 1 November 2019

	Distribution per share	Equalisation	Total distribution per share 31/03/20	Total distribution per share 29/03/19
<b>Class A accumulation</b>				
Group 1	1.9111	-	1.9111	1.8171
Group 2	0.6886	1.2225	1.9111	1.8171
<b>Class A income</b>				
Group 1	1.0331	-	1.0331	1.0180
Group 2	0.3686	0.6645	1.0331	1.0180
<b>Class C accumulation</b>				
Group 1	5.4459	-	5.4459	5.1997
Group 2	5.4459	-	5.4459	5.1997
<b>Class E accumulation<sup>1</sup></b>				
Group 1	1.9070	-	1.9070	n/a
Group 2	0.8448	1.0622	1.9070	n/a
<b>Class E income<sup>1</sup></b>				
Group 1	1.0311	-	1.0311	n/a
Group 2	0.3667	0.6644	1.0311	n/a
<b>Class I accumulation</b>				
Group 1	1.7791	-	1.7791	1.6950
Group 2	0.6988	1.0803	1.7791	1.6950
<b>Class I income</b>				
Group 1	0.8746	-	0.8746	0.8657
Group 2	0.3373	0.5373	0.8746	0.8657
<b>Class A EUR (hedged) accumulation<sup>2</sup></b>				
Group 1	7.5425	-	7.5425	7.1604
Group 2	7.5425	-	7.5425	7.1604
<b>Class I EUR (hedged) accumulation<sup>2</sup></b>				
Group 1	7.9020	-	7.9020	7.5844
Group 2	7.9020	-	7.9020	7.5844
<b>Class I USD (hedged) accumulation<sup>3</sup></b>				
Group 1	9.0687	-	9.0687	8.4240
Group 2	3.2857	5.7830	9.0687	8.4240

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

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

<sup>3</sup> in USD cents per share

## Distribution tables (continued)

### Interim dividend distribution (accounting date 29 February 2020, paid on 31 March 2020)

Group 1: shares purchased prior to 1 February 2020

Group 2: shares purchased on or after 1 February 2020

	Distribution per share	Equalisation	Total distribution per share 31/03/20	Total distribution per share 29/03/19
<b>Class EM accumulation<sup>1</sup></b>				
Group 1	0.3165	-	0.3165	n/a
Group 2	0.0470	0.2695	0.3165	n/a
<b>Class EM income<sup>1</sup></b>				
Group 1	0.3000	-	0.3000	n/a
Group 2	-	0.3000	0.3000	n/a
<b>Class M accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	-	0.3165	0.3165	0.3165
<b>Class M income</b>				
Group 1	0.3000	-	0.3000	0.3000
Group 2	-	0.3000	0.3000	0.3000

<sup>1</sup> Class EM accumulation and Class EM income launched on 24 June 2019.

### Interim dividend distribution (accounting date 31 March 2020, paid on 30 April 2020)

Group 1: shares purchased prior to 1 March 2020

Group 2: shares purchased on or after 1 March 2020

	Distribution per share	Equalisation	Total distribution per share 30/04/20	Total distribution per share 30/04/19
<b>Class EM accumulation<sup>1</sup></b>				
Group 1	0.3165	-	0.3165	n/a
Group 2	-	0.3165	0.3165	n/a
<b>Class EM income<sup>1</sup></b>				
Group 1	0.3000	-	0.3000	n/a
Group 2	-	0.3000	0.3000	n/a
<b>Class M accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	-	0.3165	0.3165	0.3165
<b>Class M income</b>				
Group 1	0.3000	-	0.3000	0.3000
Group 2	-	0.3000	0.3000	0.3000

<sup>1</sup> Class EM accumulation and Class EM income launched on 24 June 2019.



## Distribution tables (continued)

### Interim dividend distribution (accounting date 30 April 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
<b>Class EM accumulation<sup>1</sup></b>				
Group 1	0.3165	-	0.3165	n/a
Group 2	-	0.3165	0.3165	n/a
<b>Class EM income<sup>1</sup></b>				
Group 1	0.2305	-	0.2305	n/a
Group 2	0.0317	0.1988	0.2305	n/a
<b>Class M accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	-	0.3165	0.3165	0.3165
<b>Class M income</b>				
Group 1	0.2385	-	0.2385	0.3000
Group 2	0.0241	0.2144	0.2385	0.3000

<sup>1</sup> Class EM accumulation and Class EM income launched on 24 June 2019.

## Distribution tables (continued)

### Interim dividend distribution (accounting date 30 April 2020, paid on 30 June 2020)

Group 1: shares purchased prior to 1 February 2020

Group 2: shares purchased on or after 1 February 2020

	Distribution per share	Equalisation	Total distribution per share 30/06/20	Total distribution per share 28/06/19
<b>Class A accumulation</b>				
Group 1	2.0456	-	2.0456	2.7258
Group 2	0.7190	1.3266	2.0456	2.7258
<b>Class A income</b>				
Group 1	1.0986	-	1.0986	1.5165
Group 2	0.1664	0.9322	1.0986	1.5165
<b>Class C accumulation</b>				
Group 1	5.6263	-	5.6263	7.3397
Group 2	1.1203	4.5060	5.6263	7.3397
<b>Class E accumulation<sup>1</sup></b>				
Group 1	1.9956	-	1.9956	n/a
Group 2	0.6272	1.3684	1.9956	n/a
<b>Class E income<sup>1</sup></b>				
Group 1	1.0720	-	1.0720	n/a
Group 2	0.1208	0.9512	1.0720	n/a
<b>Class I accumulation</b>				
Group 1	1.8427	-	1.8427	2.4137
Group 2	0.6244	1.2183	1.8427	2.4137
<b>Class I income</b>				
Group 1	0.8988	-	0.8988	1.2177
Group 2	0.2449	0.6539	0.8988	1.2177
<b>Class A EUR (hedged) accumulation<sup>2</sup></b>				
Group 1	8.0346	-	8.0346	12.1551
Group 2	8.0346	-	8.0346	12.1551
<b>Class I EUR (hedged) accumulation<sup>2</sup></b>				
Group 1	8.1750	-	8.1750	10.8297
Group 2	8.1750	-	8.1750	10.8297
<b>Class I USD (hedged) accumulation<sup>3</sup></b>				
Group 1	9.4873	-	9.4873	12.2561
Group 2	3.6457	5.8416	9.4873	12.2561

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

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

<sup>3</sup> in USD cents per share

## Distribution tables (continued)

### Interim dividend distribution (accounting date 31 May 2020, paid on 30 June 2020)

Group 1: shares purchased prior to 1 May 2020

Group 2: shares purchased on or after 1 May 2020

	Distribution per share	Equalisation	Total distribution per share 30/06/20	Total distribution per share 28/06/19
<b>Class EM accumulation<sup>1</sup></b>				
Group 1	0.3165	-	0.3165	n/a
Group 2	-	0.3165	0.3165	n/a
<b>Class EM income<sup>1</sup></b>				
Group 1	0.2719	-	0.2719	n/a
Group 2	0.0474	0.2245	0.2719	n/a
<b>Class M accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	-	0.3165	0.3165	0.3165
<b>Class M income</b>				
Group 1	0.2696	-	0.2696	0.3000
Group 2	0.0672	0.2024	0.2696	0.3000

<sup>1</sup> Class EM accumulation and Class EM income launched on 24 June 2019.

### Interim dividend distribution (accounting date 30 June 2020, paid on 31 July 2020)

Group 1: shares purchased prior to 1 June 2020

Group 2: shares purchased on or after 1 June 2020

	Distribution per share	Equalisation	Total distribution per share 31/07/20	Total distribution per share 31/07/19
<b>Class EM accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	-	0.3165	0.3165	0.3165
<b>Class EM income</b>				
Group 1	0.1537	-	0.1537	0.3000
Group 2	0.0181	0.1356	0.1537	0.3000
<b>Class M accumulation</b>				
Group 1	0.3165	-	0.3165	0.3165
Group 2	-	0.3165	0.3165	0.3165
<b>Class M income</b>				
Group 1	0.1527	-	0.1527	0.3000
Group 2	0.0270	0.1257	0.1527	0.3000

## Distribution tables (continued)

### Final dividend distribution (accounting date 31 July 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 July 2020

Group 2: shares purchased on or after 1 July 2020

	Distribution per share	Equalisation	Total distribution per share 28/08/20	Total distribution per share 30/08/19
<b>Class EM accumulation</b>				
Group 1	0.6551	-	0.6551	1.6331
Group 2	0.3572	0.2979	0.6551	1.6331
<b>Class EM income</b>				
Group 1	0.2725	-	0.2725	0.7876
Group 2	0.0282	0.2443	0.2725	0.7876
<b>Class M accumulation</b>				
Group 1	0.6803	-	0.6803	1.6794
Group 2	0.2564	0.4239	0.6803	1.6794
<b>Class M income</b>				
Group 1	0.2643	-	0.2643	0.8128
Group 2	-	0.2643	0.2643	0.8128

## Distribution tables (continued)

### Final dividend distribution (accounting date 31 July 2020, paid on 30 September 2020)

Group 1: shares purchased prior to 1 May 2020

Group 2: shares purchased on or after 1 May 2020

	Distribution per share	Equalisation	Total distribution per share 30/09/20	Total distribution per share 30/09/19
<b>Class A accumulation</b>				
Group 1	1.7121	-	1.7121	2.7856
Group 2	0.9598	0.7523	1.7121	2.7856
<b>Class A income</b>				
Group 1	0.9114	-	0.9114	1.5340
Group 2	0.5118	0.3996	0.9114	1.5340
<b>Class C accumulation</b>				
Group 1	5.0309	-	5.0309	7.4170
Group 2	5.0309	-	5.0309	7.4170
<b>Class E accumulation</b>				
Group 1	1.7363	-	1.7363	2.7251
Group 2	0.9133	0.8230	1.7363	2.7251
<b>Class E income</b>				
Group 1	0.9252	-	0.9252	1.5008
Group 2	0.3458	0.5794	0.9252	1.5008
<b>Class I accumulation</b>				
Group 1	1.6383	-	1.6383	2.4368
Group 2	0.8272	0.8111	1.6383	2.4368
<b>Class I income</b>				
Group 1	0.7934	-	0.7934	1.2188
Group 2	0.3454	0.4480	0.7934	1.2188
<b>Class A EUR (hedged) accumulation<sup>1</sup></b>				
Group 1	6.7583	-	6.7583	11.0500
Group 2	6.7583	-	6.7583	11.0500
<b>Class I EUR (hedged) accumulation<sup>1</sup></b>				
Group 1	7.3116	-	7.3116	10.8449
Group 2	7.3116	-	7.3116	10.8449
<b>Class I USD (hedged) accumulation<sup>2</sup></b>				
Group 1	8.5453	-	8.5453	12.2645
Group 2	2.8920	5.6533	8.5453	12.2645

<sup>1</sup> in Euro cents per share

<sup>2</sup> in USD cents per share

## Appendix - additional information (unaudited)

### Securities financing transactions

The fund engages in securities financing transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the fund's involvement in and exposures related to securities lending for the year ended 31 July 2020 are detailed below.

### Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the fund's assets under management (AUM) as at 31 July 2020:

<b>Fund</b>	<b>Market value of securities on loan £000</b>	<b>% of lendable assets</b>	<b>% of AUM</b>
Janus Henderson Cautious Managed Fund	111,832	9.96%	9.86%

### Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for the fund as at 31 July 2020:

<b>Issuer</b>	<b>Market value of collateral received £000</b>
Asian Development Bank	6,322
Government of France	5,840
UK Treasury	4,214
Pirelli	3,294
Intesa Sanpaolo	2,988
Royal Dutch Shell	2,886
Unilever	2,641
Amadeus IT	2,299
International Bank for Reconstruction and Development	2,171
Enel	2,105

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

### Securities financing transactions (continued)

#### Concentration data (continued)

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for the fund as at 31 July 2020:

Counterparty	Market value of securities on loan £000	Settlement basis
Natixis	28,194	Triparty
JP Morgan	22,050	Triparty
ABN Amro	21,059	Triparty
Bank of Nova Scotia	12,295	Triparty
HSBC	9,611	Triparty
ING Bank	8,324	Triparty
Société Générale	8,075	Triparty
Barclays	1,460	Triparty
BNP Paribas	490	Triparty
Credit Suisse	274	Triparty
	<b>111,832</b>	

All counterparties have been included.

#### Aggregate transaction data

The following table provides an analysis of the collateral received by the fund in respect of each type of SFTs as at 31 July 2020:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
ABN Amro	Netherlands	Equity	Main market listing	CHF	Triparty	BNP Paribas	27
ABN Amro	Netherlands	Equity	Main market listing	EUR	Triparty	BNP Paribas	18,472
ABN Amro	Netherlands	Equity	Main market listing	GBP	Triparty	BNP Paribas	2,564
ABN Amro	Netherlands	Equity	Main market listing	JPY	Triparty	BNP Paribas	1,682
ABN Amro	Netherlands	Equity	Main market listing	USD	Triparty	BNP Paribas	938
Bank of Nova Scotia	Canada	Equity	Main market listing	CAD	Triparty	BNP Paribas	1,219
Bank of Nova Scotia	Canada	Equity	Main market listing	CHF	Triparty	BNP Paribas	30
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	2,857
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	8,069
Bank of Nova Scotia	Canada	Equity	Main market listing	JPY	Triparty	BNP Paribas	113
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	1,396
Barclays	United Kingdom	Equity	Main market listing	CHF	Triparty	BNP Paribas	1,881
Barclays	United Kingdom	Equity	Main market listing	HKD	Triparty	BNP Paribas	61
BNP Paribas	France	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	545
BNP Paribas	France	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	28
Credit Suisse	Switzerland	Equity	Main market listing	AUD	Triparty	BNP Paribas	6
Credit Suisse	Switzerland	Equity	Main market listing	CHF	Triparty	BNP Paribas	6
Credit Suisse	Switzerland	Equity	Main market listing	EUR	Triparty	BNP Paribas	239
Credit Suisse	Switzerland	Equity	Main market listing	GBP	Triparty	BNP Paribas	115

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

### Securities financing transactions (continued)

#### Aggregate transaction data (continued)

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Credit Suisse	Switzerland	Equity	Main market listing	HKD	Triparty	BNP Paribas	46
Credit Suisse	Switzerland	Equity	Main market listing	JPY	Triparty	BNP Paribas	13
HSBC	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	1,696
HSBC	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	7,706
HSBC	United Kingdom	Equity	Main market listing	USD	Triparty	BNP Paribas	1,279
ING Bank	Netherlands	Equity	Main market listing	CHF	Triparty	BNP Paribas	1,107
ING Bank	Netherlands	Equity	Main market listing	EUR	Triparty	BNP Paribas	2,910
ING Bank	Netherlands	Equity	Main market listing	GBP	Triparty	BNP Paribas	19
ING Bank	Netherlands	Equity	Main market listing	HKD	Triparty	BNP Paribas	2,415
ING Bank	Netherlands	Equity	Main market listing	JPY	Triparty	BNP Paribas	1,347
ING Bank	Netherlands	Equity	Main market listing	USD	Triparty	BNP Paribas	1,459
JP Morgan	United States	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	3,985
JP Morgan	United States	Corporate Bond	Investment grade	GBP	Triparty	BNP Paribas	736
JP Morgan	United States	Corporate Bond	Investment grade	USD	Triparty	BNP Paribas	8,387
JP Morgan	United States	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	5,840
JP Morgan	United States	Government Bond	Investment grade	GBP	Triparty	BNP Paribas	4,215
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	4,951
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	18,049
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	5,519
Natixis	France	Equity	Main market listing	HKD	Triparty	BNP Paribas	1,687
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	509
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	611
Société Générale	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	4,722
Société Générale	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	3,546
Société Générale	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	676
Société Générale	France	Equity	Main market listing	USD	Triparty	BNP Paribas	37
							<b>123,715</b>

All collateral is held in segregated accounts.

The lending and collateral transactions are on an open basis and can be recalled on demand.



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

### Securities financing transactions (continued)

#### Re-use of collateral

The fund does not engage in any re-use of collateral.

### Return and cost on securities lending activities

The following table details the fund's return and costs for each type of SFTs for the year ended 31 July 2020:

Fund	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return retained by securities lending agent	% return retained by the fund
Janus Henderson Cautious Managed Fund	326	49	277	15%	85%

### 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 fund 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 Investment Funds Series II 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 risk profiles, rules or instruments of incorporation of each ACD and the funds they manage. This policy applies to HIFL and Janus Henderson Cautious Managed Fund.

Further information with respect to Janus Henderson Group plc's Remuneration Policy is available in Janus Henderson Group plc's annual report as at 31 December 2019.

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson Cautious Managed Fund</b>	2,012	1,929
<b>of which</b>		
Fixed Remuneration	2,012	915
Variable Remuneration	2,000	1,014
<b>Janus Henderson Cautious Managed Fund Remuneration Code Staff</b>	50	417
<b>of which</b>		
Senior Management (4)	25	138
Other Code Staff (5)	25	279

1. This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson Investment Funds Series II – no attempt has been made to apportion the time spent specifically in support of the fund within Janus Henderson Investment Funds Series II as this data is not captured as part of Janus Henderson Group plc's normal processes.
2. Please note that due to the employment structure and resourcing of the Janus Henderson Group plc, the staff indicated in this table may provide services to other companies in 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 Investment Funds Series II for the year, rather than the total remuneration for the year – for this purpose, remuneration has been apportioned between the provision of services to the Janus Henderson Investment Funds Series II 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 the fund of Janus Henderson Investment Funds Series II (for example, fees for Board members of the fund of Janus Henderson Investment Funds Series II), 100% of those fees;
    - for Investment Fund Managers, pro-rated using the average assets under management (AUM) of Janus Henderson Investment Funds Series II managed by the relevant Investment Fund Manager (as a proportion of the total AUM managed by that individual) as a proxy.
    - for other individuals, pro-rated using the average AUM of the fund of Janus Henderson Investment Funds Series II (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 the fund of Janus Henderson Investment Funds Series II.

## Further information

### Shareholder enquiries

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

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

The following line is also available:

Client Services: **0800 832 832**

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

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

## Important Information

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

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

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