



# ANNUAL REPORT & ACCOUNTS

For the year ended  
31 October 2019

Janus Henderson  
— INVESTORS —

Janus Henderson Strategic Investment Funds



# Who are Janus Henderson Investors?

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

Our active management offers clients the opportunity to outperform passive portfolios over the course of market cycles. With more than 360 investment professionals, we provide access to some of the industry's most talented and innovative thinkers, spanning equities, fixed income, multi-asset, and alternatives, globally. Our investment teams blend insight, originality, and precision with rigorous analysis, structured processes, and robust risk management. We build client partnerships on openness and trust, channelling expertise from across the business and communicating the views of our experts in a timely and relevant way. As at 30 September 2019, we had £289.0bn assets under management, more than 2,000 employees and 28 offices worldwide. Headquartered in London, we are an independent asset manager that is dual-listed on the New York Stock Exchange and the Australian Securities Exchange.

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

We are pleased to present the Annual Report and Accounts for the Janus Henderson Strategic Investment Funds (the 'Company') for the year ended 31 October 2019.

### Authorised status

The Company is an open-ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC000312 and authorised by the Financial Conduct Authority (FCA) with effect from 1 April 2004. It is a UCITS scheme structured as an umbrella company, comprising of four sub-funds ('funds') complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the Company is governed by the OEIC Regulations, COLL, its Instrument of Incorporation and Prospectus.

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

### Fund liabilities

The assets of each fund will be treated as separate from those of every other fund and will be invested in accordance with the investment objective and investment policy applicable to that fund.

### Brexit update

Janus Henderson Investors 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.

### Other Information

The Janus Henderson Credit Alpha Fund, a sub fund of the Strategic Investment Funds, ceased investment activity and closed on 21 August 2019. The fund terminated on 30 October 2019.

On 20th November 2019 the Financial Conduct Authority (FCA) announced that it had imposed a fine of £1.87m on Henderson Investment Funds Limited (HIFL) for failing to treat retail customers fairly in the management of two funds: Janus Henderson Institutional Japan Index Opportunities Fund (formerly Henderson Japan Enhanced Equity Fund) and Janus Henderson Institutional North American Index Opportunities Fund (formerly Henderson North American Enhanced Equity Fund) between 2011 and 2016. In 2016, HIFL notified all affected investors within the Funds and compensated them. There was no impact on the financial statements of these funds within this Annual Report.

### Value Assessment

The FCA, the UK financial regulator, recently introduced requirements for Authorised Corporate Directors to conduct a Value Assessment for each fund they manage. Janus Henderson Investors is carrying out its first assessment for all funds as at 31 December 2019 and a summary of the findings will be made available on our website [www.janushenderson.com](http://www.janushenderson.com) no later than 30 April 2020.

## 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)

28 February 2020

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

### Service providers

	Name	Address	Regulator
<b>Authorised Corporate Director (ACD)</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 (to 07.03.19) A Crooke G Foggin G Fogo (from 04.02.19) S Hillenbrand H J de Sausmarez P Shea (from 07.06.19)* F Smith (from 28.03.19)* R Thompson *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>DST Financial Services International Limited and DST Financial Services Europe Limited</b>	DST House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>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

Global equity markets rose over the year to 31 October 2019 (FTSE World Index +11.7% in sterling, +12.9% in local currency terms). Markets experienced a large fall at the end of 2018 but bounced back as they moved into 2019. This recovery was mainly driven by more dovish rhetoric from the major central banks and interest rate cuts by the US Federal Reserve (Fed) during the final few months of the year. Investor sentiment was boosted by hopes that the trade dispute between China and the US would ultimately be settled, although this did not transpire during the year.

In the UK, the FTSE All Share Index rose 6.8%. The UK's exit from the EU dominated headlines. The original 29 March deadline was delayed, in the first instance to 31 October, and then to 31 January, as parliament could not agree on a Brexit deal. The country saw a change in leadership when Prime Minister Theresa May was replaced by Boris Johnson in July. He succeeded in renegotiating a deal with the EU but decided to call an election when it became clear that opposition parties would attempt to amend the deal. Sterling was down over the year, owing to the uncertainties surrounding Brexit, although it recovered in the latter months as a deal appeared more likely. UK equities were volatile but ended higher as larger-cap, overseas-earning stocks benefited from sterling weakness. The UK economy was relatively lacklustre, despite strong employment trends and recovering wage growth. Second-quarter GDP growth came in significantly below expectations at -0.2%, representing the first contraction in nearly seven years. The Bank of England (BoE) held rates steady but gave clear guidance that looser monetary policy was a possibility.

European equities gained over the year (FTSE World Europe ex UK 11.5% in sterling, 14.3% in euros). The rise in European markets was driven largely by the return of easier monetary policy, particularly in the US and Europe. The European Central Bank (ECB) reintroduced quantitative easing through a new bond-purchasing scheme (due to commence on 1 November) while also cutting the deposit interest rate further, to -0.5% from -0.4% in September. The market had declined along with most of its global peers in December 2018 but recovered in the first quarter of 2019, before experiencing volatility related to US/China trade tensions and Brexit in the summer months. Eurozone economic data remained muted: the annual growth rate sank to 1.1% in the second quarter of 2019, and inflation fell sharply to -0.5% in July (though it recovered to 0.2% in September). The German economy, the largest in Europe, flirted with recession, experiencing negative quarterly growth in the second quarter of 2019. The manufacturing side of the German economy continued to sag, impacted by the global trade dispute and slowing global growth. The German manufacturing purchasing managers' (PMI) index remained well below the 50 level that separates contraction from expansion (42.1 in October).

US markets were strong (S&P 500 +12.9% in sterling, +14.3% in US dollars). The main equity indices (the S&P 500, the Dow Jones and the Nasdaq) hit new all-time highs over the year, driven mainly by the Fed's U-turn on interest rates, and positive earnings momentum. The Fed cut rates three times during the year, taking the benchmark rate down to a range of 1.50%–1.75%. Trade relations with China were unsettled throughout 2019, with any apparent progress between the two countries proving to be short-lived. In May, US President Trump disturbed markets by unexpectedly going ahead with tariff increases that saw \$200 billion worth of Chinese goods affected by tariffs of 25%. China retaliated in June, imposing 25% tariffs on \$60 billion worth of American imports. On the economic front, the US economy slowed but remained relatively resilient compared to other developed nations. GDP expansion dipped significantly, from a peak of 3.2% annualised growth in the second quarter of 2018 to 2.0% in the third quarter of 2019. The Treasury yield curve inverted, which is often considered the first sign of an impending recession. However, employment trends remained strong, with unemployment at 50-year lows as unemployment hit 3.5% in September.

Japanese equities were reasonably robust over the year (Topix Index +7.1% in sterling, +3.9% in yen). The Japanese market experienced a sharp sell-off in late 2018 before recovering into 2019, in line with other global markets. The market backdrop was challenging, given the ongoing trade dispute between China and the US, which impacted Japanese manufacturers, and the sluggish domestic economy. GDP grew at an annualised rate of 1.3% in the second quarter of 2019. Exports declined for 10 consecutive months, and October marked the sixth month in succession that Japan's PMI was below 50 (anything below 50 signals a contraction). The country's tankan survey (a survey of corporations' outlook for business conditions) continued to deteriorate, with the headline manufacturing diffusion index falling to 7.0 in the third quarter of 2019, marking the seventh consecutive quarterly decline. The yen's rise against other major currencies was a persistent cause for concern; in August, Japan's vice finance minister announced that measures might be taken to curb the currency's strength, as a rising yen could have adverse effects on the export dependent domestic economy. At its September meeting, the Bank of Japan kept rates unchanged at -0.1% but promised a thorough review of the economic situation at its October meeting.

In Asia, the FTSE World Asia Pacific ex Japan Index rose by 12.4% in sterling terms (+14.2% in US dollars). Asian markets benefited, in aggregate, from the prevailing climate of easier monetary policy. Central banks in the region were particularly active in August; the Philippines, Thailand and New Zealand all cut rates, and in October the Reserve Bank of Australia slashed rates to a record low of 0.75%. Like most of their global peers, Asian indices fell sharply in May, when the US increased the size and scope of its tariffs on Chinese goods, and again in August, when additional increases were threatened. Many countries in the region are heavily dependent on US and Chinese trade. South Korea's GDP growth for the second quarter was encouraging (+1.0% quarter on quarter) following a contraction in the three months to 31 March, although the growth rate moderated in the third quarter (+0.4%). Korean inflation plummeted, falling 0.4% in the year to 30 September, marking the first time that deflation had been logged since records began in 1965. China exceeded expectations with promising GDP growth of 1.6% in the three months to 30 June, though the annualised rate remained lacklustre.

## Market review (continued)

Emerging markets rose over the year (MSCI Emerging Markets +10.9% in sterling, +12.3% in US dollars). Developing markets rallied from the turn of the year, following developed markets higher as central banks became more dovish. Interest rate cuts were experienced in major emerging economies such as India, Brazil and Mexico. On an individual basis, the Reserve Bank of India lowered rates five times to combat inflation and to kick-start growth. Trade friction between the US and China was a major influence on emerging markets, as was the relative strength of the US dollar. Latin American markets rose in aggregate; but Argentina experienced dismal returns (MSCI Argentina -34.2% in US dollars) after an August election upset led to the second-worst stock market crash for any country since 1950. Brazil was strong, rising 13.5% in US dollar terms as the central bank cut rates to record lows. Mexico rose 7.1%, boosted by accommodative action from its central bank, which enacted two rate cuts in the third quarter. In Asia, Chinese GDP growth slowed to 6.0% annualised growth rate in the third quarter of the year, the weakest growth rate since 1992. The Chinese authorities attempted to boost economic activity by cutting bank reserve requirement ratios through the period.

Within fixed income, core government bond markets (US, UK, Germany and Japan) saw prices rise materially over the year (yields, which move inversely to prices, fell). The JPM Global Government Bond Index increased 8.9% in sterling and by 10.2% in US dollars. Fixed income markets were underpinned by the evolving monetary policies of the major central banks towards easier money and a re-ignition of quantitative easing in some regions. Declining global economic growth rates, the global trade dispute, growing geopolitical risks and uncertainties over Brexit combined to push bond markets higher. Global concerns regarding trade tensions between the US and China kept these perceived 'safe haven' assets particularly in favour, though all three regions experienced a spike in yields in mid-September upon President Trump's announcement that October tariff increases would be postponed. Multiple interest rate cuts from the Fed and accommodative rhetoric from the BoE and ECB also supported bond prices. The corporate debt market experienced a large number of new issues over the year: US\$434 billion worth of bonds were sold globally in September, a record figure (Barclays Global Aggregate Corporate Bond Index +11.8% in US dollar terms).



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

for the year ended 31 October 2019

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

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

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

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

for the year ended 31 October 2019

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited  
London  
28 February 2020

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

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 October 2019 and of the net revenue and the net capital gains on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson Strategic Investment Funds is an Open Ended Investment Company (OEIC) with four sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the balance sheets as at 31 October 2019; the statements of total return and the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; aggregated notes to the financial statements, which include a description of the significant account policies, and the notes to the financial statements.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the sub-funds' ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the funds' business and the wider economy.

### Reporting on other information

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

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

### Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's 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 Strategic Investment Funds (continued)

## Responsibilities for the financial statements and the audit

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

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

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

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

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

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

### Use of this report

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

## Other required reporting

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

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

### Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow

28 February 2020

## 1 Accounting policies

### (a) Basis of preparation

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

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

### (b) Basis of valuation of investments

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

The ACD has assigned the responsibility to review and approve fair value pricing decisions on a regular basis to the 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 and deposit interest are recognised on an accruals basis.

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

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

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

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

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

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

Where an Index Future or a Bond Future is deemed to be tracking the total return, including dividend/coupon yield, on an underlying instrument, a future bifurcation adjustment is manually calculated and transferred from capital to 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 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 each fund. The AMC is accrued on a daily basis by reference to the net asset value of each share class on that dealing day and the amount due for each month is payable on the last working day of the month.

## Aggregated notes to the financial statements (continued)

### 1 Accounting policies (continued)

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

##### General Administration Charge

All fees with the exception of the AMC, Depositary, professional fees, dividend collection charges and safe custody fees have been replaced by a single ad valorem charge, the General Administration Charge (GAC). The ACD believes that this creates more efficiency around the charging process than more traditional methods. The GAC is calculated as a percentage of the scheme property and the amount each share class in each fund will pay will depend on the costs attributable to each share class based on whether the class is a 'Retail' class or an 'Institutional' class. The GAC accrues on a daily basis and is payable to the ACD by each share class monthly.

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

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

##### (e) Exchange rates

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

##### (f) Taxation

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

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

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

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

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

##### (g) Cash flow statement

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

##### (h) Treatment of derivatives

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

##### Contracts for difference

Contracts for difference (CFD) are shown in the Portfolio statement at fair value and the net gains/(losses) are reflected within Derivative securities in Net capital gains/(losses) on investments. The margins paid on these contracts are included in the Amounts held at derivative clearing houses and brokers. Dividends receivable and payable on CFDs are recognised as either revenue or capital depending on the nature and circumstances of the dividends receivable. Dividends receivable or payable that are recognised as capital are included in Derivative securities in Net capital gains/(losses) on investments on an accruals basis. Dividends receivable that are recognised as revenue are included in the Revenue account on an accruals basis. Dividends payable on CFDs that are recognised as revenue are included in Interest payable and similar charges on an accruals basis.

##### 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.

##### Bond future and index 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.

##### Credit default index swaps

Open credit default swaps index (CDX) are shown in the Portfolio Statement at fair value and the net capital gains/(losses) are reflected within Derivative securities in Net capital gains/(losses) on investments. Premiums receivable or payable on CDX are included in the Revenue account on an accruals basis.

## Aggregated notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (h) Treatment of derivatives (continued)

##### Options contracts

Options contracts are shown in the Portfolio statement at fair value and the net gains/(losses) are reflected within Derivative securities in Net capital gains/(losses) on investments. Premiums receivable or payable on options are included within Derivative contracts in Net capital gains/(losses) on investments.

#### (i) Dilution adjustment

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

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

### 2 Distribution Policy

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

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

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

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

The policy for each fund is to make annual distributions (31 December) and interim (30 June) distributions to shareholders.

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 all funds.

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

### 3 Risk

In pursuing their investment objectives the funds hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the funds' operations. The funds may also enter into derivative transactions for the purposes of efficient portfolio management (EPM) and meeting the funds' investment objectives.

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

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

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

- Charles River system's Compliance module for investment restrictions monitoring;
- 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 development, the Janus Henderson Derivatives Risk and Compliance database.

## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

#### (a) Market risk

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

The investments of the funds are subject to normal market fluctuations and other risks inherent in investing in securities, collective investment schemes, money market instruments, cash and deposits and derivatives in pursuance of the investment objectives and policies. Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high.

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

Funds investing in smaller companies invest in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

The funds may use derivatives instruments for the purpose of efficient portfolio management and meeting the funds' objectives, in line with the risk profile of a fund. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The funds may engage various strategies in view of reducing certain of its risks and for attempting to enhance returns. These strategies may include the use of derivatives instruments such as forward transactions, options, warrants, swaps and/or futures. Such strategies carry a risk of underperformance and may be unsuccessful, incurring losses for the funds due to market conditions.

The global exposure of the funds is calculated by using the Value-at-Risk ("VaR") approach by reference to risk profiles. VaR is a mathematical-statistical concept and is commonly used as a standard measure of risk in the financial sector. The VaR approach is used, in general, for funds using derivative instruments or techniques within their investment strategies to generate additional leverage or market risk exposure.

For such funds, the maximum potential loss that a 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 relevant portfolio are taken into consideration including those undertaken for efficient portfolio management purposes. For the purpose of calculating global exposure by VaR either a relative VaR approach or absolute VaR approach can be used; the selection of relative or absolute VaR methodology is determined by the availability of a reference portfolio appropriate for the fund in meeting its investment objective.

VaR is calculated daily using a Monte Carlo simulation approach; as a control mechanism, Monte Carlo results are compared to the parametric model for validation purposes within the daily monitoring process. The following parameters are applied as 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. The total portfolio's positions shall not be greater than twice the VaR of the portfolio's reference portfolio. If it is unable or is not appropriate to determine a reference portfolio (e.g. absolute return type funds) on the sub-fund, an absolute VaR is calculated on all of the portfolio's positions which is not to exceed a regulatory maximum limit of 20%.

The level of leverage arising from the use of derivative instruments is disclosed in the individual funds' accounts as a percentage of the relevant fund's total Net Asset Value. The calculation is based on the sum of notional exposures of financial derivative instruments in the investment portfolio including those held for risk reduction purposes. Please note this level of leverage is explicitly not an investment limit for the fund and will vary over time under differing market conditions to ensure that each fund meet its investment objective.

Please refer to the individual funds' accounts for details of global exposure and leverage.

#### 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 the fund's assets and income may be denominated in currencies other than sterling (the fund's functional currency and the one in which it reports its results). As a result, movements in exchange rates may affect the sterling value of those items so the fund's total return and balance sheet can be significantly affected by currency fluctuations. This risk may be managed by the Investment Manager using hedging transactions in line with the fund's investment objective, powers and limits, though this will not eliminate the fund's currency risk.

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



## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

#### 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 funds' accounts for details of interest rate risk exposure.

#### Other price risk

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

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

An 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.

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

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 Credit Risk Forum are used for derivative and stock lending transactions, as detailed in the notes to individual funds' accounts.

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

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

#### (c) Liquidity risk

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

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

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

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

#### (d) Index Opportunities risk

Returns from investing in index enhancing opportunities may vary over time relative to the reference index. The Investment Managers do not, however, seek to take high levels of risk and investors should therefore expect the typical level of enhancement of returns to be low. The deduction of ongoing charges and transaction costs means the fund can be expected to underperform the reference index. Strategies aimed at enhancing returns depend on the Managers skill and decision-making; this therefore carries the risk of underperformance if unsuccessful decisions are made.

## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

#### Brexit Risk

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

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

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

#### 4 Cross-holdings

There were no cross-holdings within any of the funds of Janus Henderson Strategic Funds at the year end (2018: nil).

# Janus Henderson Institutional Asia Pacific ex Japan Index Opportunities Fund

## Authorised Corporate Director's (ACD) report

### Investment Fund Managers

Janus Henderson Multi Strategy Equities Team

### Investment objective and policy

The fund aims to deliver a return in excess of the FTSE customised Developed Asia Pacific ex Japan Index, the 'reference index', (or such other index as may from time to time replace it) before management fees, while carefully controlling deviation from the reference index.

The fund will invest primarily in shares of Asia Pacific ex Japan companies included in the reference index. The fund's holdings are principally selected to replicate the components of the reference index. The index will not be identically replicated and this can lead to differences in performance. There are no restrictions on the size of the companies in which the fund may invest.

In addition to seeking to reflect the index, the fund manager will make use of investment strategies aimed at enhancing returns. These seek to generate returns based on differences in the prices of securities issued by, or associated with, companies that form part of the reference index. They can include, but are not limited to, liquidity strategies (investing in 'blocks of stock' at discounted prices), and relative value strategies (taking advantage of differences between the prices of securities related to the same company).

Further details explaining the investment strategies are available on the fund's pages on our website ([www.janushenderson.com](http://www.janushenderson.com))

The fund may invest the Scheme Property in transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Derivatives and forward transactions may be used by the fund for investment purposes, in achieving the enhancements to the index return and for the purposes of efficient portfolio management.

### Performance summary

	31 Oct 18 - 31 Oct 19	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16	31 Oct 14 - 31 Oct 15
	%	%	%	%	%
<b>Class I accumulation</b>	13.7	(6.5)	15.5	40.2	(8.9)
<b>FTSE customised Developed Asia Pacific ex Japan Index*</b>	13.2	(6.6)	15.2	39.7	(8.8)
<b>IA Asia Pacific ex Japan Sector</b>	14.5	(9.9)	16.3	35.3	(4.9)

Source: BNP, Class I accumulation, gross of fees and gross income reinvested as at close of business.

\* Customised net dividends reinvested (Market Capitalisation weighted index of Australia, New Zealand, Hong Kong, Singapore, Taiwan and South Korea).

Benchmark values are at close of business.

Index: FTSE customised Developed Asia Pacific ex Japan Index

Index Usage: Target, Constraint & Comparator

Index description: The FTSE customised Developed Asia-Pacific ex Japan Index is a measure of the combined performance of large and medium sized companies from developed and advanced emerging Asia-Pacific stock markets excluding Japan. It constrains the fund's portfolio, is the performance target and provides a useful comparison against which the fund's performance can be assessed over time.

Peer group benchmark: IA Asia Pacific ex Japan Sector

Peer group benchmark usage: Comparator

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

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

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

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

### Significant portfolio changes for the year ended 31 October 2019

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Lenovo 3.375% 24/01/2024	311	Samsung Electronics	944
Mapletree Commercial Trust	304	Taiwan Semiconductor Manufacturing	939
Afterpay Touch	279	BHP	748
Dexus 2.30% 19/06/2026	278	AIA	602
Dexus Property REIT	269	Commonwealth Bank of Australia	466
Budweiser Brewing	263	CSL	429
Lenovo	260	Woolworths	414
Mapletree Industrial Trust	254	Westpac Banking	367
China Gas	254	Dexus Property REIT	360
Amcor	231	Goodman	323
<b>Total purchases</b>	<b>11,931</b>	<b>Total sales</b>	<b>21,304</b>

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

### Investment review

The fund returned 13.7% based on Class I accumulation over the year under review, compared with a return of 13.2% in the FTSE customised Developed Asia Pacific ex Japan Index and a return of 14.5% in the IA Asia Pacific ex Japan Sector peer group benchmark.

The index increased strongly early in 2019 as Asian stocks rallied, shaking off worries about the US/China trade war that plagued the region in 2018. However, Asian indices fell sharply in May, as the US increased the size and scope of its tariffs on Chinese goods. Stocks followed the ebb and flow of the tensions over the rest of the year – they resumed their upward course in June, as optimism returned before the G20 summit in Japan, dropped sharply in August, as the US and China traded new threats, and rose again in October on renewed hopes of a deal. Easier monetary policy in the region also supported equities, with the Philippines, Thailand and New Zealand all reducing rates in August, while Australia's central bank cut rates to a record low in October.

The trade tensions hurt China's economy, with gross domestic product (GDP) growth slowing to 6% year on year in the third quarter of 2019 – the weakest rise in almost 30 years – from 6.2% in the previous quarter. Annual inflation of 3% in September – the highest since October 2013 – was attributed, largely, to African swine fever, which pushed up pork prices, although it continued a trend of rising inflation that started in March. The yuan weakened significantly over the year, falling below the key RMB7/\$1 level in August, mainly because of the trade-related tensions, but strengthened in October on renewed deal hopes. The Shanghai Stock Exchange Composite Index made a strong start to 2019, reaching its peak around mid-April, but was sharply lower by early May because of the heightened tensions with the US, and traded in a narrower range over the rest of the year.

South Korea's Kospi Index made a promising start to 2019 yet dropped sharply in May because of the trade tensions and on news that the country's first-quarter GDP had shrunk by the steepest margin since December 2008. GDP returned to growth in the second quarter, rising by 1% quarter on quarter, although the rate of expansion slowed in the third quarter, to 0.4%. Inflation of -0.4% in September was the first time the country recorded deflation since records began in 1965, although the rate was unchanged in October. Stocks ended October little changed compared with a year earlier.

In Taiwan, the Taiex Index, like many of its Asian peers, started strongly in 2019 before dropping in May because of the trade tensions. But the index rebounded later in the year, rising by almost 5% in October – its biggest monthly increase since 2012 – as easing trade tensions spurred foreign investment in Taiwanese equities.

Hong Kong's Hang Seng Index gained in the early months of 2019 but, as with other Asian markets, weakened from May because of the trade war and as street protests, sparked by a proposed extradition bill, gathered momentum. The protests helped push Hong Kong's economy into technical recession, after GDP contracted in the second and third quarters.

New Zealand was among the best performers, as the domestic stock market topped an impressive year-to-date run with an all-time high in early September. A weak currency boosted major export companies. Australia's domestic market hit an all-time high in late July, bolstered by a strong performance in the technology sector. The September interest rate cut further supported the economy.

## Comparative tables for the year ended 31 October 2019

	Class I accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	281.04	304.09	265.42
Return before operating charges*	38.70	(20.50)	41.02
Operating charges	(2.49)	(2.55)	(2.35)
Return after operating charges*	36.21	(23.05)	38.67
Distributions on accumulation shares	(8.94)	(7.68)	(7.47)
Retained distributions on accumulation shares	8.94	7.68	7.47
Closing net asset value per share	317.25	281.04	304.09
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	12.88%	(7.58%)	14.57%
<b>Other information</b>			
Closing net asset value (£000s)	994	9,788	13,107
Closing number of shares	313,133	3,482,731	4,310,248
Operating charges	0.82%	0.84%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	333.48	315.16	307.38
Lowest share price (pence)	278.71	274.36	251.04

	Class Y accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	280.45	303.45	264.81
Return before operating charges*	38.72	(20.45)	40.99
Operating charges	(2.49)	(2.55)	(2.35)
Return after operating charges*	36.23	(23.00)	38.64
Distributions on accumulation shares	(9.03)	(7.66)	(7.45)
Retained distributions on accumulation shares	9.03	7.66	7.45
Closing net asset value per share	316.68	280.45	303.45
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	12.92%	(7.58%)	14.59%
<b>Other information</b>			
Closing net asset value (£000s)	18,247	19,626	24,916
Closing number of shares	5,761,862	6,997,929	8,211,085
Operating charges	0.82%	0.84%	0.83%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	332.78	314.49	306.74
Lowest share price (pence)	278.11	273.78	250.50

## Comparative tables (continued)

	Class Z accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	426.65	457.87	396.46
Return before operating charges*	58.68	(30.81)	61.75
Operating charges	(0.33)	(0.41)	(0.34)
Return after operating charges*	58.35	(31.22)	61.41
Distributions on accumulation shares	(16.88)	(15.04)	(14.06)
Retained distributions on accumulation shares	16.88	15.04	14.06
Closing net asset value per share	485.00	426.65	457.87
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	13.68%	(6.82%)	15.49%
<b>Other information</b>			
Closing net asset value (£000s)	103,280	91,097	112,495
Closing number of shares	21,294,942	21,351,759	24,568,898
Operating charges	0.07%	0.09%	0.08%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	508.70	477.62	463.08
Lowest share price (pence)	423.64	416.44	375.74

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

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

### Operating charges

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

### Share class launches and closures

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

## Ongoing charge figure

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

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
<b>Class I</b>	0.82	0.84
<b>Class Y</b>	0.82	0.84
<b>Class Z</b>	0.07	0.09

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



## Risk and reward profile

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



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

The 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 rating in the year.

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

## Portfolio statement as at 31 October 2019

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Equities 98.69% (2018: 99.20%)</b>			
<b>Australia 31.78% (2018: 32.05%)</b>			
<b>Basic Materials 4.40% (2018: 4.66%)</b>			
127,995	Alumina	155	0.13
141,017	BHP	2,689	2.18
26,175	Bluescope Steel	183	0.15
56,420	Evolution Mining	123	0.10
82,169	Fortescue Metals	389	0.32
25,171	Iluka Resources	126	0.10
77,704	Incitec Pivot	141	0.12
36,537	Newcrest Mining	607	0.49
30,370	Northern Star Resources	157	0.13
13,791	Nufarm	43	0.04
18,002	Orica	217	0.18
16,930	Oz Minerals	91	0.07
7,975	Sims Metal Management	39	0.03
235,272	South32	319	0.26
4,070	Washington H Soul Pattinson	47	0.04
39,524	Whitehaven Coal	69	0.06
		5,395	4.40
<b>Consumer Goods 0.37% (2018: 0.41%)</b>			
22,370	Coca-Cola Amatil	120	0.10
36,026	Treasury Wine Estates	336	0.27
		456	0.37
<b>Consumer Services 3.48% (2018: 3.50%)</b>			
30,199	Aristocrat Leisure	506	0.41
54,496	Coles	431	0.35
17,806	Crown Resorts	116	0.09
17,254	Domain	29	0.02
3,501	Domino's Pizza Enterprises	94	0.08
2,508	Flight Centre	56	0.05
33,733	Harvey Norman	73	0.06
3,175	IDP Education	30	0.02
40,240	Metcash	60	0.05
27,122	Qantas Airways	92	0.08
6,905	Seven	69	0.06
47,197	Star Entertainment	117	0.10
96,332	Tabcorp	246	0.20
54,330	Wesfarmers	1,148	0.94
60,539	Woolworths	1,199	0.97
		4,266	3.48

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Financials 14.10% (2018: 14.41%)</b>			
9,137	Afterpay Touch	140	0.11
156,360	AMP	152	0.12
137,362	Australia & New Zealand Banking	1,953	1.59
9,911	Australia Stock Exchange	432	0.35
16,908	Bank of Queensland	81	0.07
25,308	Bendigo & Adelaide Bank	143	0.12
28,004	Challenger	117	0.10
16,774	Charter Hall	100	0.08
85,910	Commonwealth Bank of Australia	3,591	2.94
45,331	Dexus Property REIT	286	0.23
84,830	Goodman	649	0.53
104,803	GPT REIT	331	0.27
111,521	Insurance Australia	465	0.38
20,385	IOOF	79	0.06
31,083	Lendlease	308	0.25
14,855	Macquarie REIT	1,057	0.86
7,251	Magellan Financial	185	0.15
126,344	Medibank	226	0.18
178,357	Mirvac	304	0.25
139,618	National Australia Bank	2,119	1.73
2,008	Perpetual	38	0.03
11,154	Platinum Asset Management	25	0.02
23	Prime AET&D <sup>1</sup>	-	-
63,906	QBE Insurance	425	0.35
30,740	SCA Property	44	0.04
265,604	Scentre	540	0.44
115,490	Stockland REIT	295	0.24
59,848	Suncorp	428	0.35
156,149	Vicinity Centre	222	0.18
168,779	Westpac Banking	2,531	2.08
		<u>17,266</u>	<u>14.10</u>
<b>Health Care 3.27% (2018: 2.90%)</b>			
7,577	Ansell	110	0.09
2,773	Cochlear	310	0.25
21,844	CSL	2,974	2.43
7,018	Ramsay Health Care	255	0.21
23,527	Sonic Healthcare	356	0.29
		<u>4,005</u>	<u>3.27</u>
<b>Industrials 3.17% (2018: 3.01%)</b>			
24,127	Adelaide Brighton	39	0.03
22,357	ALS	96	0.08
80,023	Amcor	592	0.48
33,080	Atlas Arteria	140	0.11
94,227	Aurizon	293	0.24
47,419	Boral	127	0.10
75,174	Brambles	477	0.39
28,465	Cleanaway Waste Management	28	0.02
22,245	Computershare	187	0.15

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Industrials (continued)</b>			
27,654	CSR	60	0.05
31,641	Downer EDI	135	0.11
53,139	Orora	87	0.07
65,837	Qube	113	0.09
17,116	Seek	205	0.17
55,304	Sydney Airport	257	0.21
133,550	Transurban	1,049	0.87
		<u>3,885</u>	<u>3.17</u>
<b>Oil &amp; Gas 1.74% (2018: 1.96%)</b>			
58,619	APA	361	0.29
61,184	Beach Energy	75	0.06
14,435	Caltex Australia	209	0.17
66,980	Oil Search	254	0.21
83,913	Santos	362	0.30
44,124	Woodside Petroleum	755	0.62
15,627	Worleyparsons	113	0.09
		<u>2,129</u>	<u>1.74</u>
<b>Technology 0.23% (2018: 0.06%)</b>			
3,962	Altium	68	0.06
3,059	WiseTech Global	43	0.03
4,642	Xero	169	0.14
		<u>280</u>	<u>0.23</u>
<b>Telecommunications 0.38% (2018: 0.45%)</b>			
200,450	Telstra	372	0.30
16,132	TPG Telecom	56	0.05
20,612	Vocus	36	0.03
		<u>464</u>	<u>0.38</u>
<b>Utilities 0.64% (2018: 0.69%)</b>			
32,467	AGL Energy	341	0.28
96,247	AusNet Services	95	0.08
82,468	Origin Energy	344	0.28
		<u>780</u>	<u>0.64</u>
<b>Belgium 0.15% (2018: 0.00%)</b>			
<b>Consumer Goods 0.15% (2018: 0.00%)</b>			
66,000	Budweiser Brewing	186	0.15
<b>Cambodia 0.09% (2018: 0.00%)</b>			
<b>Consumer Services 0.09% (2018: 0.00%)</b>			
80,000	NagaCorp	113	0.09
<b>China 1.49% (2018: 1.22%)</b>			
<b>Basic Materials 0.03% (2018: 0.04%)</b>			
72,000	MMG	12	0.01
190,000	Shougang Fushan Resources	30	0.02
		<u>42</u>	<u>0.03</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Goods 0.66% (2018: 0.58%)</b>			
123,000	China Mengniu Dairy	379	0.32
40,000	Minth	109	0.09
100,000	Tingyi	103	0.08
36,000	Topsports International	34	0.03
272,000	Want Want China	176	0.14
		<u>801</u>	<u>0.66</u>
<b>Consumer Services 0.13% (2018: 0.14%)</b>			
132,000	China Travel International	16	0.01
32,800	MGM China	40	0.03
129,500	Sun Art Retail	103	0.09
		<u>159</u>	<u>0.13</u>
<b>Financials 0.08% (2018: 0.09%)</b>			
166,000	Guotai Junan International	21	0.02
166,211	Haitong International Securities	37	0.03
290,400	Shui On Land	46	0.03
		<u>104</u>	<u>0.08</u>
<b>Health Care 0.01% (2018: 0.00%)</b>			
1,700	Ping An Healthcare and Technology	9	0.01
<b>Industrials 0.20% (2018: 0.22%)</b>			
32,000	AAC Technologies	161	0.13
12,400	BOC Aviation	90	0.07
		<u>251</u>	<u>0.20</u>
<b>Oil &amp; Gas 0.08% (2018: 0.04%)</b>			
212,023	Xinyi Solar	93	0.08
<b>Technology 0.30% (2018: 0.11%)</b>			
110,000	CMGE Technology	31	0.03
348,000	Lenovo	188	0.15
149,400	Semiconductor Manufacturing	147	0.12
		<u>366</u>	<u>0.30</u>
<b>France 0.03% (2018: 0.03%)</b>			
<b>Consumer Services 0.03% (2018: 0.03%)</b>			
22,500	L'Occitane International	39	0.03
<b>Hong Kong 15.43% (2018: 15.88%)</b>			
<b>Consumer Goods 0.98% (2018: 0.81%)</b>			
155,050	First Pacific	46	0.04
280,400	Li & Fung	24	0.02
49,000	Nexteer Automotive	35	0.03
72,600	Samsonite International	116	0.09
61,000	Techtronic Industries	369	0.30
42,000	Vitasoy International	132	0.11

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Goods</b> (continued)			
385,000	WH	315	0.26
120,000	Xinyi Glass	104	0.08
25,500	Yue Yuen Industrial	56	0.05
		1,197	0.98
<b>Consumer Services 1.55% (2018: 1.51%)</b>			
16,000	Café de Coral	34	0.03
32,000	Cathay Pacific Airways	32	0.03
56,800	Chow Tai Fook Jewellery	40	0.03
18,100	Dairy Farm International	84	0.07
110,000	Galaxy Entertainment	586	0.47
45,000	Melco International Development	93	0.08
64,415	MTR	286	0.23
122,000	Sands China	466	0.37
39,666	Shangri-La Asia	31	0.03
76,000	SJM	63	0.05
27,000	Television Broadcasts	34	0.03
91,200	Wynn Macau	153	0.13
		1,902	1.55
<b>Financials 9.39% (2018: 9.47%)</b>			
582,800	AIA	4,498	3.68
62,010	Bank of East Asia	115	0.09
168,000	BOC Hong Kong	446	0.36
105,000	Champion REIT	54	0.04
128,440	CK Asset	692	0.56
3,200	Dah Sing Financial	9	0.01
47,000	Hang Lung	91	0.07
106,000	Hang Lung Properties	180	0.15
33,800	Hang Seng Bank	546	0.45
59,173	Henderson Land Development	229	0.19
59,638	Hong Kong Exchanges & Clearing	1,439	1.17
59,900	Hongkong Land	255	0.21
28,162	Hysan Development	86	0.07
28,039	Kerry Properties	70	0.06
100,686	Link REIT	848	0.69
291,809	New World Development	323	0.26
138,638	Sino Land	160	0.13
67,689	Sun Hung Kai Properties	792	0.65
45,700	Swire Properties	111	0.09
67,721	Wharf	119	0.10
56,721	Wharf Real Estate Investment	258	0.21
39,000	Wheelock	186	0.15
		11,507	9.39

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Industrials 1.64% (2018: 2.08%)</b>			
125,940	CK Hutchison	901	0.73
269,600	Hutchinson Port	32	0.03
10,000	Jardine Matheson	441	0.36
7,200	Jardine Strategic	179	0.15
25,750	Johnson Electric	36	0.03
33,519	Kerry Logistics Network	41	0.03
76,607	NWS	88	0.07
255,000	Swire Pacific 'B'	290	0.24
		<u>2,008</u>	<u>1.64</u>
<b>Oil &amp; Gas 0.05% (2018: 0.03%)</b>			
234,000	Brightoil Petroleum <sup>1</sup>	-	-
398,000	United Energy	62	0.05
		<u>62</u>	<u>0.05</u>
<b>Technology 0.19% (2018: 0.16%)</b>			
15,700	ASM Pacific Technology	170	0.14
9,500	Vtech	64	0.05
		<u>234</u>	<u>0.19</u>
<b>Telecommunications 0.09% (2018: 0.09%)</b>			
254,000	PCCW	116	0.09
		<u>116</u>	<u>0.09</u>
<b>Utilities 1.53% (2018: 1.73%)</b>			
34,000	CK Infrastructure	189	0.15
77,000	CLP	618	0.50
455,820	Hong Kong & China Gas	684	0.56
70,500	Power Assets	389	0.32
710	Towngas China <sup>2</sup>	-	-
		<u>1,880</u>	<u>1.53</u>
<b>Ireland 0.24% (2018: 0.22%)</b>			
<b>Industrials 0.24% (2018: 0.22%)</b>			
22,452	James Hardie Industries	296	0.24
		<u>296</u>	<u>0.24</u>
<b>Italy 0.04% (2018: 0.08%)</b>			
<b>Consumer Goods 0.04% (2018: 0.08%)</b>			
18,200	Prada	48	0.04
		<u>48</u>	<u>0.04</u>
<b>Malaysia 0.12% (2018: 0.14%)</b>			
<b>Consumer Services 0.12% (2018: 0.14%)</b>			
271,800	Genting International	145	0.12
		<u>145</u>	<u>0.12</u>
<b>New Zealand 1.35% (2018: 1.25%)</b>			
<b>Consumer Services 0.09% (2018: 0.07%)</b>			
26,103	Air New Zealand	37	0.03
39,391	Skycity Entertainment	74	0.06
		<u>111</u>	<u>0.09</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Financials 0.06% (2018: 0.05%)</b>		
91,510	Kiwi Property	72	0.06
	<b>Health Care 0.51% (2018: 0.46%)</b>		
39,065	a2 Milk	250	0.20
29,393	Fisher & Paykel Healthcare	278	0.23
15,558	Ryman Healthcare	98	0.08
		<u>626</u>	<u>0.51</u>
	<b>Industrials 0.26% (2018: 0.27%)</b>		
51,403	Auckland International Airport	233	0.19
38,229	Fletcher Building	87	0.07
		<u>320</u>	<u>0.26</u>
	<b>Telecommunications 0.16% (2018: 0.18%)</b>		
90,626	Spark New Zealand	199	0.16
	<b>Utilities 0.27% (2018: 0.22%)</b>		
35,898	Contact Energy	131	0.11
18,288	Mercury NZ	42	0.03
69,950	Meridian Energy	159	0.13
		<u>332</u>	<u>0.27</u>
	<b>Philippines 0.01% (2018: 0.00%)</b>		
	<b>Consumer Services 0.01% (2018: 0.00%)</b>		
59,700	AllHome	10	0.01
	<b>Singapore 6.09% (2018: 5.70%)</b>		
	<b>Consumer Goods 0.22% (2018: 0.20%)</b>		
432,700	Golden Agri-Resources	50	0.04
100,900	Wilmar International	215	0.18
		<u>265</u>	<u>0.22</u>
	<b>Consumer Services 0.35% (2018: 0.43%)</b>		
97,800	ComfortDelGro	127	0.10
5,288	Jardine Cycle & Carriage	98	0.08
18,100	Singapore Airlines	97	0.08
85,200	Singapore Press	107	0.09
		<u>429</u>	<u>0.35</u>
	<b>Financials 4.34% (2018: 3.77%)</b>		
125,600	Ascendas REIT	225	0.18
120,055	CapitaLand Commercial Trust REIT	139	0.11
119,200	CapitaLand Mall Trust REIT	172	0.14
109,600	CapitaLand REIT	223	0.18
24,100	City Developments	148	0.12
86,635	DBS	1,280	1.04
104,500	Keppel REIT	72	0.06
210,400	Mapletree Commercial Trust	277	0.23
3,947	Mapletree Commercial Trust Rights <sup>2</sup>	-	-



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Financials (continued)</b>		
70,334	Mapletree Industrial Trust	101	0.08
188,034	Mapletree Logistics Trust	179	0.15
111,200	Mapletree North Asia Commercial Trust	81	0.07
166,798	Oversea-Chinese Banking	1,039	0.85
43,200	Singapore Exchange	219	0.18
108,700	Suntec REIT	114	0.09
61,721	United Overseas Bank	940	0.77
25,148	UOL	111	0.09
		<u>5,320</u>	<u>4.34</u>
	<b>Industrials 0.36% (2018: 0.38%)</b>		
27,200	SATS	78	0.06
93,000	Singapore Post	51	0.04
80,400	Singapore Technologies Engineering	181	0.15
14,900	Venture	134	0.11
		<u>444</u>	<u>0.36</u>
	<b>Oil &amp; Gas 0.25% (2018: 0.24%)</b>		
68,400	Keppel	266	0.21
59,000	Sembcorp Marine	46	0.04
		<u>312</u>	<u>0.25</u>
	<b>Telecommunications 0.53% (2018: 0.64%)</b>		
339,800	Singapore Telecommunications	637	0.52
15,450	Starhub	11	0.01
		<u>648</u>	<u>0.53</u>
	<b>Utilities 0.04% (2018: 0.04%)</b>		
33,900	Sembcorp Industries	44	0.04
	<b>South Korea 20.69% (2018: 22.29%)</b>		
	<b>Basic Materials 1.19% (2018: 1.61%)</b>		
4,027	Hanwha Chemical	44	0.04
3,622	Hyundai Steel	76	0.06
582	Korea Zinc	168	0.14
1,312	Kumho Petrochemical	61	0.05
2,174	LG Chem	443	0.36
208	LG Chem Preference Shares	24	0.02
767	Lotte Chemical	116	0.09
1,366	LOTTE Fine Chemical	40	0.03
1,064	OCI	44	0.04
3,157	POSCO	444	0.36
		<u>1,460</u>	<u>1.19</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Goods 10.25% (2018: 10.18%)</b>			
1,217	Amorepacific 'A'	68	0.06
1,641	Amorepacific 'B'	209	0.17
47	Amorepacific Preference Shares	3	-
841	CJ	46	0.04
394	CJ Cheiljedang	60	0.05
2,308	Dongsuh	27	0.02
3,803	Hankook Tire & Technology	78	0.06
759	Hanssem	32	0.03
3,045	Hyundai Mobis	481	0.39
7,076	Hyundai Motor	571	0.47
568	Hyundai Motor Preference Shares	28	0.02
1,656	Hyundai Motor Preference 2nd Shares	87	0.07
1,263	Hyundai Wia	43	0.04
12,379	Kia Motors	349	0.29
5,251	KT&G	349	0.28
5,723	LG Electronics	254	0.21
408	LG Household & Health Care	342	0.28
89	LG Household & Health Care Preference Shares	44	0.04
1,534	Lotte	37	0.03
280	Lotte Chilsung Beverage	25	0.02
2,210	Mando	52	0.04
689	NCsoft	236	0.19
831	Netmarble Games	50	0.04
519	NHN Entertainment	20	0.02
134	NongShim	21	0.02
1,092	Orion	77	0.06
108	Ottogi	41	0.03
227,795	Samsung Electronics	7,627	6.23
39,853	Samsung Electronics Preference Shares	1,086	0.89
3,286	Woongjin Coway	200	0.16
		<u>12,543</u>	<u>10.25</u>
<b>Consumer Services 0.58% (2018: 0.69%)</b>			
262	BGF Retail	31	0.03
2,718	Cheil Worldwide	45	0.04
538	CJ ENM	59	0.05
1,118	E-Mart	82	0.07
2,767	Fila Korea	106	0.08
290	GS Retail	7	0.01
1,512	Hotel Shilla	78	0.06
798	Hyundai Department Store	39	0.03
4,871	Kangwon Land	101	0.08
3,089	Korean Airlines	51	0.04
506	Lotte Shopping	42	0.03
441	Shinsegae	69	0.06
		<u>710</u>	<u>0.58</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Financials 2.25% (2018: 2.97%)</b>			
20,535	BNK Financial	95	0.08
2,423	DB Insurance	81	0.07
7,954	DGB Financial	37	0.03
14,075	Hana Financial	315	0.26
12,240	Hanwha Life Insurance	18	0.01
1,977	Hyundai Marine & Fire Insurance	33	0.03
12,021	Industrial Bank of Korea	94	0.08
18,583	KB Financial	518	0.42
1,966	Korea Investment	89	0.07
22,502	Mirae Asset Daewoo	107	0.09
3,531	NH Investment & Securities	28	0.02
2,380	Samsung Card	53	0.04
1,586	Samsung Fire & Marine Insurance	228	0.19
3,735	Samsung Life Insurance	175	0.14
2,010	Samsung Securities	45	0.04
21,743	Shinhan Financial	613	0.50
28,774	Woori Financial	225	0.18
		<u>2,754</u>	<u>2.25</u>
<b>Health Care 1.13% (2018: 1.06%)</b>			
4,718	Celltrion	627	0.50
2,631	Celltrion Healthcare	96	0.08
373	Hanmi Pharm	83	0.07
796	Hanmi Science	23	0.02
968	Helixmith	62	0.05
1,870	HLB	209	0.17
217	Medy-Tox	48	0.04
595	Samsung BioLogics	157	0.13
2,901	SillaJen	37	0.03
325	Yuhan	48	0.04
		<u>1,390</u>	<u>1.13</u>
<b>Industrials 2.04% (2018: 2.32%)</b>			
335	CJ Logistics	35	0.03
1,193	Daelim Industrial	72	0.06
7,445	Daewoo Engineering & Construction	22	0.02
2,527	Daewoo Shipbuilding & Marine Engineering	47	0.04
153	Doosan	8	0.01
512	Doosan Fuel Cell	3	-
1,910	Doosan Infracore	7	0.01
282	Doosan Solus	3	-
3,303	GS Engineering & Construction	68	0.06
1,537	Hanwha	24	0.02
1,837	Hanwha Aerospace	46	0.04
1,550	HDC	12	0.01
2,165	HDC Hyundai Development	44	0.04
640	Hyundai Construction Equipment	12	0.01
3,362	Hyundai Engineering & Construction	96	0.08
938	Hyundai Glovis	94	0.08
1,530	Hyundai Mipo Dockyard	44	0.04
522	Hyundai Robotics	118	0.10

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Industrials (continued)</b>			
247	KCC	37	0.03
1,873	KEPCO Plant Service & Engineering	40	0.03
1,894	Korea Aerospace Industries	48	0.04
2,255	Korea Shipbuilding & Offshore Engineering	183	0.15
4,938	LG	227	0.18
1,013	LS	33	0.03
1,101	POSCO Chemical	35	0.03
1,070	POSCO International	13	0.01
3,714	Samsung C&T	247	0.19
2,523	Samsung Electro-Mechanics	189	0.14
7,538	Samsung Engineering	89	0.07
22,293	Samsung Heavy Industries	107	0.09
2,466	Samsung SDI	373	0.30
11,660	SK Networks	45	0.04
1,205	S-1	75	0.06
		2,496	2.04
<b>Oil &amp; Gas 0.43% (2018: 0.64%)</b>			
6,115	Doosan Heavy Industries & Construction	25	0.02
2,208	GS	73	0.06
2,700	SK Innovation	286	0.23
2,174	S-Oil	144	0.12
		528	0.43
<b>Technology 2.41% (2018: 2.30%)</b>			
2,368	Kakao	223	0.18
12,054	LG Display	109	0.09
6,692	Naver	729	0.59
1,643	Samsung SDS	220	0.18
1,812	SK	311	0.25
24,928	SK Hynix	1,356	1.12
		2,948	2.41
<b>Telecommunications 0.22% (2018: 0.26%)</b>			
11,236	LG Uplus	100	0.08
1,107	SK Telecom	174	0.14
		274	0.22
<b>Utilities 0.20% (2018: 0.26%)</b>			
12,885	Korea Electric Power	218	0.18
955	Korea Gas	25	0.02
		243	0.20
<b>Spain 0.07% (2018: 0.10%)</b>			
<b>Industrials 0.07% (2018: 0.10%)</b>			
4,808	CIMIC	84	0.07

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Taiwan 20.24% (2018: 19.34%)</b>			
<b>Basic Materials 1.57% (2018: 1.90%)</b>			
610,688	China Steel	364	0.30
57,298	Eternal Materials	38	0.03
180,430	Formosa Chemicals & Fibre	406	0.33
225,593	Formosa Plastics	559	0.46
287,593	Nan Ya Plastics	525	0.43
24,000	Taiwan Fertilizer	30	0.02
		1,922	1.57
<b>Consumer Goods 1.54% (2018: 1.42%)</b>			
111,477	Cheng Shin Rubber Industry	135	0.11
10,650	Eclat Textile	111	0.09
205,269	Far Eastern New Century	154	0.13
18,304	Feng Tay Enterprise	96	0.08
57,000	Formosa Taffeta	50	0.04
16,721	Giant Manufacturing	96	0.08
5,000	Largan Precision	568	0.46
115,571	Pou Chen	119	0.10
91,000	Teco Electric and Machinery	62	0.05
62,348	Uni-President China	50	0.04
214,760	Uni-President Enterprises	410	0.33
69,846	Yulon Motor	34	0.03
		1,885	1.54
<b>Consumer Services 0.39% (2018: 0.29%)</b>			
136,661	China Airlines	31	0.03
130,268	EVA Airways	47	0.04
16,000	Hotai Motor	218	0.17
23,996	President Chain Store	185	0.15
		481	0.39
<b>Financials 3.73% (2018: 3.52%)</b>			
365,932	Cathay Financial REIT	374	0.31
64,890	Chailease	227	0.18
337,240	Chang Hwa Commercial Bank	203	0.17
571,963	China Development Financial	138	0.11
180,003	China Life Insurance	114	0.09
919,418	CTBC Financial	495	0.41
537,356	E.Sun Financial	376	0.31
86,226	Far Eastern International Bank	26	0.02
435,294	First Financial	246	0.20
372,295	Fubon Financial	421	0.34
512,341	Hua Nan Financial	285	0.23
499,398	Mega Financial	378	0.31
137,000	Shanghai Commercial & Savings Bank	182	0.15
574,461	Shin Kong Financial	140	0.11
546,023	SinoPac Financial	173	0.14
481,986	Taishin Financial	173	0.14

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Financials (continued)</b>		
174,340	Taiwan Business Bank	57	0.05
508,254	Taiwan Cooperative Financial	270	0.22
597,439	Yuanta Financial	289	0.24
		4,567	3.73
	<b>Health Care 0.02% (2018: 0.02%)</b>		
8,519	OBI Pharma	29	0.02
	<b>Industrials 2.37% (2018: 2.55%)</b>		
97,872	Asia Cement	107	0.09
29,225	Catcher Technology	191	0.16
100,146	Delta Electronics	341	0.28
40,753	Evergreen Marine	13	0.01
66,444	Foxconn Technology	110	0.09
571,036	Hon Hai Precision Industry	1,169	0.95
116,722	Lite-On Technology	148	0.12
242,292	Taiwan Cement	249	0.20
89,763	Taiwan Glass Industry	26	0.02
108,000	Taiwan High Speed Rail	99	0.08
18,495	Taiwan Secom	41	0.03
37,293	Unimicron Technology	45	0.04
200,000	Walsin Lihwa	75	0.06
26,000	Walsin Technology	121	0.10
21,000	Yageo	167	0.14
		2,902	2.37
	<b>Oil &amp; Gas 0.13% (2018: 0.21%)</b>		
66,304	Formosa Petrochemical	163	0.13
	<b>Technology 9.77% (2018: 8.64%)</b>		
131,229	Acer	59	0.05
17,578	Advantech	134	0.11
168,237	ASE Technology	339	0.28
29,001	Asustek Computer	152	0.12
377,034	AU Optronics	75	0.06
31,204	Chicony Electronics	75	0.06
233,802	Compal Electronics	108	0.09
18,000	Epistar	14	0.01
153,000	FIH Mobile	17	0.01
10,000	GlobalWafers	93	0.08
57,842	HTC	54	0.04
490,796	Innolux	84	0.07
165,245	Inventec	93	0.08
70,846	MediaTek	732	0.60
46,426	Nanya Technology	83	0.07
31,473	Novatek Microelectronics	157	0.13
91,747	Pegatron	138	0.11
138,687	Quanta Computer	206	0.17
29,440	Realtek Semiconductor	169	0.14

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Technology</b> (continued)		
57,716	Synnex Technology	53	0.04
1,163,954	Taiwan Semiconductor Manufacturing	8,805	7.19
18,001	Transcend Information	30	0.02
458,938	United Microelectronics	163	0.13
20,000	Vanguard International Semiconductor	33	0.03
145,090	Wistron	103	0.08
		<u>11,969</u>	<u>9.77</u>
	<b>Telecommunications 0.72% (2018: 0.79%)</b>		
177,031	Chunghwa Telecom	504	0.41
71,432	Far Eastone Telecommunications	132	0.11
84,356	Taiwan Mobile	243	0.20
		<u>879</u>	<u>0.72</u>
	<b>United Kingdom 0.70% (2018: 0.76%)</b>		
	<b>Basic Materials 0.70% (2018: 0.76%)</b>		
17,833	Rio Tinto	859	0.70
	<b>United States 0.17% (2018: 0.14%)</b>		
	<b>Consumer Goods 0.04% (2018: 0.04%)</b>		
5,930	Hanon Systems	46	0.04
	<b>Financials 0.13% (2018: 0.10%)</b>		
10,600	ESR Cayman	18	0.01
2,454	REA	140	0.12
		<u>158</u>	<u>0.13</u>
	<b>Bonds 0.22% (2018: 0.00%)</b>		
	<b>Australia 0.22% (2018: 0.00%)</b>		
	<b>Fixed Rate Bond 0.22% (2018: 0.00%)</b>		
AUD 500,000	Dexus 2.30% 19/06/2026	273	0.22
	<b>Derivatives (0.11%) (2018: (0.04%))</b>		
	<b>Futures (0.01%) (2018: (0.04%))</b>		
3	HKG Hang Seng Index November 2019 <sup>2</sup>	-	-
9	KFE KOSPI2 Index December 2019	(3)	-
(6)	SFE Australian 3 year Bond December 2019	(1)	-
7	SFE SPI 200 Index December 2019	(6)	(0.01)
(5)	SGX MSCI Singapore Index November 2019	(1)	-
12	SGX MSCI Taiwan Index November 2019 <sup>2</sup>	-	-
		<u>(11)</u>	<u>(0.01)</u>
	<b>Contracts for Difference (0.11%) (2018: 0.00%)<sup>3</sup></b>		
	<b>Cross Currency Contracts for Difference (0.03%) (2018: 0.04%)<sup>3</sup></b>		
27,750	BHP (UK)	(43)	(0.03)
	<b>Equity Contracts for Difference (0.08%) (2018: (0.04%))<sup>3</sup></b>		
(24,155)	BHP (Australia)	(97)	(0.08)
(7,500)	Swire Pacific <sup>2</sup>	-	-
		<u>(97)</u>	<u>(0.08)</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts 0.01% (2018: 0.00%)<sup>3</sup></b>			
	Buy AUD 210,750 : Sell USD 142,303 November 2019	2	-
	Buy AUD 588,760 : Sell USD 400,000 November 2019	5	-
	Buy HKD 1,000,000 : Sell USD 127,527 November 2019 <sup>2</sup>	-	-
	Buy HKD 1,059,250 : Sell USD 135,199 November 2019 <sup>2</sup>	-	-
	Buy HKD 634,250 : Sell USD 80,884 November 2019 <sup>2</sup>	-	-
	Buy KRW 744,250,000 : Sell USD 625,000 November 2019	10	0.01
	Buy SGD 107,250 : Sell USD 78,817 November 2019 <sup>2</sup>	-	-
	Buy SGD 142,750 : Sell USD 103,729 November 2019	1	-
	Buy SGD 179,500 : Sell USD 130,152 November 2019	1	-
	Buy TWD 76,493,120 : Sell USD 2,480,000 November 2019	29	0.02
	Buy TWD 9,500,000 : Sell USD 307,245 November 2019	4	-
	Buy USD 145,000 : Sell KRW 172,187,500 November 2019	(2)	-
	Buy USD 179,304 : Sell AUD 265,250 November 2019	(3)	-
	Buy USD 234,084 : Sell SGD 322,250 November 2019	(2)	-
	Buy USD 2,350,000 : Sell TWD 72,380,000 November 2019	(25)	(0.02)
	Buy USD 269,924 : Sell SGD 368,500 November 2019	(1)	-
	Buy USD 367,004 : Sell HKD 2,874,250 November 2019 <sup>2</sup>	-	-
	Buy USD 40,000 : Sell TWD 1,229,400 November 2019 <sup>2</sup>	-	-
	Buy USD 55,299 : Sell HKD 433,500 November 2019 <sup>2</sup>	-	-
	Buy USD 70,000 : Sell KRW 83,818,000 November 2019	(1)	-
		<u>18</u>	<u>0.01</u>
	<b>Investment assets including investment liabilities</b>	<b>121,046</b>	<b>98.80</b>
	Other net assets	1,475	1.20
	<b>Total net assets</b>	<b>122,521</b>	<b>100.00</b>

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

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

<sup>3</sup> Unquoted securities

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



## Statement of total return for the year ended 31 October 2019

	Note	2019		2018	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		11,777		(13,952)
Revenue	3	4,922		4,893	
Expenses	4	(283)		(372)	
Interest payable and similar charges	5	(32)		(22)	
Net revenue before taxation		4,607		4,499	
Taxation	6	(98)		(229)	
Net revenue after taxation			4,509		4,270
Total return before distributions			16,286		(9,682)
Distributions	7		(4,509)		(4,270)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>11,777</b>		<b>(13,952)</b>

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

	2019		2018	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>120,511</b>		<b>150,518</b>
Amounts receivable on issue of shares	3,971		22,423	
Amounts payable on cancellation of shares	(18,106)		(42,814)	
		(14,135)		(20,391)
Dilution adjustment		86		218
Change in net assets attributable to shareholders from investment activities		11,777		(13,952)
Retained distributions on accumulation shares		4,282		4,118
<b>Closing net assets attributable to shareholders</b>		<b>122,521</b>		<b>120,511</b>

**Balance sheet** as at 31 October 2019

	Note	2019 £000	2018 £000
<b>Assets:</b>			
Investments		121,231	119,619
Current assets:			
Debtors	8	79	199
Cash and bank balances	9	4,221	2,243
<b>Total assets</b>		<b>125,531</b>	<b>122,061</b>
<b>Liabilities:</b>			
Investment liabilities		185	122
Creditors:			
Amounts held at derivative clearing houses and brokers		1	2
Bank overdrafts		2,551	1,272
Other creditors	10	273	154
<b>Total liabilities</b>		<b>3,010</b>	<b>1,550</b>
<b>Net assets attributable to shareholders</b>		<b>122,521</b>	<b>120,511</b>

## Notes to the financial statements for the year ended 31 October 2019

### 1 Accounting policies

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

### 2 Net capital gains/(losses)

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Derivative securities	324	(36)
Forward currency contracts	(92)	(678)
Non-derivative securities	11,467	(13,718)
Other currency gains	86	506
Transaction costs	(8)	(26)
<b>Net capital gains/(losses)</b>	<b>11,777</b>	<b>(13,952)</b>

### 3 Revenue

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Bank interest	18	11
Derivative revenue	29	21
Interest on debt securities	2	-
Interest on margin	8	2
Overseas dividends	4,672	4,584
Overseas REIT revenue	69	70
Stock dividends	113	193
Stock lending revenue	11	12
<b>Total revenue</b>	<b>4,922</b>	<b>4,893</b>

### 4 Expenses

	<b>2019</b>	<b>2018</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	206	268
GAC*	25	28
	<u>231</u>	<u>296</u>

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

Depositary fees	10	10
Safe custody fees	39	56
	<u>49</u>	<u>66</u>

#### **Other expenses:**

Professional fees	3	10
	<u>3</u>	<u>10</u>

#### **Total expenses**

	<u><b>283</b></u>	<u><b>372</b></u>
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Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £10,317 (2018: £10,017).

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2019 £000	2018 £000
Interest payable	4	2
Dividends payable on CFD contracts	28	20
<b>Total interest payable and similar charges</b>	<b>32</b>	<b>22</b>

### 6 Taxation

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

The tax charge comprises:

	2019 £000	2018 £000
<b>Current tax</b>		
Overseas withholding tax	98	229
<b>Total tax (note 6b)</b>	<b>98</b>	<b>229</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% (2018: 20%). The differences are explained below:

	2019 £000	2018 £000
Net revenue before taxation	4,607	4,499
Corporation tax at 20% (2018: 20%)	921	900
Effects of:		
Expensed double tax relief	-	(2)
Irrecoverable overseas tax	98	229
Overseas dividends	(893)	(910)
Stock dividends*	(22)	(39)
Unused management expenses	(6)	51
<b>Tax charge for the year (note 6a)</b>	<b>98</b>	<b>229</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 (2018: nil).

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

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £69,576 (2018: £75,650) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

## Notes to the financial statements (continued)

### 7 Distributions

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Interim accumulation	1,699	1,556
Final accumulation	2,583	2,562
	<u>4,282</u>	<u>4,118</u>
Amounts deducted on cancellation of shares	243	271
Amounts received on issue of shares	(16)	(119)
<b>Total distributions</b>	<b><u>4,509</u></b>	<b><u>4,270</u></b>

Details of the distribution per share are set out in the Distribution tables on page 49.

### 8 Debtors

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Accrued revenue	73	103
Amounts receivable for issue of shares	-	96
Sales awaiting settlement	6	-
<b>Total debtors</b>	<b><u>79</u></b>	<b><u>199</u></b>

### 9 Cash and bank balances

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Amounts held at derivative clearing houses and brokers	505	349
Cash and bank balances	3,716	1,894
<b>Total cash and bank balances</b>	<b><u>4,221</u></b>	<b><u>2,243</u></b>

### 10 Other creditors

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Accrued annual management charge	12	19
Accrued Depositary's fee	1	1
Accrued other expenses	7	49
Amounts payable for cancellation of shares	181	38
Purchases awaiting settlement	72	47
<b>Total other creditors</b>	<b><u>273</u></b>	<b><u>154</u></b>

## Notes to the financial statements (continued)

### 11 Contingent assets, liabilities and commitments

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

The outstanding commitments at the balance sheet date are as follows:

	2019 £000	2018 £000
Mapletree Commercial Trust Rights	5	-
<b>Total commitments</b>	<b>5</b>	<b>-</b>

### 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 37 and 38 and notes 4, 7, 8 and 10 on pages 39 to 41 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

HSBC Global Custody Nominee (UK) Ltd. as a material shareholder, is a related party holding shares comprising 83.08% of the total net assets of the fund as at the year end (2018: 75.22%).

### 13 Shareholders' funds

The fund currently has 3 share classes available; Class Y (Institutional), Class I (Institutional) and Class Z. The annual management charge on each share class is as follows:

	2019 %	2018 %
Class I	0.75	0.75
Class Y	0.75	0.75
Class Z*	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the comparative tables on pages 18 to 19. The distribution per share class is given in the Distribution tables on page 49. All share classes have the same rights on winding up.

**Shares reconciliation** as at 31 October 2019

	Class I accumulation	Class Y accumulation	Class Z accumulation
Opening number of shares	3,482,731	6,997,929	21,351,759
Issues during the year	-	43,482	889,115
Cancellations during the year	(3,169,598)	(1,279,549)	(945,932)
<b>Closing shares in issue</b>	<b>313,133</b>	<b>5,761,862</b>	<b>21,294,942</b>

## Notes to the financial statements (continued)

### 14 Financial derivatives

The fund may use financial derivatives for the purposes of hedging and meeting the investment objectives of the fund, including risk reduction and implementation of investment policies.

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 October 2019 (2018: nil).

#### 2019

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

Counterparty	Forward foreign exchange contracts £000	Total by counterparty £000
Citigroup	31	31
Goldman Sachs	10	10
JP Morgan	7	7
Merril Lynch	4	4
	<b>52</b>	<b>52</b>

#### 2018

At 31 October 2018 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
Citigroup	-	8	-	8
Credit Suisse	51	-	-	51
Goldman Sachs	-	13	-	13
UBS	-	3	2	5
	<b>51</b>	<b>24</b>	<b>2</b>	<b>77</b>

### 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 for the purposes of efficient portfolio management and 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.

## Notes to the financial statements (continued)

### 15 Stock lending (continued) 2019

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of Nova Scotia	56	62	Equity
Citigroup	69	77	Equity
HSBC	855	951	Equity
JP Morgan	637	708	Equity
Merrill Lynch	1,437	1,598	Equity
Morgan Stanley	184	193	Government Bond
	<b>3,238</b>	<b>3,589</b>	

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	13	2	11

### 2018

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Deutsche Bank	163	182	Equity
Goldman Sachs	60	69	Government Bond
HSBC	191	213	Equity
Merrill Lynch	59	66	Equity
Société Générale	344	382	Equity
	<b>817</b>	<b>912</b>	

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	14	2	12



## Notes to the financial statements (continued)

### 16 Risk

#### Currency risk

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

	Investment assets including investment liabilities £000	Other net assets/ (liabilities) £000	Total net assets/ (liabilities) £000
<b>2019</b>			
<b>Currency</b>			
Australian dollar	40,716	336	41,052
Hong Kong dollar	20,148	329	20,477
Korean won	25,712	139	25,851
New Zealand dollar	1,660	4	1,664
Philippine peso	10	1	11
Singapore dollar	7,458	91	7,549
Taiwan dollar	25,045	189	25,234
UK sterling	-	(8)	(8)
US dollar	297	394	691
<b>Total</b>	<b>121,046</b>	<b>1,475</b>	<b>122,521</b>

	Investment assets including investment liabilities £000	Other net assets/ (liabilities) £000	Total net assets/ (liabilities) £000
<b>2018</b>			
<b>Currency</b>			
Australian dollar	40,059	299	40,358
Euro	-	2	2
Hong Kong dollar	19,537	208	19,745
Korean won	27,049	135	27,184
New Zealand dollar	1,500	11	1,511
Singapore dollar	7,066	(30)	7,036
Taiwan dollar	23,438	61	23,499
UK sterling	(60)	45	(15)
US dollar	908	283	1,191
<b>Total</b>	<b>119,497</b>	<b>1,014</b>	<b>120,511</b>

#### Interest rate risk

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

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Sensitivity analysis

##### Global exposure

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

#### VaR Results

	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2019	98.89	106.33	100.26	200.00	49.45	53.17	50.13
2018	94.14	105.39	100.14	200.00	47.07	52.70	50.07

Global exposure calculation basis: Relative VaR

Reference portfolio: FTSE customised Developed Asia Pacific ex Japan Index

#### Leverage

	Minimum	Maximum	Average
	%	%	%
2019	4.16	21.77	8.54
2018	2.98	41.31	7.79

#### 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	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
<b>2019</b>				
Amounts held at derivatives clearing houses and brokers	1	-	-	-
Bank overdrafts	2,551	-	-	-
Derivative financial liabilities	-	45	-	140
Other creditors	-	273	-	-
<b>Total</b>	<b>2,552</b>	<b>318</b>	<b>-</b>	<b>140</b>
<b>2018</b>				
Amounts held at derivatives clearing houses and brokers	2	-	-	-
Bank overdrafts	1,272	-	-	-
Derivative financial liabilities	-	68	54	-
Other creditors	-	154	-	-
<b>Total</b>	<b>1,274</b>	<b>222</b>	<b>54</b>	<b>-</b>

## Notes to the financial statements (continued)

### 17 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	120,906	11	119,544	44
Level 2	325	174	75	78
Level 3	-	-	-	-
	<b>121,231</b>	<b>185</b>	<b>119,619</b>	<b>122</b>

### 18 Direct transaction costs

	Purchases		Sales	
	2019 £000	2018 £000	2019 £000	2018 £000
<b>Trades in the year</b>				
Debt securities	1,114	714	849	723
Equities	10,800	25,725	20,488	40,369
<b>Trades in the year before transaction costs</b>	<b>11,914</b>	<b>26,439</b>	<b>21,337</b>	<b>41,092</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	14	17	9	13
<b>Total commissions</b>	<b>14</b>	<b>17</b>	<b>9</b>	<b>13</b>
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	2	5	20	40
<b>Total taxes</b>	<b>2</b>	<b>5</b>	<b>20</b>	<b>40</b>
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	1	1	4	19
<b>Total other expenses</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>19</b>
<b>Total transaction costs</b>	<b>17</b>	<b>23</b>	<b>33</b>	<b>72</b>
<b>Total net trades in the year after transaction costs</b>	<b>11,931</b>	<b>26,462</b>	<b>21,304</b>	<b>41,020</b>

## Notes to the financial statements (continued)

### 18 Direct transaction costs (continued)

	Purchases		Sales	
	2019 %	2018 %	2019 %	2018 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	0.13	0.07	0.04	0.03
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	0.02	0.02	0.09	0.10
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	0.01	-	0.02	0.05
	<b>2019 %</b>	<b>2018 %</b>		
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.02	0.02		
Taxes	0.02	0.03		
Other expenses	-	0.01		
<b>Total costs</b>	<b>0.04</b>	<b>0.06</b>		

There were no in specie transfers during the year (2018: nil). There were corporate actions during the year of £615,250 (2018: £867,175).

There were direct transaction costs associated with derivatives in the year of £6,515 (2018: £9,549) which is 0.01% of the average net asset value of the fund (2018: 0.01%).

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 October 2019 was 0.41% (2018: 0.59%). The portfolio dealing spread is calculated at a 12 noon valuation point.

### 19 Events after the Balance sheet date

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

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

### Interim dividend distribution (accounting date 30 April 2019, paid on 28 June 2019)

Group 1: shares purchased prior to 1 November 2018

Group 2: shares purchased on or after 1 November 2018

	Distribution per share	Equalisation	Total distribution per share 28/06/19	Total distribution per share 29/06/18
<b>Class I accumulation</b>				
Group 1	3.2669	-	3.2669	2.6553
Group 2	3.2669	-	3.2669	2.6553
<b>Class Y accumulation</b>				
Group 1	3.2688	-	3.2688	2.6511
Group 2	0.9035	2.3653	3.2688	2.6511
<b>Class Z accumulation</b>				
Group 1	6.3915	-	6.3915	5.5016
Group 2	4.3208	2.0707	6.3915	5.5016

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

Group 1 : shares purchased prior to 1 May 2019

Group 2 : shares purchased on or after 1 May 2019

	Distribution per share	Equalisation	Total distribution per share 31/12/19	Total distribution per share 31/12/18
<b>Class I accumulation</b>				
Group 1	5.6686	-	5.6686	5.0266
Group 2	5.6686	-	5.6686	5.0266
<b>Class Y accumulation</b>				
Group 1	5.7580	-	5.7580	5.0135
Group 2	5.4791	0.2789	5.7580	5.0135
<b>Class Z accumulation</b>				
Group 1	10.4882	-	10.4882	9.5374
Group 2	3.1967	7.2915	10.4882	9.5374

# Janus Henderson Institutional European Index Opportunities Fund

## Authorised Corporate Director's (ACD) report

### Investment Fund Managers

Janus Henderson Multi Strategy Equities Team

### Investment objective and policy

The fund aims to deliver a return in excess of the FTSE customised Developed Europe ex UK Index, the 'reference index', (or such other index as may from time to time replace it) before management fees, while carefully controlling deviation from the reference index.

The fund will invest primarily in shares of European companies included in the reference index. The fund's holdings are principally selected to replicate the components of the reference index. The index will not be identically replicated and this can lead to differences in performance. There are no restrictions on the size of the companies in which the fund may invest.

In addition to seeking to reflect the index, the fund manager will make use of investment strategies aimed at enhancing returns. These seek to generate returns based on differences in the prices of securities issued by, or associated with, companies that form part of the reference index. They can include, but are not limited to, liquidity strategies (investing in 'blocks of stock' at discounted prices), and relative value strategies (taking advantage of differences between the prices of securities related to the same company).

Further details explaining the investment strategies are available on the fund's pages on our website ([www.janushenderson.com](http://www.janushenderson.com))

The fund may invest the Scheme Property in transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Derivatives and forward transactions may be used by the fund for investment purposes, in achieving the enhancements to the index return and for the purposes of efficient portfolio management.

### Performance summary

	31 Oct 18 - 31 Oct 19	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16	31 Oct 14 - 31 Oct 15
	%	%	%	%	%
<b>Class I accumulation</b>	11.3	(5.3)	20.4	20.5	6.3
<b>FTSE customised Developed Europe ex UK Index*</b>	10.8	(5.8)	19.2	18.9	5.2
<b>IA Europe ex UK Sector</b>	8.5	(6.9)	18.8	19.8	8.3

Source: BNP, Class I accumulation, gross of fees and gross income reinvested as at close of business.

\* Customised net dividends reinvested (Market Capitalisation weighted index of Austria, Belgium, Luxembourg, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal Spain, Sweden and Switzerland).

Benchmark values are at close of business.

Index: FTSE customised Developed Europe ex UK Index

Index Usage: Target, Constraint & Comparator

Index description: The FTSE customised Developed Europe ex UK Index is a measure of the combined performance of companies from developed and emerging European stock markets excluding the UK. It constrains the fund's portfolio, is the performance target and provides a useful comparison against which the fund's performance can be assessed over time.

Peer group benchmark: IA Europe ex UK Sector

Peer group benchmark usage: Comparator

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

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

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

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

### Significant portfolio changes for the year ended 31 October 2019

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales/maturities</b>	<b>£000</b>
Prosus	2,157	Nestlé	3,392
Unilever	1,437	Bayer Capital 5.625% 22/11/2019	3,298
Bayer	1,318	Novartis	1,911
FinecoBank	1,298	Roche Non-Voting Share	1,755
Adyen	1,159	Total	1,457
Sika 3.75% 30/01/2022	1,077	Sika	1,437
Amer Sports	1,047	SAP	1,378
Worldline 0.00% 30/07/2026	1,010	SAS 3.625% 01/04/2019	1,322
SAP	981	Infineon Technologies	1,243
Takeaway.com 2.25% 25/01/2024	973	FinecoBank	1,237
<b>Total purchases</b>	<b>38,235</b>	<b>Total sales/maturities</b>	<b>85,391</b>

### Investment review

The fund returned 11.3% based on Class I accumulation over the year under review, compared with a return of 10.8% in the FTSE customised Developed Europe ex UK Index and a return of 8.5% in the IA Europe ex UK Sector peer group benchmark.

After initial weakness late in 2018, European equities rose steadily over the remainder of the year under review. The Relative Value and Liquidity strategies added the most to returns, with the Event Driven strategy marginally positive, while the Fundamental strategy was broadly flat.

Within the Relative Value strategy, capital structure arbitrage spreads tended to widen during the 'risk-off' environment in October and November 2018, but narrowed over the rest of the year, benefiting performance. Of particular note was the convergence in the spreads between consumer goods group Unilever's Dutch and UK listings and between Belgian bancassurer KBC Group and holding company KBC Ancora. This was partially offset by the overweight share class position in the Grifols American depositary receipt and the underweight in the Spanish listed ordinary shares, as the spread widened over the year. Within convertibles, the position in Scandinavian airline SAS benefited from a combination of high volatility and proximity to the strike price. There was some primary market activity during the year, after a quiet period. Dutch online food company Takeaway.com was a highlight, as its €250m bond issue traded positively. The fund also initiated a new mandatory bond position in Swiss construction company Sika's CHF1bn of new bonds.

The Fundamental strategy struggled in the market volatility at the end of 2018, as positions in companies exposed to the oversold automotive sector suffered due to the continued trade war between the US and China and concerns about slower economic growth. Trade war worries and unrest in Hong Kong also weighed on the luxury goods sector, with Switzerland-based CIE Financiere Richemont 'A' facing lower-than-expected sales in China, leading to a pick-up in inventory. The position in German software company SAP was positive as the company reported strong results that beat the market consensus forecast. However, the shares rallied strongly after a US activist hedge fund announced that it had taken a US\$1.3bn stake in the company. The rotation from growth to value at the end of the year was beneficial for our Value Range strategy, helping counter some of the recent challenges.

The Event Driven strategy benefited from several deals that closed during the year, but activity remained muted. Private equity company CVC Advisers completed its purchase of Swedish construction products and tools distributor Ahlsell; a consortium led by China's Anta Sports Products acquired Finland's Amer Sports; and French aerospace company Thales acquired Netherlands-based digital security and software company Gemalto. However, on the downside, the response to Swiss telecommunications company Sunrise Communications' proposed acquisition of international telecommunications group Liberty Global's Swiss unit UPC was negative.

Activity in the Liquidity strategy remained subdued, although performance picked up as 2019 progressed. Early in the year, even placings with attractive discounts – Evonik Industries at a 4.9% discount and Sulzer at an 8% discount – underperformed their market hedges. However, the strategy became more positive later in the year, with issues from Swedish Match at a 4.9% discount, Masmovil at a 9.2% discount and Vonovia at a 4.8% discount outperforming their market hedges. The most positive position was a placing by German semiconductor company Infineon Technologies, following its recently announced €9bn acquisition of Cypress Semiconductor. The company announced an accelerated book-building process to "partially de-risk the rights issue to follow". The placing priced at €13.70, a 4.7% discount to prevailing share price. The initial public offering of railway rolling stock manufacturer Stadler Rail in Switzerland was also positive, as the shares rallied 13% on their debut. On the downside, the position in Italian online payment system company Nexi underperformed sharply on its debut.

Looking forward, as most of the capital is invested to provide a return close to the index, market movements will drive the majority of the fund's returns. The outlook for active strategies remains constructive with the possibility of Brexit overcoming a major hurdle. The UK's revised deal with the European Union is already leading to an increase in corporate activity, which benefits the fund's active strategies.



## Comparative tables for the year ended 31 October 2019

	Class I accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	164.58	175.29	146.80
Return before operating charges*	18.46	(9.35)	29.76
Operating charges	(1.36)	(1.36)	(1.27)
Return after operating charges*	17.10	(10.71)	28.49
Distributions on accumulation shares	(4.32)	(3.85)	(2.97)
Retained distributions on accumulation shares	4.32	3.85	2.97
Closing net asset value per share	181.68	164.58	175.29
* after direct transaction costs of:	0.01	-	0.01
<b>Performance</b>			
Return after charges	10.39%	(6.11%)	19.41%
<b>Other information</b>			
Closing net asset value (£000s)	3,240	7,284	11,739
Closing number of shares	1,783,101	4,425,724	6,697,152
Operating charges	0.79%	0.79%	0.79%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	187.11	180.88	177.65
Lowest share price (pence)	154.18	159.05	135.83
	Class Y accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	226.45	241.15	201.96
Return before operating charges*	25.40	(12.83)	40.94
Operating charges	(1.87)	(1.87)	(1.75)
Return after operating charges*	23.53	(14.70)	39.19
Distributions on accumulation shares	(5.95)	(5.32)	(4.08)
Retained distributions on accumulation shares	5.95	5.32	4.08
Closing net asset value per share	249.98	226.45	241.15
* after direct transaction costs of:	0.01	-	0.02
<b>Performance</b>			
Return after charges	10.39%	(6.10%)	19.40%
<b>Other information</b>			
Closing net asset value (£000s)	37,027	40,965	50,995
Closing number of shares	14,811,863	18,090,514	21,146,190
Operating charges	0.79%	0.79%	0.79%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	257.46	248.86	244.41
Lowest share price (pence)	212.15	218.84	186.86

## Comparative tables (continued)

	Class Z accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	240.81	255.20	212.21
Return before operating charges*	26.73	(14.29)	43.08
Operating charges	(0.10)	(0.10)	(0.09)
Return after operating charges*	26.63	(14.39)	42.99
Distributions on accumulation shares	(7.87)	(6.84)	(5.97)
Retained distributions on accumulation shares	7.87	6.84	5.97
Closing net asset value per share	267.44	240.81	255.20
* after direct transaction costs of:	0.01	-	0.02
<b>Performance</b>			
Return after charges	11.06%	(5.64%)	20.26%
<b>Other information</b>			
Closing net asset value (£000s)	338,301	351,894	391,478
Closing number of shares	126,494,999	146,130,491	153,401,005
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices</b>			
Highest share price (pence)	275.02	264.36	258.56
Lowest share price (pence)	225.81	232.70	196.47

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

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

### Operating charges

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

### Share class launches and closures

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

## Ongoing charge figure

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

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
<b>Class I</b>	0.79	0.79
<b>Class Y</b>	0.79	0.79
<b>Class Z</b>	0.04	0.04

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

## Risk and reward profile

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



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

The 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 rating in the year.

The SRRI conforms to the European Securities and Markets Authority guidelines for the calculation of the SRRI.

## Portfolio statement as at 31 October 2019

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 86.41% (2018: 86.48%)</b>		
	<b>Austria 0.58% (2018: 0.69%)</b>		
	<b>Basic Materials 0.05% (2018: 0.07%)</b>		
10,213	Voestalpine	197	0.05
	<b>Financials 0.30% (2018: 0.35%)</b>		
4,351	BAWAG	139	0.04
20,999	Erste Bank	572	0.15
12,096	Raiffeisen Bank	231	0.06
24,435	Uniqa Insurance	181	0.05
		1,123	0.30
	<b>Industrials 0.05% (2018: 0.06%)</b>		
5,480	Andritz	191	0.05
	<b>Oil &amp; Gas 0.10% (2018: 0.14%)</b>		
8,494	OMV	383	0.10
	<b>Technology 0.00% (2018: 0.05%)</b>		
	<b>Telecommunications 0.02% (2018: 0.02%)</b>		
12,275	Telekom Austria	73	0.02
	<b>Utilities 0.06% (2018: 0.00%)</b>		
5,326	Verbund	224	0.06
	<b>Belgium 2.30% (2018: 2.19%)</b>		
	<b>Basic Materials 0.24% (2018: 0.29%)</b>		
4,539	Solvay	381	0.10
16,268	Umicore	519	0.14
		900	0.24
	<b>Consumer Goods 0.90% (2018: 0.89%)</b>		
55,015	Anheuser-Busch InBev	3,418	0.90
	<b>Consumer Services 0.08% (2018: 0.05%)</b>		
4,971	Colruyt	214	0.06
2,327	Telenet	88	0.02
		302	0.08
	<b>Financials 0.65% (2018: 0.68%)</b>		
1,908	Ackermans & van Haaren	226	0.06
14,698	Ageas	654	0.17
4,799	Groupe Bruxelles Lambert	372	0.10
4,168	KBC	226	0.06
22,117	KBC Ancora	812	0.22
984	Sofina	168	0.04
		2,458	0.65

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Health Care 0.35% (2018: 0.18%)</b>		
2,576	Argenx	241	0.06
2,937	Galapagos	416	0.11
10,587	UCB	659	0.18
		<u>1,316</u>	<u>0.35</u>
	<b>Industrials 0.00% (2018: 0.04%)</b>		
	<b>Telecommunications 0.08% (2018: 0.06%)</b>		
12,477	Proximus	296	0.08
	<b>Canada 0.00% (2018: 0.03%)</b>		
	<b>Industrials 0.00% (2018: 0.03%)</b>		
	<b>China 0.45% (2018: 0.04%)</b>		
	<b>Consumer Goods 0.04% (2018: 0.04%)</b>		
30,070	Pirelli	134	0.04
	<b>Technology 0.41% (2018: 0.00%)</b>		
29,249	Prosus	1,560	0.41
	<b>Denmark 4.00% (2018: 3.84%)</b>		
	<b>Consumer Goods 0.39% (2018: 0.43%)</b>		
7,093	Carlsberg	772	0.21
12,219	Pandora	464	0.12
26,449	Scandinavian Tobacco	242	0.06
		<u>1,478</u>	<u>0.39</u>
	<b>Financials 0.23% (2018: 0.31%)</b>		
43,061	Danske Bank	475	0.12
7,118	Jyske Bank	183	0.05
10,380	Tryg	224	0.06
		<u>882</u>	<u>0.23</u>
	<b>Health Care 2.30% (2018: 2.15%)</b>		
15,195	Ambu 'B'	185	0.05
15,505	Bavarian Nordic	283	0.07
6,970	Chr Hansen	414	0.11
9,167	Coloplast	855	0.23
4,302	Genmab	724	0.19
3,379	GN Store Nord	115	0.03
5,124	Lundbeck	135	0.04
126,974	Novo Nordisk 'B'	5,361	1.42
16,761	Novozymes	611	0.16
		<u>8,683</u>	<u>2.30</u>
	<b>Industrials 0.64% (2018: 0.60%)</b>		
1,077	A.P. Moller-Maersk 'A'	998	0.26
14,121	DSV Panalpina	1,061	0.29
14,104	ISS	286	0.08
327	Rockwool International 'B'	50	0.01
		<u>2,395</u>	<u>0.64</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Oil &amp; Gas 0.24% (2018: 0.17%)</b>		
2,434	Drilling Company of 1972	106	0.03
12,870	Vestas Wind Systems	813	0.21
		<u>919</u>	<u>0.24</u>
	<b>Utilities 0.20% (2018: 0.18%)</b>		
11,353	Orsted	<u>770</u>	<u>0.20</u>
	<b>Finland 2.55% (2018: 2.40%)</b>		
	<b>Basic Materials 0.35% (2018: 0.40%)</b>		
39,026	Stora Enso	391	0.10
36,763	UPM-Kymmene	922	0.25
		<u>1,313</u>	<u>0.35</u>
	<b>Consumer Goods 0.04% (2018: 0.01%)</b>		
6,066	Nokian Renkaat	<u>134</u>	<u>0.04</u>
	<b>Consumer Services 0.06% (2018: 0.08%)</b>		
4,753	Kesko	<u>244</u>	<u>0.06</u>
	<b>Financials 0.63% (2018: 0.36%)</b>		
225,422	Nordea Bank	1,276	0.34
34,191	Sampo	1,083	0.29
		<u>2,359</u>	<u>0.63</u>
	<b>Health Care 0.05% (2018: 0.04%)</b>		
5,624	Orion 'B'	<u>192</u>	<u>0.05</u>
	<b>Industrials 0.61% (2018: 0.52%)</b>		
8,652	Huhtamaki	309	0.08
29,933	Kone	1,472	0.38
8,619	Metso	252	0.07
35,691	Wartsila	292	0.08
		<u>2,325</u>	<u>0.61</u>
	<b>Oil &amp; Gas 0.21% (2018: 0.18%)</b>		
28,510	Neste	<u>796</u>	<u>0.21</u>
	<b>Technology 0.32% (2018: 0.56%)</b>		
429,046	Nokia	<u>1,215</u>	<u>0.32</u>
	<b>Telecommunications 0.10% (2018: 0.10%)</b>		
9,401	Elisa	<u>397</u>	<u>0.10</u>
	<b>Utilities 0.18% (2018: 0.15%)</b>		
35,777	Fortum	<u>675</u>	<u>0.18</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>France 23.74% (2018: 23.22%)</b>			
<b>Basic Materials 1.13% (2018: 1.07%)</b>			
36,646	Air Liquide (Prime de Fidélité)	3,762	0.99
5,263	Arkema	416	0.11
3,270	Imerys	98	0.03
		4,276	1.13
<b>Consumer Goods 5.52% (2018: 4.88%)</b>			
2,972	BIC	160	0.04
42,458	Danone	2,722	0.72
6,544	Faurecia	236	0.06
2,178	Hermes International	1,211	0.32
56	L'Oréal	13	-
20,529	L'Oréal (Prime de Fidélité)	4,633	1.22
432	L'Oréal (Prime de Fidélité 2020)	98	0.03
17,803	LVMH Moet Hennessy Louis Vuitton	5,870	1.56
12,647	Michelin	1,189	0.31
14,923	Pernod Ricard	2,129	0.56
37,022	Peugeot	725	0.19
5,177	Plastic Omnium	109	0.03
2,258	Remy Cointreau	233	0.06
14,561	Renault	574	0.15
1,382	SEB	162	0.04
5,687	Ubisoft Entertainment	260	0.07
21,054	Valeo	605	0.16
		20,929	5.52
<b>Consumer Services 1.69% (2018: 1.81%)</b>			
12,303	Accor	408	0.11
17,303	Air France-KLM	159	0.04
43,593	Carrefour	573	0.15
2,962	Casino Guichard Perrachon	124	0.03
7,923	Eutelsat Communications	116	0.03
7,641	JCDecaux	161	0.04
5,234	Kering	2,302	0.61
6,540	Lagardère	113	0.03
17,656	Publicis	587	0.16
6,397	Sodexo (Prime de Fidélité)	544	0.14
816	Sodexo (Prime de Fidélité 2023)	69	0.02
57,297	Vivendi	1,233	0.33
		6,389	1.69
<b>Financials 2.86% (2018: 3.10%)</b>			
4,845	Amundi	267	0.07
136,156	AXA	2,780	0.73
76,806	BNP Paribas	3,100	0.81
6,352	CNP Assurances	97	0.03
4,265	Covivio	373	0.10
89,711	Credit Agricole	903	0.24
3,528	Eurazeo	190	0.05
3,370	Gecina	447	0.12
2,507	Icade	190	0.05



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Financials (continued)</b>			
14,501	Klepierre	417	0.11
82,514	Natixis	292	0.08
9,916	SCOR	323	0.09
58,507	Société Générale	1,284	0.34
1,350	Wendel	148	0.04
		<u>10,811</u>	<u>2.86</u>
<b>Health Care 2.49% (2018: 2.42%)</b>			
3,570	BioMérieux	226	0.06
20,668	EssilorLuxottica	2,438	0.64
2,828	Ipsen	233	0.06
2,639	Orpea	245	0.06
85,738	Sanofi	6,107	1.62
1,561	Sartorius Stedim Biotech	180	0.05
		<u>9,429</u>	<u>2.49</u>
<b>Industrials 5.63% (2018: 5.07%)</b>			
2,644	Aéroports de Paris	388	0.10
41,633	Airbus	4,610	1.22
15,065	Alstom	503	0.13
97,556	Bolloré	326	0.09
567	Bolloré (Non-Voting)	2	-
13,151	Bouygues	431	0.11
23,895	Bureau Veritas	471	0.12
35,652	Compagnie de St Gobain	1,121	0.30
117	Dassault Aviation	126	0.03
17,375	Edenred	707	0.19
4,674	Eiffage	388	0.10
30,765	Elis	454	0.12
40,350	Getlink	522	0.14
20,218	Legrand	1,220	0.32
26,324	Rexel	252	0.07
23,298	Safran	2,849	0.75
36,980	Schneider Electric	2,655	0.70
3,833	Teleperformance	672	0.18
6,604	Thales	499	0.13
32,827	Vinci	2,847	0.75
6,252	Worldline	293	0.08
		<u>21,336</u>	<u>5.63</u>
<b>Oil &amp; Gas 1.95% (2018: 2.46%)</b>			
181,275	Total	7,367	1.95
<b>Technology 1.03% (2018: 1.01%)</b>			
5,861	Atos	351	0.09
11,181	Capgemini	973	0.26
10,243	Dassault Systèmes	1,201	0.32
2,254	Iliad	180	0.05
4,604	Ingenico	380	0.10
45,483	STMicroelectronics	797	0.21
		<u>3,882</u>	<u>1.03</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Telecommunications 0.51% (2018: 0.54%)</b>		
154,233	Orange	1,920	0.51
	<b>Utilities 0.93% (2018: 0.86%)</b>		
592	Électricité de France	5	-
22,579	Électricité de France (Prime de Fidélité Majoré)	180	0.05
13,076	Électricité de France (Prime de Fidélité 2020)	104	0.03
1,158	Électricité de France (Prime de Fidélité 2021)	9	-
3,609	Engie	47	0.01
131,508	Engie (Prime de Fidélité Majoré)	1,701	0.45
8,240	Engie (Prime de Fidélité 2020)	106	0.03
6,825	Rubis	305	0.08
26,768	Suez	322	0.09
35,698	Veolia Environnement	725	0.19
		<u>3,504</u>	<u>0.93</u>
	<b>Germany 4.27% (2018: 5.87%)</b>		
	<b>Basic Materials 0.56% (2018: 0.77%)</b>		
11,144	Brenntag	432	0.11
14,203	Evonik Industries	291	0.08
4,212	Fuchs Petrolub	132	0.03
6,435	Fuchs Petrolub Non-Voting Preference Shares	213	0.06
9,744	K & S	107	0.03
6,113	Lanxess	307	0.08
8,360	Symrise	623	0.17
128	Wacker Chemie	8	-
		<u>2,113</u>	<u>0.56</u>
	<b>Consumer Goods 0.85% (2018: 1.16%)</b>		
598	Adidas	143	0.04
1,986	BMW Non-Voting Preference Shares	95	0.03
664	Continental	69	0.02
5,858	Hella	221	0.06
10,816	Henkel	805	0.20
4,724	Hugo Boss	154	0.04
5,675	Knorr-Bremse	442	0.12
9,309	Porsche Automobil	528	0.13
5,640	Puma	329	0.09
6,949	Suedzucker	77	0.02
2,111	Volkswagen	310	0.08
484	Volkswagen Non-Voting Preference Shares	71	0.02
		<u>3,244</u>	<u>0.85</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Services 0.37% (2018: 0.36%)</b>			
2,197	Axel Springer	118	0.03
10,596	Delivery Hero	385	0.11
3,012	Fielmann	180	0.05
11,285	Metro	142	0.04
18,021	ProSiebenSat.1 Media	206	0.05
10,671	Zalando	358	0.09
		<u>1,389</u>	<u>0.37</u>
<b>Financials 0.78% (2018: 1.17%)</b>			
1,666	Allianz	316	0.08
62,990	Aroundtown	410	0.11
92,334	Commerzbank	427	0.11
673	Deutsche Boerse	81	0.02
28,355	Deutsche Wohnen	826	0.22
2,814	GRENKE	205	0.05
4,231	LEG Immobilien	374	0.10
6,565	Rocket Internet	135	0.04
4,833	Vonovia	199	0.05
		<u>2,973</u>	<u>0.78</u>
<b>Health Care 0.33% (2018: 0.33%)</b>			
6,915	Bayer	416	0.10
3,080	Carl Zeiss Meditec	260	0.07
3,500	Merck	323	0.09
7,587	Siemens Healthineers	249	0.07
		<u>1,248</u>	<u>0.33</u>
<b>Industrials 0.78% (2018: 1.09%)</b>			
14,240	Deutsche Post	391	0.10
2,676	Fraport	173	0.05
11,118	GEA	262	0.07
1,586	Hochtief	153	0.04
4,630	KION	238	0.06
5,934	Osram	205	0.05
113	Rational	66	0.02
3,701	Rheinmetall	344	0.09
1,896	Sartorius	285	0.08
5,350	Siemens	477	0.13
31,829	thyssenkrupp	352	0.09
		<u>2,946</u>	<u>0.78</u>
<b>Technology 0.36% (2018: 0.47%)</b>			
2,505	Nemetschek	99	0.03
6,902	SAP	711	0.18
8,782	Scout24	419	0.11
6,359	United Internet	148	0.04
		<u>1,377</u>	<u>0.36</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Telecommunications 0.08% (2018: 0.20%)</b>			
15,000	Deutsche Telekom	204	0.06
3,997	1&1 Drillisch	83	0.02
		<u>287</u>	<u>0.08</u>
<b>Utilities 0.16% (2018: 0.32%)</b>			
11,295	RWE	267	0.07
13,855	Uniper	334	0.09
		<u>601</u>	<u>0.16</u>
<b>Ireland 0.17% (2018: 0.22%)</b>			
<b>Consumer Goods 0.05% (2018: 0.06%)</b>			
14,775	Glanbia	127	0.03
652	Kerry	61	0.02
		<u>188</u>	<u>0.05</u>
<b>Financials 0.11% (2018: 0.15%)</b>			
60,550	AIB	150	0.04
68,439	Bank of Ireland	253	0.07
108,059	Irish Bank Resolution <sup>1</sup>	-	-
		<u>403</u>	<u>0.11</u>
<b>Industrials 0.01% (2018: 0.01%)</b>			
1,002	Kingspan	40	0.01
<b>Italy 5.10% (2018: 4.70%)</b>			
<b>Consumer Goods 0.51% (2018: 0.59%)</b>			
40,215	Davide Campari	285	0.08
9,799	Ferrari	1,210	0.31
14,755	Moncler	439	0.12
		<u>1,934</u>	<u>0.51</u>
<b>Financials 1.94% (2018: 1.80%)</b>			
106,362	Assicurazioni Generali	1,667	0.44
29,836	Banca Mediolanum	198	0.05
115,394	Banco BPM	203	0.05
42,487	FinecoBank	370	0.10
1,068,044	Intesa Sanpaolo	2,067	0.56
53,869	Mediobanca	495	0.13
61,958	Poste Italiane	581	0.15
159,157	UniCredit	1,560	0.41
55,610	Unione di Banche Italiane	131	0.03
32,844	UnipolSai Assicurazioni	71	0.02
		<u>7,343</u>	<u>1.94</u>
<b>Health Care 0.14% (2018: 0.04%)</b>			
9,414	Amplifon	183	0.05
1,845	DiaSorin	161	0.04
5,983	Recordati	194	0.05
		<u>538</u>	<u>0.14</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Industrials 0.42% (2018: 0.38%)</b>			
38,364	Atlantia	732	0.20
41,847	Enav	188	0.05
34,169	Leonardo	307	0.08
19,644	Prysmian	349	0.09
		<u>1,576</u>	<u>0.42</u>
<b>Oil &amp; Gas 0.58% (2018: 0.78%)</b>			
177,347	ENI	2,075	0.55
36,372	Saipem	127	0.03
		<u>2,202</u>	<u>0.58</u>
<b>Telecommunications 0.20% (2018: 0.15%)</b>			
18,970	Infrastrutture Wireless Italiane	150	0.04
752,556	Telecom Italia	340	0.09
605,377	Telecom Italia di Risp	271	0.07
		<u>761</u>	<u>0.20</u>
<b>Utilities 1.31% (2018: 0.96%)</b>			
132,567	A2A	206	0.05
552,477	Enel	3,305	0.88
72,472	Hera	240	0.06
18,327	Italgas	91	0.02
160,725	Snam	637	0.18
92,550	Terna	473	0.12
		<u>4,952</u>	<u>1.31</u>
<b>Luxembourg 0.47% (2018: 0.60%)</b>			
<b>Basic Materials 0.22% (2018: 0.33%)</b>			
47,059	ArcelorMittal	536	0.15
36,360	Tenaris	284	0.07
		<u>820</u>	<u>0.22</u>
<b>Consumer Services 0.16% (2018: 0.18%)</b>			
4,576	RTL	180	0.05
28,730	SES	430	0.11
		<u>610</u>	<u>0.16</u>
<b>Health Care 0.09% (2018: 0.09%)</b>			
906	Eurofins Scientific	355	0.09
<b>Netherlands 6.61% (2018: 6.59%)</b>			
<b>Basic Materials 0.74% (2018: 0.72%)</b>			
15,617	Akzo Nobel	1,112	0.29
13,553	Koninklijke DSM	1,241	0.34
24,877	OCI	431	0.11
		<u>2,784</u>	<u>0.74</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Goods 0.48% (2018: 0.49%)</b>			
16,327	Heineken 'A'	1,288	0.34
7,412	Heineken 'B'	545	0.14
		<u>1,833</u>	<u>0.48</u>
<b>Consumer Services 0.76% (2018: 0.67%)</b>			
85,303	Koninklijke Ahold Delhaize	1,642	0.43
1,909	Takeaway.com	120	0.03
19,868	Wolters Kluwer	1,131	0.30
		<u>2,893</u>	<u>0.76</u>
<b>Financials 1.63% (2018: 1.89%)</b>			
35,545	ABN AMRO	511	0.14
115,513	Aegon	386	0.10
8,649	ASR Nederland	245	0.06
4,839	Euronext	301	0.08
7,171	Exor	425	0.11
272,129	ING	2,377	0.62
24,257	NN	714	0.19
10,313	Unibail-Rodamco-Westfield	1,231	0.33
		<u>6,190</u>	<u>1.63</u>
<b>Health Care 0.78% (2018: 0.82%)</b>			
76,341	Koninklijke Philips	2,585	0.69
15,188	Qiagen	351	0.09
		<u>2,936</u>	<u>0.78</u>
<b>Industrials 0.41% (2018: 0.30%)</b>			
7,213	Aalberts	224	0.06
778	Adyen	421	0.12
8,319	Boskalis Westminster	141	0.04
7,368	Randstad	315	0.08
7,000	Signify	158	0.04
6,700	Vopak	284	0.07
		<u>1,543</u>	<u>0.41</u>
<b>Technology 1.60% (2018: 1.55%)</b>			
30,015	ASML	6,081	1.60
<b>Telecommunications 0.21% (2018: 0.15%)</b>			
23,587	Altice 'A'	104	0.03
282,695	Koninklijke KPN	678	0.18
		<u>782</u>	<u>0.21</u>
<b>Norway 1.52% (2018: 1.74%)</b>			
<b>Basic Materials 0.16% (2018: 0.23%)</b>			
99,401	Norsk Hydro	272	0.07
11,446	Yara International	344	0.09
		<u>616</u>	<u>0.16</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Goods 0.35% (2018: 0.27%)</b>			
26,742	Leroy Seafood	139	0.04
33,972	Mowi	639	0.16
49,755	Orkla 'A'	370	0.10
5,094	Salmar	184	0.05
		<u>1,332</u>	<u>0.35</u>
<b>Consumer Services 0.10% (2018: 0.10%)</b>			
15,195	Adevinta 'B'	132	0.04
4,820	Adevinta Rights	1	-
4,820	Schibsted	110	0.03
5,411	Schibsted 'B'	117	0.03
		<u>360</u>	<u>0.10</u>
<b>Financials 0.38% (2018: 0.41%)</b>			
72,622	DNB	1,022	0.27
14,831	Gjensidige Forsikring	215	0.06
34,956	Storebrand	191	0.05
		<u>1,428</u>	<u>0.38</u>
<b>Health Care 0.05% (2018: 0.06%)</b>			
9,356	Demant	191	0.05
<b>Oil &amp; Gas 0.31% (2018: 0.46%)</b>			
7,517	Aker BP	161	0.04
71,230	Equinor	1,019	0.27
		<u>1,180</u>	<u>0.31</u>
<b>Telecommunications 0.17% (2018: 0.21%)</b>			
44,304	Telenor	642	0.17
<b>Poland 0.73% (2018: 0.73%)</b>			
<b>Basic Materials 0.04% (2018: 0.04%)</b>			
8,800	KGHM Polska Miedz	149	0.04
<b>Consumer Goods 0.11% (2018: 0.08%)</b>			
5,636	CD Projekt	288	0.08
80	LPP	132	0.03
		<u>420</u>	<u>0.11</u>
<b>Consumer Services 0.03% (2018: 0.05%)</b>			
18,746	Cyfrowy Polsat	105	0.03
<b>Financials 0.33% (2018: 0.35%)</b>			
13,678	Bank Pekao	299	0.08
56,665	Powszechna Kasa Oszczednosci Bank Polski	437	0.11
48,222	Powszechny Zaklad Ubezpieczen	361	0.10
2,622	Santander Bank Polska	166	0.04
		<u>1,263</u>	<u>0.33</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Oil &amp; Gas 0.20% (2018: 0.21%)</b>		
9,409	Grupa Lotos	181	0.05
158,614	PGNiG	151	0.04
20,412	PKN Orlen	431	0.11
		<u>763</u>	<u>0.20</u>
	<b>Utilities 0.02% (2018: 0.00%)</b>		
40,163	PGE	67	0.02
	<b>Portugal 0.35% (2018: 0.34%)</b>		
	<b>Consumer Services 0.04% (2018: 0.06%)</b>		
12,127	Jeronimo Martins	157	0.04
	<b>Financials 0.00% (2018: 0.00%)</b>		
336,000	Banco Espírito Santo <sup>1</sup>	-	-
	<b>Oil &amp; Gas 0.13% (2018: 0.13%)</b>		
39,138	Galp Energia	482	0.13
	<b>Utilities 0.18% (2018: 0.15%)</b>		
16,992	EDP Renováveis	149	0.04
170,104	Energias de Portugal	541	0.14
		<u>690</u>	<u>0.18</u>
	<b>Spain 6.13% (2018: 6.54%)</b>		
	<b>Basic Materials 0.00% (2018: 0.04%)</b>		
	<b>Consumer Services 0.47% (2018: 0.50%)</b>		
73,186	Inditex	1,763	0.47
	<b>Financials 2.01% (2018: 2.47%)</b>		
493,677	Banco Bilbao Vizcaya Argentaria	2,010	0.53
493,847	Banco de Sabadell	419	0.11
1,161,178	Banco Santander	3,597	0.95
101,564	Bankia	150	0.04
56,580	Bankinter	302	0.08
222,826	CaixaBank	493	0.13
24,711	Inmobiliaria Colonial	247	0.07
60,852	Mapfre	131	0.03
24,547	Merlin Properties Socimi	279	0.07
		<u>7,628</u>	<u>2.01</u>
	<b>Health Care 0.22% (2018: 0.27%)</b>		
48,900	Grifols ADR	828	0.22
	<b>Industrials 0.62% (2018: 0.51%)</b>		
1,516	Acciona	122	0.03
15,500	ACS Actividades	486	0.13
5,567	Aena	789	0.21
36,297	Ferrovial	829	0.22
22,056	Zardoya Otis	129	0.03
		<u>2,355</u>	<u>0.62</u>



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Oil &amp; Gas 0.36% (2018: 0.42%)</b>		
96,126	Repsol	1,218	0.32
12,585	Siemens Gamesa Renewable Energy	134	0.04
		<u>1,352</u>	<u>0.36</u>
	<b>Technology 0.42% (2018: 0.52%)</b>		
27,810	Amadeus IT	<u>1,591</u>	<u>0.42</u>
	<b>Telecommunications 0.71% (2018: 0.68%)</b>		
17,145	Cellnex Telecom	571	0.15
3,000	Cellnex Telecom (Over Subscription)	75	0.02
17,145	Cellnex Telecom Rights	43	0.01
339,755	Telefónica	<u>2,014</u>	<u>0.53</u>
		<u>2,703</u>	<u>0.71</u>
	<b>Utilities 1.32% (2018: 1.13%)</b>		
15,662	Enagas	300	0.08
19,181	Endesa	403	0.11
415,453	Iberdrola	3,297	0.87
22,856	Naturgy Energy	481	0.13
32,822	Red Electrica	<u>511</u>	<u>0.13</u>
		<u>4,992</u>	<u>1.32</u>
	<b>Sweden 5.86% (2018: 6.21%)</b>		
	<b>Basic Materials 0.19% (2018: 0.20%)</b>		
20,664	Boliden	430	0.11
38,544	Svenska Cellulosa 'B'	<u>304</u>	<u>0.08</u>
		<u>734</u>	<u>0.19</u>
	<b>Consumer Goods 0.62% (2018: 0.55%)</b>		
4,052	Autoliv	245	0.06
17,298	Electrolux Series 'B'	352	0.09
41,808	Essity	1,011	0.27
29,873	Husqvarna 'B'	177	0.05
14,669	Swedish Match	534	0.14
3,248	Veoneer SDR	<u>41</u>	<u>0.01</u>
		<u>2,360</u>	<u>0.62</u>
	<b>Consumer Services 0.32% (2018: 0.29%)</b>		
66,317	Hennes & Mauritz 'B'	1,072	0.28
4,371	ICA Gruppen	<u>150</u>	<u>0.04</u>
		<u>1,222</u>	<u>0.32</u>
	<b>Financials 1.48% (2018: 2.04%)</b>		
21,316	Castellum	337	0.09
7,264	Fastighets AB Balder 'B'	218	0.06
14,472	Industrivarden	242	0.06
12,007	Industrivarden 'A'	205	0.05
10,822	Investor 'A'	422	0.11

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Financials (continued)</b>			
34,799	Investor 'B'	1,381	0.37
15,087	Kinnevik 'B'	319	0.08
3,826	Lundbergs 'B'	112	0.03
97,353	Skandinaviska Enskilda Banken 'A'	723	0.19
99,099	Svenska Handelsbanken 'A'	769	0.21
78,520	Swedbank	852	0.23
		<u>5,580</u>	<u>1.48</u>
<b>Health Care 0.15% (2018: 0.16%)</b>			
29,212	Elekta 'B'	315	0.08
20,992	Swedish Orphan Biovitrum	257	0.07
		<u>572</u>	<u>0.15</u>
<b>Industrials 2.15% (2018: 2.03%)</b>			
28,230	Alfa Laval	505	0.13
63,559	Assa Abloy 'B'	1,169	0.31
48,551	Atlas Copco 'A'	1,328	0.36
27,684	Atlas Copco 'B'	665	0.18
45,278	Epiroc 'A'	395	0.10
26,251	Epiroc 'B'	221	0.06
24,419	Nibe Industrier 'B'	258	0.07
5,555	Saab	132	0.03
74,094	Sandvik	1,015	0.27
18,590	Securitas 'B'	231	0.06
19,259	Skanska	318	0.08
31,402	SKF 'B'	440	0.12
19,044	Trelleborg 'B'	238	0.06
104,042	Volvo 'B'	1,203	0.32
		<u>8,118</u>	<u>2.15</u>
<b>Oil &amp; Gas 0.11% (2018: 0.10%)</b>			
16,214	Lundin Petroleum	413	0.11
<b>Technology 0.58% (2018: 0.59%)</b>			
208,078	Ericsson 'B'	1,410	0.37
19,940	Hexagon	788	0.21
		<u>2,198</u>	<u>0.58</u>
<b>Telecommunications 0.26% (2018: 0.25%)</b>			
34,832	Tele2 'B'	387	0.10
178,003	Telia	607	0.16
		<u>994</u>	<u>0.26</u>
<b>Switzerland 19.73% (2018: 18.84%)</b>			
<b>Basic Materials 0.48% (2018: 0.48%)</b>			
13,704	Clariant	217	0.06
342	EMS-Chemie	165	0.04
640	Givaudan	1,452	0.38
		<u>1,834</u>	<u>0.48</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Goods 5.73% (2018: 5.27%)</b>			
205	Barry Callebaut	334	0.09
43,564	CIE Financiere Richemont 'A'	2,647	0.70
7	Lindt & Spruengli	443	0.12
68	Lindt & Spruengli Participation Certificates	390	0.10
207,599	Nestlé	17,124	4.52
3,490	Swatch (Bearer Shares)	746	0.20
		21,684	5.73
<b>Consumer Services 0.08% (2018: 0.10%)</b>			
2,896	DKSH	106	0.03
2,734	Dufry	183	0.05
		289	0.08
<b>Financials 3.41% (2018: 3.52%)</b>			
3,919	Baloise	559	0.15
172	Banque Cantonale Vaudoise	104	0.03
178,940	Credit Suisse	1,713	0.45
2,183	Helvetia	236	0.06
18,327	Julius Baer	625	0.16
2,438	Pargesa	149	0.04
1,129	Partners	680	0.18
1,985	PSP Swiss Property	203	0.05
2,340	Swiss Life	904	0.24
6,065	Swiss Prime Site	483	0.13
19,760	Swiss Re	1,598	0.42
274,653	UBS	2,503	0.66
10,433	Zurich Insurance	3,149	0.84
		12,906	3.41
<b>Health Care 7.34% (2018: 6.75%)</b>			
34,931	Alcon	1,594	0.42
5,065	Lonza	1,408	0.37
158,523	Novartis	10,688	2.82
2,025	Roche (Bearer Shares)	466	0.12
50,956	Roche Non-Voting Share	11,843	3.13
4,495	Sonova	796	0.21
888	Straumann	612	0.16
3,330	Vifor Pharma	404	0.11
		27,811	7.34
<b>Industrials 2.17% (2018: 2.27%)</b>			
125,116	ABB	2,026	0.54
17,020	Adecco	780	0.21
1,681	Flughafen Zurich 'A'	234	0.06
2,741	Geberit	1,075	0.28
312	Georg Fischer	230	0.06
3,391	Kuehne & Nagel	423	0.11
37,135	LafargeHolcim	1,479	0.39
13,507	OC Oerlikon	107	0.03
1,077	Schindler	197	0.05

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Industrials (continued)</b>		
3,334	Schindler Participation Certificates	630	0.17
383	SGS	770	0.20
18,188	SIG Combibloc	194	0.05
448	Sika	59	0.02
		<u>8,204</u>	<u>2.17</u>
	<b>Technology 0.30% (2018: 0.21%)</b>		
12,548	Logitech International	397	0.10
16,939	SoftwareONE	239	0.06
4,554	Temenos	501	0.14
		<u>1,137</u>	<u>0.30</u>
	<b>Telecommunications 0.22% (2018: 0.24%)</b>		
3,248	Sunrise Communications	195	0.05
1,642	Swisscom	648	0.17
		<u>843</u>	<u>0.22</u>
	<b>United Kingdom 1.71% (2018: 1.51%)</b>		
	<b>Consumer Goods 1.52% (2018: 1.28%)</b>		
85,329	Fiat Chrysler Automobiles	1,024	0.27
103,377	Unilever	4,718	1.25
		<u>5,742</u>	<u>1.52</u>
	<b>Industrials 0.15% (2018: 0.18%)</b>		
66,782	CNH Industrial	561	0.15
	<b>Oil &amp; Gas 0.04% (2018: 0.05%)</b>		
20,975	Subsea 7	152	0.04
	<b>United States 0.14% (2018: 0.18%)</b>		
	<b>Oil &amp; Gas 0.14% (2018: 0.18%)</b>		
34,800	TechnipFMC	532	0.14
	<b>Bonds 0.37% (2018: 1.22%)</b>		
	<b>Germany 0.00% (2018: 0.87%)</b>		
	<b>Fixed Rate Bond 0.00% (2018: 0.87%)</b>		
	<b>Sweden 0.00% (2018: 0.35%)</b>		
	<b>Fixed Rate Bond 0.00% (2018: 0.35%)</b>		
	<b>Switzerland 0.37% (2018: 0.00%)</b>		
	<b>Fixed Rate Bond 0.37% (2018: 0.00%)</b>		
CHF 1,400,000	Sika 3.75% 30/01/2022	1,411	0.37

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Derivatives 0.64% (2018: (0.71%))</b>			
<b>Contracts for Difference (0.03%) (2018: 0.05%)<sup>2</sup></b>			
<b>Cross Currency Contracts for Difference 0.00% (2018: (0.01%))<sup>2</sup></b>			
<b>Equity Contracts for Difference (0.03%) (2018: 0.06%)<sup>2</sup></b>			
(3,375)	Air Liquide	(6)	-
5,691	Amundi	14	-
4,702	Arkema	33	0.01
(2,992)	Capgemini	15	-
(12,949)	Deutsche Lufthansa	(12)	-
7,270	Elis	12	-
20,747	Galp Energia	11	-
(8,192)	Grifols	(13)	-
(1,537)	Henkel <sup>3</sup>	-	-
9,448	Kerry 'A'	1	-
10,007	Kingspan	9	-
(39,040)	Linde	(181)	(0.04)
(3,881)	L'Oréal	(46)	(0.01)
3,907	Orange <sup>3</sup>	-	-
8,000	Plastic Omnium	9	-
2,500	Renault	(10)	-
(11,295)	RWE	5	-
16,792	Ryanair	17	-
584	Sanofi <sup>3</sup>	-	-
5,378	Smurfit Kappa	12	-
5,491	Société Générale	9	-
19,226	Worldline	22	0.01
		<u>(99)</u>	<u>(0.03)</u>
<b>Futures 0.66% (2018: (0.75%))</b>			
3	EOE Amsterdam Index November 2019 <sup>3</sup>	-	-
17	EOP CAC40 10 Euro November 2019	8	-
232	EUX DAX Index December 2019	2,778	0.74
(344)	EUX Euro Stoxx 50 December 2019	(281)	(0.07)
(19)	EUX Swiss Market Index December 2019	(31)	(0.01)
3	MFM IBEX 35 Index November 2019 <sup>3</sup>	-	-
2	MIL FTSE/MIB Index December 2019	7	-
16	SSE OMXS30 Index November 2019	10	-
		<u>2,491</u>	<u>0.66</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Swaps 0.00% (2018: (0.01%))<sup>2</sup></b>		
	<b>Credit Default Swaps 0.00% (2018: (0.01%))<sup>2</sup></b>		
	<b>Forward Foreign Exchange Contracts 0.01% (2018: 0.00%)<sup>2</sup></b>		
	Buy CHF 171,500 : Sell EUR 156,588 November 2019	(1)	-
	Buy EUR 1,364,489 : Sell DKK 10,182,250 November 2019	1	-
	Buy EUR 248,350 : Sell NOK 2,473,000 November 2019	6	-
	Buy EUR 2,604,969 : Sell CHF 2,823,750 November 2019	35	0.01
	Buy EUR 417,124 : Sell CHF 460,500 November 2019	(1)	-
	Buy EUR 436,719 : Sell SEK 4,664,500 November 2019	2	-
		42	0.01
	<b>Investment assets including investment liabilities</b>	<b>330,925</b>	<b>87.42</b>
	Other net assets	47,643	12.58
	<b>Total net assets</b>	<b>378,568</b>	<b>100.00</b>

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

<sup>2</sup> Unquoted securities

<sup>3</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 October 2019

	Note	2019		2018	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		30,964		(36,101)
Revenue	3	14,734		14,734	
Expenses	4	(480)		(596)	
Interest payable and similar charges	5	(484)		(445)	
Net revenue before taxation		13,770		13,693	
Taxation	6	(1,273)		(1,958)	
Net revenue after taxation			12,497		11,735
Total return before distributions			43,461		(24,366)
Distributions	7		(12,497)		(11,735)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>30,964</b>		<b>(36,101)</b>

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

	2019		2018	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>400,143</b>		<b>454,212</b>
Amounts receivable on issue of shares	4,137		40,568	
Amounts payable on cancellation of shares	(68,396)		(70,110)	
		(64,259)		(29,542)
Dilution adjustment		32		84
Change in net assets attributable to shareholders from investment activities		30,964		(36,101)
Retained distributions on accumulation shares		11,688		11,490
<b>Closing net assets attributable to shareholders</b>		<b>378,568</b>		<b>400,143</b>

**Balance sheet** as at 31 October 2019

	Note	2019 £000	2018 £000
<b>Assets:</b>			
Investments		331,507	351,778
Current assets:			
Debtors	8	1,077	1,972
Cash and bank balances	9	59,468	53,954
<b>Total assets</b>		<b>392,052</b>	<b>407,704</b>
<b>Liabilities:</b>			
Investment liabilities		582	3,679
Creditors:			
Amounts held at derivative clearing houses and brokers		2,804	398
Bank overdrafts		9,230	2,497
Other creditors	10	868	987
<b>Total liabilities</b>		<b>13,484</b>	<b>7,561</b>
<b>Net assets attributable to shareholders</b>		<b>378,568</b>	<b>400,143</b>



## Notes to the financial statements for the year ended 31 October 2019

### 1 Accounting policies

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

### 2 Net capital gains/(losses)

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Derivative securities	3,860	(8,502)
Forward currency contracts	(201)	222
Non-derivative securities	28,203	(28,267)
Other currency (losses)/gains	(892)	464
Transaction costs	(6)	(18)
<b>Net capital gains/(losses)</b>	<b>30,964</b>	<b>(36,101)</b>

### 3 Revenue

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Bank interest	12	6
Derivative revenue	2,178	1,892
Interest on debt securities	110	284
Interest on margin	19	36
Overseas dividends	11,235	11,364
Overseas REIT revenue	88	172
Stock dividends	961	870
Stock lending revenue	103	86
UK dividends	28	24
<b>Total revenue</b>	<b>14,734</b>	<b>14,734</b>

### 4 Expenses

	<b>2019</b>	<b>2018</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	310	437
GAC*	81	89
	<u>391</u>	<u>526</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	32	35
Safe custody fees	15	34
	<u>47</u>	<u>69</u>
<b>Other expenses:</b>		
Dividend collection charges	1	1
Professional fees	41	-
	<u>42</u>	<u>1</u>
<b>Total expenses</b>	<b>480</b>	<b>596</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £10,317 (2018: £10,017).

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Interest payable	329	307
Dividends payable on CFD contracts	155	138
<b>Total interest payable and similar charges</b>	<b>484</b>	<b>445</b>

### 6 Taxation

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

The tax charge comprises:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Current tax</b>		
Corporation tax	303	192
Double tax relief	(8)	(6)
Overseas withholding tax	978	1,772
<b>Total tax (note 6b)</b>	<b>1,273</b>	<b>1,958</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% (2018: 20%). The differences are explained below:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Net revenue before taxation	13,770	13,693
Corporation tax at 20% (2018: 20%)	2,754	2,739
Effects of:		
Double tax relief	(8)	(6)
Irrecoverable overseas tax	978	1,772
Overseas dividends	(2,253)	(2,295)
Stock dividends	(192)	(174)
UK dividends*	(6)	(5)
Unused management expenses	-	(73)
<b>Tax charge for the year (note 6a)</b>	<b>1,273</b>	<b>1,958</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 (2018: 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.

#### Withholding tax reclaims

The fund filed Fokus claims in respect of withholding tax applied on German dividends during the years 2010 to 2015.

No amounts have been received during the year in relation to these claims (2018: nil) and no interest on reclaims has been received (2018: nil).

## 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>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Interim accumulation	5,821	6,013
Final accumulation	5,867	5,477
	<u>11,688</u>	<u>11,490</u>
Amounts deducted on cancellation of shares	819	373
Amounts received on issue of shares	(10)	(128)
<b>Total distributions</b>	<b><u>12,497</u></b>	<b><u>11,735</u></b>

Details of the distribution per share are set out in the Distribution tables on page 88.

### 8 Debtors

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Accrued revenue	205	133
Amounts receivable for issue of shares	-	400
Overseas withholding tax reclaimable	841	1,044
Sales awaiting settlement	31	395
<b>Total debtors</b>	<b><u>1,077</u></b>	<b><u>1,972</u></b>

### 9 Cash and bank balances

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Amounts held at derivative clearing houses and brokers	6,298	11,580
Cash and bank balances	53,170	42,374
<b>Total cash and bank balances</b>	<b><u>59,468</u></b>	<b><u>53,954</u></b>

### 10 Other creditors

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Accrued annual management charge	25	31
Accrued Depositary's fee	3	3
Accrued other expenses	9	36
Amounts payable for cancellation of shares	76	165
Corporation tax payable	672	693
Derivative revenue payable	8	15
Purchases awaiting settlement	75	44
<b>Total other creditors</b>	<b><u>868</u></b>	<b><u>987</u></b>

## Notes to the financial statements (continued)

### 11 Contingent liabilities and commitments

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

The outstanding commitments at the balance sheet date are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cellnex Telecom (Over Subscription)	2	-
Cellnex Telecom Rights	124	-
<b>Total commitments</b>	<b>126</b>	<b>-</b>

### 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 75 and 76 and notes 4, 7, 8 and 10 on pages 77 to 79 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

HSBC Global Custody Nominee (UK) Ltd, as a material shareholder, is a related party holding shares comprising 88.46% of the total net assets of the fund as at the year end (2018: 79.62%).

### 13 Shareholders' funds

The fund currently has 3 share classes available; Class I (Institutional), Class Y (Institutional) and Class Z. The annual management charge on each share class is as follows:

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Class I	0.75	0.75
Class Y	0.75	0.75
Class Z*	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the comparative tables on pages 53 to 54. The distribution per share class is given in the Distribution tables on page 88. All share classes have the same rights on winding up.

### Shares reconciliation as at 31 October 2019

	<b>Class I</b>	<b>Class Y</b>	<b>Class Z</b>
	<b>accumulation</b>	<b>accumulation</b>	<b>accumulation</b>
Opening number of shares	4,425,724	18,090,514	146,130,491
Issues during the year	1,348	128,624	1,625,313
Cancellations during the year	(2,643,971)	(3,407,275)	(21,260,805)
<b>Closing shares in issue</b>	<b>1,783,101</b>	<b>14,811,863</b>	<b>126,494,999</b>

## Notes to the financial statements (continued)

### 14 Financial derivatives

The fund may use financial derivatives for the purposes of hedging and meeting the investment objectives of the fund, including risk reduction and implementation of investment policies.

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 October 2019 (2018: nil).

#### 2019

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

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	-	3	-	3
Credit Suisse	169	-	-	169
JP Morgan	-	-	-	-
UBS	-	41	2,803	2,844
	<u>169</u>	<u>44</u>	<u>2,803</u>	<u>3,016</u>

#### 2018

At 31 October 2018 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
Citigroup	-	2	-	2
Credit Suisse	423	-	-	423
JP Morgan	-	13	-	13
UBS	-	2	396	398
	<u>423</u>	<u>17</u>	<u>396</u>	<u>836</u>

## Notes to the financial statements (continued)

### 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 for the purposes of efficient portfolio management and 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.

#### 2019

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
ABN Amro	328	365	Equity
Bank of Nova Scotia	1,084	1,206	Equity
Barclays	232	288	Equity
Citigroup	756	841	Equity
Credit Suisse	7,965	8,850	Equity
Deutsche Bank	1,155	1,284	Equity
HSBC	168	186	Equity
JP Morgan	1,602	1,780	Equity
Morgan Stanley	1,154	1,215	Government Bond
Natixis	15,644	17,382	Equity
Société Générale	265	295	Equity
	<b>30,353</b>	<b>33,692</b>	

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	121	18	103

## Notes to the financial statements (continued)

### 15 Stock lending (continued)

2018

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of Nova Scotia	446	495	Equity
Citigroup	466	518	Equity
Credit Suisse	17,255	19,881	Equity
Deutsche Bank	7,848	8,854	Equity
HSBC	710	792	Equity
JP Morgan	10,190	11,322	Equity
Morgan Stanley	1,065	1,121	Government Bond
Natixis	5,396	5,996	Equity
Société Générale	3,312	3,680	Equity
	<b>46,688</b>	<b>52,659</b>	

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	101	15	86

### 16 Risk

#### Currency risk

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

	Investment assets including investment liabilities £000	Other net assets/ (liabilities) £000	Total net assets/ (liabilities) £000
<b>2019</b>			
<b>Currency</b>			
Danish krone	14,142	255	14,397
Euro	212,211	46,783	258,994
Norwegian krone	5,502	189	5,691
Polish zloty	2,767	35	2,802
Swedish krona	21,827	232	22,059
Swiss franc	73,648	697	74,345
South African rand	-	6	6
Turkish lira	-	18	18
UK sterling	-	(589)	(589)
US dollar	828	17	845
	-	-	-
<b>Total</b>	<b>330,925</b>	<b>47,643</b>	<b>378,568</b>

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Currency risk (continued)

	Investment assets including investment liabilities £000	Other net assets/ (liabilities) £000	Total net assets/ (liabilities) £000
<b>2018</b>			
<b>Currency</b>			
Danish krone	14,165	267	14,432
Euro	225,660	49,692	275,352
Norwegian krone	6,706	78	6,784
Polish zloty	2,920	49	2,969
Swedish krona	24,355	574	24,929
Swiss franc	73,887	1,597	75,484
South African rand	-	6	6
Turkish lira	-	18	18
UK sterling	(375)	(249)	(624)
US dollar	781	12	793
<b>Total</b>	<b>348,099</b>	<b>52,044</b>	<b>400,143</b>

#### Interest rate risk

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

#### Sensitivity analysis

##### Global exposure

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

##### VaR Results

	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%	%	%	%	%
<b>2019</b>	99.02	103.71	101.31	200.00	49.51	51.86	50.66
<b>2018</b>	97.94	103.35	100.33	200.00	48.97	51.68	50.16

Global exposure calculation basis: Relative VaR

Reference portfolio: FTSE customised Developed Europe ex UK Index

##### Leverage

	Minimum	Maximum	Average
	%	%	%
<b>2019</b>	22.91	33.87	25.41
<b>2018</b>	22.68	34.35	24.78



## 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>2019</b>				
Amounts held at derivatives clearing houses and brokers	2,804	-	-	-
Bank overdrafts	9,230	-	-	-
Derivative financial liabilities	-	582	-	-
Other creditors	-	868	-	-
<b>Total</b>	<b>12,034</b>	<b>1,450</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>2018</b>				
Amounts held at derivatives clearing houses and brokers	398	-	-	-
Bank overdrafts	2,497	-	-	-
Derivative financial liabilities	-	3,464	215	-
Other creditors	-	987	-	-
<b>Total</b>	<b>2,895</b>	<b>4,451</b>	<b>215</b>	<b>-</b>

### 17 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	329,881	311	346,460	3,435
Level 2	1,626	271	5,318	244
Level 3	-	-	-	-
	<b>331,507</b>	<b>582</b>	<b>351,778</b>	<b>3,679</b>

## Notes to the financial statements (continued)

### 18 Direct transaction costs

	Purchases		Sales	
	2019 £000	2018 £000	2019 £000	2018 £000
<b>Trades in the year</b>				
Debt securities	5,314	3,487	8,918	4,131
Equities	32,906	70,499	76,488	88,311
<b>Trades in the year before transaction costs</b>	<b>38,220</b>	<b>73,986</b>	<b>85,406</b>	<b>92,442</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	9	20	15	20
<b>Total commissions</b>	<b>9</b>	<b>20</b>	<b>15</b>	<b>20</b>
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	-	2	-	-
<b>Total taxes</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	6	25	-	-
<b>Total other expenses</b>	<b>6</b>	<b>25</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>15</b>	<b>47</b>	<b>15</b>	<b>20</b>
<b>Total net trades in the year after transaction costs</b>	<b>38,235</b>	<b>74,033</b>	<b>85,391</b>	<b>92,422</b>

	Purchases		Sales	
	2019 %	2018 %	2019 %	2018 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	0.03	0.03	0.02	0.02
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	0.02	0.04	-	-
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.01	0.01		
Taxes	-	-		
Other expenses	-	0.01		
<b>Total costs</b>	<b>0.01</b>	<b>0.02</b>		

## Notes to the financial statements (continued)

### 18 Direct transaction costs (continued)

There were no in specie transfers during the year (2018: nil). There were corporate actions during the year of £4,360,465 (2018: £2,965,176).

There were direct transaction costs associated with derivatives in the year of £16,162 (2018: £19,856) which is 0.00% of the average net asset value of the fund (2018: 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 October 2019 was 0.05% (2018: 0.06%). The portfolio dealing spread is calculated at a 12 noon valuation point.

### 19 Events after the Balance sheet date

Post the balance sheet date, the fund suffered large redemptions, namely, £111,523,900 on 21 November 2019, £109,616,897 on 27 November 2019 and £109,526,980 on 4 December 2019 which reduced the Net Asset Value of the fund by 88%.

Post these redemptions, the Manager considered that the fund remained viable and this continues to be the case for the foreseeable future.

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

### Interim dividend distribution (accounting date 30 April 2019, paid on 28 June 2019)

Group 1: shares purchased prior to 1 November 2018

Group 2: shares purchased on or after 1 November 2018

	Distribution per share	Equalisation	Total distribution per share 28/06/19	Total distribution per share 29/06/18
<b>Class I accumulation</b>				
Group 1	1.9851	-	1.9851	2.0551
Group 2	1.9851	-	1.9851	2.0551
<b>Class Y accumulation</b>				
Group 1	2.7474	-	2.7474	2.8448
Group 2	2.2089	0.5385	2.7474	2.8448
<b>Class Z accumulation</b>				
Group 1	3.6440	-	3.6440	3.4522
Group 2	3.1241	0.5199	3.6440	3.4522

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

Group 1 : shares purchased prior to 1 May 2019

Group 2 : shares purchased on or after 1 May 2019

	Distribution per share	Equalisation	Total distribution per share 31/12/19	Total distribution per share 31/12/18
<b>Class I accumulation</b>				
Group 1	2.3310	-	2.3310	1.7911
Group 2	0.2183	2.1127	2.3310	1.7911
<b>Class Y accumulation</b>				
Group 1	3.2066	-	3.2066	2.4706
Group 2	2.6379	0.5687	3.2066	2.4706
<b>Class Z accumulation</b>				
Group 1	4.2298	-	4.2298	3.3883
Group 2	0.9264	3.3034	4.2298	3.3883

# Janus Henderson Institutional Japan Index Opportunities Fund

## Authorised Corporate Director's (ACD) report

### Investment Fund Managers

Janus Henderson Multi Strategy Equities Team

### Investment objective and policy

The fund aims to deliver a return in excess of the FTSE customised Japan Index, the 'reference index', (or such other index as may from time to time replace it) before management fees, while carefully controlling deviation from the reference index.

The fund will invest primarily in shares of Japanese companies included in the reference index. The fund's holdings are principally selected to replicate the components of the reference index. The index will not be identically replicated and this can lead to differences in performance. There are no restrictions on the size of the companies in which the fund may invest.

In addition to seeking to reflect the index, the fund manager will make use of investment strategies aimed at enhancing returns. These seek to generate returns based on differences in the prices of securities issued by, or associated with, companies that form part of the reference index. They can include, but are not limited to, liquidity strategies (investing in 'blocks of stock' at discounted prices), and relative value strategies (taking advantage of differences between the prices of securities related to the same company).

Further details explaining the investment strategies are available on the fund's pages on our website ([www.janushenderson.com](http://www.janushenderson.com)).

The fund may invest the Scheme Property in transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Derivatives and forward transactions may be used by the fund for investment purposes, in achieving the enhancements to the index return and for the purposes of efficient portfolio management.

### Performance summary

	31 Oct 18 - 31 Oct 19	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16	31 Oct 14 - 31 Oct 15
	%	%	%	%	%
<b>Class I accumulation</b>	7.3	(0.1)	9.2	31.4	14.5
<b>FTSE customised Japan Index*</b>	7.3	0.0	9.0	31.1	14.4
<b>IA Japan</b>	7.3	(2.3)	11.1	32.4	13.0

Source: BNP, Class I accumulation, gross of fees and gross income reinvested as at close of business.

\* Customised net dividends reinvested in Japan.

Benchmark values are at close of business.

Index: FTSE customised Japan Index

Index Usage: Target, Constraint & Comparator

Index description: The FTSE customised Japan Index is a measure of the combined performance of large and medium sized companies listed on Japanese stock markets. It constrains the fund's portfolio, is the performance target and provides a useful comparison against which the fund's performance can be assessed over time.

Peer group benchmark: IA Japan

Peer group benchmark usage: Comparator

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

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

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

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

### Significant portfolio changes for the year ended 31 October 2019

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Takeda Pharmaceutical	1,204	Toyota Motor	1,177
SoftBank 'B'	874	SoftBank 'A'	622
Kyushu Electric Power	378	Mitsubishi UFJ Financial	447
Japan Post Insurance	350	Sony	414
Recruit	251	Mizuho Financial	372
Takashimaya 0.00% 06/12/2028	214	KAO	363
SG	142	East Japan Railway	348
Nomura Real Estate Master Fund	131	Mitsubishi	342
Daiwa House Residential	118	Recruit	329
Mizuho Financial	108	KDDI	327
<b>Total purchases</b>	<b>7,796</b>	<b>Total sales</b>	<b>28,032</b>

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

### Investment review

The fund returned 7.3% based on Class I accumulation over the year under review, in line with a return of 7.3% in the FTSE customised Japan Index and a return of 7.3% in the IA Japan peer group benchmark.

Japanese equities, much like their counterparts in the Asia-Pacific region, started the calendar year strongly – after large declines in the final months of 2018 – as reduced tensions in the long-running US/China trade war boosted investor confidence. However, concerns surrounding both soft domestic economic data and trade kept returns relatively muted. The Topix Index was largely rangebound for much of the year. Strong gains in September and October, as the US and China appeared to move closer to settling their dispute and as a weaker yen boosted Japanese exporters, allowed the index to finish the year under review higher – by 7.1% in sterling terms and 3.9% in yen terms.

The economic backdrop was challenging. Gross domestic product weakened to an annualised growth rate of 1.3% in the second quarter of 2019 from 2.2% in the first quarter. Japanese manufacturing figures were persistently weak. The Jibun Bank Japan Manufacturing Purchasing Managers' Index was below 50 – anything below 50 signals a contraction – in eight out of 10 months in 2019. The yen's strength was another concern for the country's export-dependent economy and prompted a government warning in August that it could act to limit big increases. The currency started to weaken against the dollar later in the period, which helped to allay some of these concerns. A drop in consumer price inflation in the second half of the year, to an annualised 0.2% in September – a seven-month low – added to investor worries and increased the pressure on the Bank of Japan to further loosen monetary policy. The central bank held interest rates steady at a historically low -0.1%, although it strongly suggested that it could lower rates further, at its policy committee meeting at the end of October.

## Comparative tables for the year ended 31 October 2019

	Class A accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	200.61	202.41	186.71
Return before operating charges*	14.53	(0.35)	17.02
Operating charges	(1.40)	(1.45)	(1.32)
Return after operating charges*	13.13	(1.80)	15.70
Distributions on accumulation shares	(3.16)	(2.56)	(2.08)
Retained distributions on accumulation shares	3.16	2.56	2.08
Closing net asset value per share	213.74	200.61	202.41
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.55%	(0.89%)	8.41%
<b>Other information</b>			
Closing net asset value (£000s)	7,631	8,184	8,973
Closing number of shares	3,569,951	4,079,551	4,433,113
Operating charges	0.70%	0.70%	0.70%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	217.88	217.85	205.00
Lowest share price (pence)	186.32	192.80	173.52
	Class C accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	232.38	234.08	215.69
Return before operating charges*	16.84	(0.34)	19.62
Operating charges	(1.30)	(1.36)	(1.23)
Return after operating charges*	15.54	(1.70)	18.39
Distributions on accumulation shares	(3.99)	(3.28)	(2.63)
Retained distributions on accumulation shares	3.99	3.28	2.63
Closing net asset value per share	247.92	232.38	234.08
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.69%	(0.73%)	8.53%
<b>Other information</b>			
Closing net asset value (£000s)	88	85	88
Closing number of shares	35,611	36,612	37,605
Operating charges	0.56%	0.57%	0.57%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	252.70	252.32	237.15
Lowest share price (pence)	215.88	223.14	200.48



## Comparative tables (continued)

	Class I accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	174.35	175.28	161.10
Return before operating charges*	12.65	(0.32)	14.74
Operating charges	(0.59)	(0.61)	(0.56)
Return after operating charges*	12.06	(0.93)	14.18
Distributions on accumulation shares	(3.38)	(2.87)	(2.40)
Retained distributions on accumulation shares	3.38	2.87	2.40
Closing net asset value per share	186.41	174.35	175.28
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.92%	(0.53%)	8.80%
<b>Other information</b>			
Closing net asset value (£000s)	5,011	19,020	23,449
Closing number of shares	2,687,950	10,909,130	13,377,919
Operating charges	0.34%	0.34%	0.34%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	189.99	189.27	177.52
Lowest share price (pence)	162.03	167.20	149.77
	Class Y accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	172.92	174.63	161.23
Return before operating charges*	12.51	(0.30)	14.69
Operating charges	(1.36)	(1.41)	(1.29)
Return after operating charges*	11.15	(1.71)	13.40
Distributions on accumulation shares	(2.56)	(2.03)	(1.64)
Retained distributions on accumulation shares	2.56	2.03	1.64
Closing net asset value per share	184.07	172.92	174.63
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.45%	(0.98%)	8.31%
<b>Other information</b>			
Closing net asset value (£000s)	21,904	24,924	29,198
Closing number of shares	11,899,760	14,413,872	16,719,736
Operating charges	0.79%	0.79%	0.79%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	187.65	187.79	176.87
Lowest share price (pence)	160.58	166.28	149.82

## Comparative tables (continued)

	Class Z accumulation		
	2019	2018	2017
	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	252.89	253.49	232.28
Return before operating charges*	18.44	(0.50)	21.30
Operating charges	(0.10)	(0.10)	(0.09)
Return after operating charges*	18.34	(0.60)	21.21
Distributions on accumulation shares	(5.68)	(4.93)	(4.17)
Retained distributions on accumulation shares	5.68	4.93	4.17
Closing net asset value per share	271.23	252.89	253.49
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.25%	(0.24%)	9.13%
<b>Other information</b>			
Closing net asset value (£000s)	124,287	118,177	128,928
Closing number of shares	45,823,392	46,730,337	50,861,908
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	276.37	274.48	256.71
Lowest share price (pence)	235.15	242.08	216.01

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

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

### Operating charges

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

### Share class launches and closures

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

## Ongoing charge figure

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

	<b>2019</b> %	<b>2018</b> %
<b>Class A</b>	0.70	0.70
<b>Class C</b>	0.56	0.57
<b>Class I</b>	0.34	0.34
<b>Class Y</b>	0.79	0.79
<b>Class Z</b>	0.04	0.04

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

## Risk and reward profile

The fund currently has 5 types of share class in issue; A accumulation, C accumulation, I accumulation, Y accumulation and Z accumulation. Each type of share class has the same risk and reward profile which is as follows:



The share class appears at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in share price in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The 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 rating in the year.

The SRRI conforms to the European Securities and Markets Authority (ESMA) guidelines for the calculation of the SRRI.

## Portfolio statement as at 31 October 2019

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 98.08% (2018: 98.38%)</b>		
	<b>Japan 97.84% (2018: 98.14%)</b>		
	<b>Basic Materials 5.61% (2018: 5.87%)</b>		
9,000	Air Water	131	0.08
62,500	Asahi Kasei	541	0.34
16,500	Daicel	115	0.07
1,500	Daido Steel	51	0.03
4,800	Denka	108	0.07
4,200	DIC	94	0.06
3,160	Dowa	85	0.05
4,300	Hitachi Chemical	110	0.07
6,800	Hitachi Metals	66	0.04
27,125	JFE	265	0.17
8,400	JSR	123	0.08
3,000	Kaneka	78	0.05
9,600	Kansai Paint	180	0.11
13,800	Kobe Steel	58	0.04
20,300	Kuraray	188	0.12
2,600	Maruichi Steel Tube	55	0.03
75,000	Mitsubishi Chemical	445	0.28
6,500	Mitsubishi Gas Chemical	72	0.05
8,600	Mitsui Chemicals	160	0.10
3,600	Mitsui Mining & Smelting	79	0.05
4,200	Nagase	50	0.03
9,000	Nippon Kayaku	85	0.05
7,700	Nippon Paint	327	0.21
3,800	Nippon Paper Industries	51	0.03
1,400	Nippon Shokubai	67	0.04
41,174	Nippon Steel	468	0.29
7,600	Nissan Chemical	243	0.15
8,400	Nitto Denko	362	0.23
4,500	NOF	118	0.07
45,800	Oji	185	0.12
20,800	Shin-Etsu Chemical	1,806	1.13
7,700	Showa Denko	169	0.11
2,000	Sumitomo Bakelite	65	0.04
71,900	Sumitomo Chemical	256	0.16
12,000	Sumitomo Metal Mining	313	0.20
8,400	Taiyo Nippon Sanso	153	0.10
11,000	Teijin	171	0.11
12,900	Tokai Carbon	102	0.06
4,500	Tokuyama	94	0.06
83,400	Toray Industries	459	0.29
12,700	Tosoh	136	0.09
7,400	Ube Industries	124	0.08
2,100	Yamato Kogyo	42	0.03
8,000	Zeon	71	0.04
		8,921	5.61

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Goods 23.17% (2018: 23.32%)</b>			
1,100	ABC-Mart	58	0.04
9,500	Aisin Seiki	296	0.19
25,600	Ajinomoto	377	0.24
1,300	Ariake Japan	78	0.05
19,600	Asahi	760	0.48
8,200	Asics	109	0.07
10,000	Bandai Namco	476	0.30
30,600	Bridgestone	989	0.62
2,800	Calbee	72	0.05
9,600	Casio Computer	121	0.08
4,000	Citizen Watch	16	0.01
8,925	Coca-Cola Bottlers Japan	157	0.10
2,600	Daiichikosho	96	0.06
33,900	Daiwa House Industry	904	0.57
23,500	Denso	850	0.53
3,100	Ezaki Glico	111	0.07
4,200	Fancl	92	0.06
3,000	Fuji Oil	70	0.04
2,300	Fujitsu General	32	0.02
2,000	Goldwin	118	0.07
6,000	GS Yuasa	85	0.05
1,840	GungHo Online Entertainment	31	0.02
91,900	Honda Motor	1,933	1.22
4,800	House Foods	141	0.09
2,600	ITO EN	98	0.06
10,400	Itoham Yonekyu	52	0.03
61,900	Japan Tobacco	1,086	0.68
12,500	Jtekt	124	0.08
5,200	Kagome	102	0.06
24,500	KAO	1,531	0.96
4,100	Kewpie	72	0.05
10,000	Kikkoman	372	0.23
41,200	Kirin Brewery	678	0.43
5,400	Koito Manufacturing	220	0.14
8,100	Kokuyo	92	0.06
5,700	Konami	194	0.12
1,500	Kose	206	0.13
12,200	Lion	198	0.12
13,100	Makita	344	0.22
1,500	Maruha Nichiro	30	0.02
29,100	Mazda	209	0.13
3,300	Megmilk Snow Brand	62	0.04
6,720	Meiji	375	0.24
32,400	Mitsubishi Motors	115	0.07
1,900	Morinaga	73	0.05
1,800	Morinaga Milk Industry	54	0.03
11,500	NGK Spark Plug	182	0.11
6,000	NH Foods	195	0.12
14,600	NHK Spring	93	0.06
3,800	Nichirei	67	0.04
2,900	Nifco	60	0.04

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Goods</b> (continued)			
17,100	Nikon	170	0.11
5,500	Nintendo	1,517	0.95
61,400	Nissan Motor	302	0.19
14,590	Nisshin Seifun	224	0.14
9,000	Nisshinbo	59	0.04
3,400	Nissin Food Products	199	0.13
5,600	NOK	68	0.04
25,900	NSK	188	0.12
2,100	Paltac	79	0.05
108,617	Panasonic	712	0.45
5,000	Pigeon	189	0.12
2,200	Pilot	70	0.04
3,100	Pola Orbis	55	0.03
1,500	Rinnai	85	0.05
4,200	Sanrio	65	0.04
2,400	Sapporo Breweries	47	0.03
10,800	Sega Sammy	118	0.07
19,800	Sekisui Chemical	269	0.17
29,600	Sekisui House	495	0.31
8,600	Sharp	77	0.05
4,300	Shimano	556	0.35
20,500	Shiseido	1,314	0.83
65,722	Sony	3,111	1.96
7,100	Stanley Electric	153	0.10
31,700	Subaru	707	0.45
36,700	Sumitomo Electric Industries	392	0.25
6,000	Sumitomo Forestry	68	0.04
9,500	Sumitomo Rubber	98	0.06
5,900	Suntory Beverage & Food	195	0.12
22,500	Suzuki Motor	826	0.52
7,300	Takara	56	0.04
6,300	Tokai Rika	95	0.06
4,500	Toyo Suisan Kaisha	147	0.09
5,400	Toyo Tire & Rubber	59	0.04
6,400	Toyobo	67	0.04
2,700	Toyoda Gosei	49	0.03
4,700	Toyota Boshoku	54	0.03
8,400	Toyota Industries	393	0.25
129,940	Toyota Motor	6,996	4.40
1,800	TS Tech	45	0.03
21,000	Unicharm	554	0.35
1,200	Wacoal	25	0.02
6,700	Yakult Honsha	297	0.19
8,900	Yamaha	322	0.20
15,700	Yamaha Motor	240	0.15
6,600	Yamazaki Baking	87	0.05
4,100	Yokohama Rubber	71	0.04
		36,821	23.17

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Services 11.00% (2018: 11.06%)</b>			
37,100	Aeon	579	0.36
1,400	Ain	62	0.04
5,100	All Nippon Airways	136	0.09
5,100	Autobacs Seven	65	0.04
4,800	Benesse	100	0.06
6,500	Bic Camera	55	0.03
9,400	Central Japan Railway	1,498	0.93
300	Cosmos Pharmaceutical	48	0.03
17,000	Dai Nippon Printing	353	0.22
4,800	DeNA	63	0.04
10,900	Dentsu	303	0.19
18,900	East Japan Railway	1,330	0.84
13,780	FamilyMart	265	0.17
2,800	Fast Retailing	1,342	0.84
10,400	Hakuhodo	121	0.08
11,500	Hankyu Hanshin	357	0.22
3,900	Heiwa	62	0.04
1,600	H.I.S.	32	0.02
4,000	H2O Retailing	35	0.02
16,040	Isetan Mitsukoshi	99	0.06
2,300	Izumi	67	0.04
12,000	J Front Retailing	119	0.07
5,300	Japan Airlines	128	0.08
6,000	Kakaku.com	108	0.07
4,700	Keihan Electric Railway	172	0.11
14,200	Keikyu	220	0.14
6,500	Keio	311	0.20
7,100	Keisei Electric Railway	225	0.14
9,400	Kintetsu	396	0.25
10,400	KS	92	0.06
7,300	Kyushu Railway	186	0.12
2,000	Lawson	85	0.05
10,600	Marui	183	0.12
4,400	Matsumotokiyoshi	120	0.08
21,800	M3	406	0.26
12,000	Nagoya Railroad	296	0.19
5,800	Nankai Electric Railway	117	0.07
5,200	Nishi-Nippon Railroad	94	0.06
4,200	Nitori	495	0.31
17,700	Odakyu Electric Railway	334	0.21
9,800	Oriental Land	1,113	0.70
25,900	Pan Pacific International	316	0.20
6,500	Park24	119	0.07
40,900	Rakuten	303	0.19
4,900	Resorttrust	61	0.04
13,000	Ryohin Keikaku	225	0.14
3,000	Sankyo	81	0.05
9,100	Seibu	124	0.08
41,047	Seven & I	1,203	0.76
1,500	Shimamura	99	0.06
400	Shochiku	45	0.03



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Services (continued)</b>			
7,800	Skylark	110	0.07
3,000	Sotetsu	62	0.04
2,600	Sugi	112	0.07
2,900	Sundrug	74	0.05
6,000	Takashimaya	54	0.03
11,300	Tobu Railway	292	0.18
5,900	Toho (Film)	184	0.12
25,800	Tokyu	378	0.24
1,900	Tsuruha	166	0.10
9,400	USS	141	0.09
1,700	Welcia	76	0.05
9,300	West Japan Railway	626	0.39
37,400	Yamada Denki	140	0.09
2,000	Yaoko	72	0.05
5,400	Zensho	88	0.06
8,800	ZOZO	159	0.10
		17,482	11.00
<b>Financials 12.81% (2018: 14.94%)</b>			
4,200	Acom	13	0.01
7,100	Aeon Financial Service	84	0.05
5,560	Aeon Mall	69	0.04
7,000	Aozora Bank	140	0.09
4,600	Bank of Kyoto	142	0.09
39,200	Chiba Bank	166	0.10
7,400	Chugoku Bank	56	0.04
65,800	Concordia Financial	209	0.13
6,300	Credit Saison	71	0.04
55,100	Dai-ichi Life Insurance	703	0.44
3,300	Daishi Hokuetsu Financial	65	0.04
3,400	Daito Trust Construction	349	0.22
75,800	Daiwa Securities	265	0.17
7,000	Fukuoka Financial	105	0.07
16,900	Gunma Bank	44	0.03
15,900	Hachijuni Bank	53	0.03
22,500	Hiroshima Bank	90	0.06
10,200	Hokuhoku Financial	78	0.05
20,200	Hulic	170	0.11
8,700	Iida	113	0.07
24,000	Iyo Bank	99	0.06
27,600	Japan Exchange	355	0.22
74,400	Japan Post	530	0.33
18,400	Japan Post Bank	142	0.09
11,500	Japan Post Insurance	141	0.09
9,600	Kansai Mirai Financial	49	0.03
4	Kenedix Retail REIT	9	0.01
2,000	Kyoritsu Maintenance	69	0.04
21,390	Kyushu Financial	67	0.04
10,000	Matsui Securities	64	0.04
25,400	Mebuki Financial Group	50	0.03
62,700	Mitsubishi Estate	943	0.59

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Financials</b> (continued)			
647,070	Mitsubishi UFJ Financial	2,634	1.67
16,100	Mitsubishi UFJ Lease & Finance	77	0.05
49,800	Mitsui Fudosan	990	0.62
1,298,020	Mizuho Financial	1,565	0.99
25,533	MS & AD Insurance	640	0.40
6,600	Nihon M&A Centre	156	0.10
6,600	Nishi-Nippon Financial	38	0.02
168,400	Nomura	596	0.37
4,100	Nomura Real Estate	75	0.05
2,800	Open House	56	0.03
30,900	Orient	35	0.02
67,100	Orix	818	0.51
6,000	Relo	114	0.07
120,900	Resona	411	0.26
11,940	SBI	202	0.13
31,200	Seven Bank	70	0.04
4,800	Shiga Bank	90	0.06
6,400	Shinsei Bank	78	0.05
27,000	Shizuoka Bank	160	0.10
17,275	Sompo	528	0.33
10,100	Sony Financial	169	0.11
66,786	Sumitomo Mitsui Financial	1,851	1.17
20,796	Sumitomo Mitsui Trust	591	0.37
20,700	Sumitomo Realty & Development	583	0.37
29,756	T&D	260	0.16
34,700	Tokio Marine	1,454	0.92
3,300	Tokyo Century	119	0.07
9,800	Tokyo Tatemono	108	0.07
30,600	Tokyu Fudosan	157	0.10
9,000	Yamaguchi Financial	49	0.03
3,900	Zenkoku Hoshu	126	0.08
5,000	77 Bank	62	0.04
		20,365	12.81
<b>Health Care 8.42% (2018: 7.60%)</b>			
10,900	Alfresa	189	0.12
10,200	Asahi Intecc	218	0.14
98,500	Astellas Pharma	1,308	0.82
11,200	Chugai Pharmaceutical	731	0.46
33,500	Daiichi Sankyo	1,708	1.08
13,300	Eisai	749	0.47
4,100	Hisamitsu Pharmaceutical	149	0.09
2,500	Kaken Pharmaceutical	95	0.06
2,800	Kobayashi Pharmaceutical	174	0.11
16,000	Kyowa Hakko Kirin	228	0.14
3,200	Mani	66	0.04
8,800	Medipal	156	0.10
2,200	Miraca	40	0.03
10,400	Mitsubishi Tanabe Pharmaceutical	97	0.06
2,200	Mochida Pharmaceutical	68	0.04
5,100	Nihon Kohden	118	0.07

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Health Care (continued)</b>			
2,400	Nippon Shinyaku	168	0.11
4,400	Nipro	40	0.03
58,500	Olympus	619	0.39
25,400	Ono Pharmaceutical	371	0.23
21,700	Otsuka 'B'	703	0.44
4,500	PeptiDream	175	0.11
4,400	Rohtop Pharmaceutical	103	0.06
17,300	Santen Pharmaceutical	238	0.15
2,500	Sawai Pharmaceutical	109	0.07
14,400	Shionogi	671	0.42
8,300	Sumitomo Dainippon Pharma	113	0.07
3,420	Suzuken	142	0.09
9,600	Sysmex	486	0.31
1,800	Taisho Pharmaceutical	100	0.06
1,900	Takara Bio	30	0.02
80,200	Takeda Pharmaceutical	2,249	1.43
33,500	Terumo	850	0.53
4,600	Topcon	49	0.03
3,100	Tsumura	66	0.04
		13,376	8.42
<b>Industrials 23.37% (2018: 22.13%)</b>			
8,800	AGC	240	0.15
3,000	Aica Kogyo	74	0.05
10,900	Alps Alpine	182	0.11
21,000	Amada	186	0.12
2,400	Amano	55	0.03
7,900	Azbil	171	0.11
3,500	Benefit One	55	0.03
5,400	COMSYS	124	0.08
4,900	Daifuku	203	0.13
13,800	Daikin Industries	1,501	0.94
1,600	Disco	273	0.17
3,600	DMG Mori	46	0.03
4,500	Ebara	104	0.07
10,700	Fanuc	1,652	1.04
1,900	FP	91	0.06
5,800	Fuji Electric	144	0.09
2,500	Fuji Seal International	48	0.03
8,900	Fujikura	32	0.02
1,000	Fukuyama Transporting	28	0.02
3,100	Furukawa Electric	68	0.04
2,200	Glory	50	0.03
2,000	GMO Payment Gateway	114	0.07
5,900	Hamamatsu Photonics	178	0.11
13,300	Haseko	133	0.08
12,300	Hino Motors	91	0.06
2,042	Hirose Electric	200	0.13
48,900	Hitachi	1,422	0.89
4,700	Hitachi Construction Machinery	95	0.06
4,000	Hitachi Transport System	88	0.06

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Industrials</b> (continued)			
2,300	Horiba	121	0.08
2,500	Hoshizaki Electric	165	0.10
19,100	Hoya	1,311	0.82
6,100	Ibiden	109	0.07
6,100	IHI	118	0.07
24,300	Isuzu Motors	220	0.14
71,500	Itochu	1,159	0.73
3,000	Japan Airport Terminal	115	0.07
3,000	Japan Aviation Electronics	44	0.03
3,300	Japan Steel Works	55	0.03
12,000	JGC	136	0.09
22,800	Kajima	244	0.15
7,000	Kamigumi	123	0.08
6,700	Kawasaki Heavy Industries	125	0.08
5,700	Kawasaki Kisen Kai	66	0.04
4,738	Keyence	2,329	1.46
5,000	Kinden	58	0.04
47,400	Komatsu	867	0.55
57,900	Kubota	716	0.45
4,600	Kurita Water Industries	103	0.06
17,000	Kyocera	867	0.55
7,700	Kyowa Exeo	152	0.10
2,000	Kyudenko	51	0.03
1,000	Lintec	16	0.01
16,100	Lixil	233	0.15
2,000	Mabuchi Motor	63	0.04
7,000	Maeda	51	0.03
5,000	Maeda Road Construction	84	0.05
86,700	Marubeni	474	0.30
20,400	Minebea	303	0.19
16,600	Misumi	326	0.20
65,100	Mitsubishi	1,286	0.81
102,900	Mitsubishi Electric	1,144	0.72
14,800	Mitsubishi Heavy Industries	466	0.29
2,500	Mitsubishi Logistics	49	0.03
7,000	Mitsubishi Materials	156	0.10
88,900	Mitsui	1,186	0.75
5,800	Mitsui OSK Lines	123	0.08
6,000	Miura	141	0.09
29,600	Murata Manufacturing	1,240	0.78
6,500	Nabtesco	162	0.10
16,200	NGK Insulators	194	0.12
12,300	Nidec	1,412	0.89
3,500	Nippon Electric Glass	61	0.04
4,000	Nippon Express	177	0.11
7,400	Nippon Yusen	104	0.07
24,000	NTN	58	0.04
38,000	Obayashi	304	0.19
1,000	Okuma	47	0.03
10,700	Omron	489	0.31
6,000	OSG	100	0.06

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Industrials (continued)</b>			
12,000	Penta-Ocean Construction	57	0.04
8,000	Persol	119	0.08
66,700	Recruit	1,721	1.07
10,100	Rengo	57	0.04
2,800	SANKYU	111	0.07
8,500	Sanwa	77	0.05
9,600	Secom	690	0.43
8,100	Seino	81	0.05
12,300	SG	236	0.15
14,400	Shimadzu	300	0.19
33,000	Shimizu	239	0.15
2,800	Sho-Bond	84	0.05
3,000	SMC	1,012	0.64
3,400	Sohgo Security Services	143	0.09
57,700	Sojitz	141	0.09
58,400	Sumitomo	736	0.46
6,200	Sumitomo Heavy Industries	150	0.09
1,500	Sumitomo Osaka Cement	51	0.03
3,800	Tadano	27	0.02
6,800	Taiheiyō Cement	149	0.09
10,200	Taisei	313	0.20
4,300	Taiyo Yuden	89	0.06
6,200	TDK	480	0.30
4,800	THK	108	0.07
10,000	Toda	49	0.03
12,000	Toppan Printing	172	0.11
25,900	Toshiba	686	0.43
8,100	Toto	257	0.16
6,800	Toyo Seikan	84	0.05
12,900	Toyota Tsusho	346	0.22
2,900	ULVAC	99	0.06
4,800	Ushio	56	0.04
20,400	Yamato	266	0.17
14,600	Yaskawa Electric	436	0.27
11,800	Yokogawa Electric	168	0.11
		<u>37,141</u>	<u>23.37</u>
<b>Oil &amp; Gas 0.83% (2018: 1.24%)</b>			
4,200	Cosmo Energy	70	0.04
12,664	Idemitsu Kosan	289	0.18
46,100	Inpex	332	0.21
2,300	Japan Petroleum Exploration	46	0.03
159,250	JXTG	580	0.37
		<u>1,317</u>	<u>0.83</u>
<b>Technology 5.79% (2018: 5.18%)</b>			
10,200	Advantest	360	0.23
4,900	Anritsu	73	0.05
12,400	Brother Industries	182	0.11
53,500	Canon	1,131	0.71
1,900	Canon Marketing Japan	31	0.02

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Technology (continued)</b>			
3,200	Capcom	59	0.04
5,200	CyberAgent	131	0.08
18,700	Fujifilm	639	0.40
9,900	Fujitsu	680	0.43
3,600	Hitachi High-Technologies	174	0.11
4,100	Itochu Techno-Solutions	86	0.05
2,500	Justsystems	80	0.05
2,300	Koei Tecmo	41	0.03
24,300	Konica Minolta	139	0.09
12,800	NEC Electronics	393	0.25
4,800	NET One Systems	101	0.06
4,700	Nihon Unisys	120	0.08
12,513	Nomura Research Institute	207	0.13
2,700	NS Solutions	71	0.04
32,200	NTT Data	329	0.21
3,300	Obic	322	0.20
1,500	Oracle	103	0.06
6,600	Otsuka 'A'	207	0.13
37,100	Renesas Electronics	196	0.12
37,100	Ricoh	257	0.16
4,400	Rohm	271	0.17
1,900	SCREEN	103	0.06
2,000	SCSK	79	0.05
17,100	Seiko Epson	188	0.12
4,300	Square Enix	158	0.10
12,300	Sumco	160	0.10
2,500	TechnoPro	120	0.08
4,000	TIS	188	0.12
7,700	Tokyo Electron	1,212	0.77
6,800	Trend Micro	267	0.17
143,000	Z	340	0.21
		<u>9,198</u>	<u>5.79</u>
<b>Telecommunications 5.14% (2018: 4.82%)</b>			
1,300	Hikari Tsushin	221	0.14
91,000	KDDI	1,950	1.23
33,200	Nippon Telegraph & Telephone	1,276	0.80
61,200	NTT Docomo	1,301	0.82
84,300	SoftBank 'A'	2,524	1.59
84,100	SoftBank 'B'	892	0.56
		<u>8,164</u>	<u>5.14</u>
<b>Utilities 1.70% (2018: 1.98%)</b>			
34,259	Chubu Electric Power	397	0.26
14,600	Chugoku Electric Power	150	0.09
7,120	Electric Power Development 'C'	134	0.08
9,000	Hokkaido Electric Power	37	0.02
5,500	Hokuriku Electric Power	30	0.02

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Utilities (continued)</b>		
43,038	Kansai Electric Power	389	0.24
20,200	Kyushu Electric Power	156	0.10
17,700	Osaka Gas	268	0.17
11,100	Shikoku Electric Power	85	0.05
4,100	Toho Gas	124	0.08
26,200	Tohoku Electric Power	208	0.13
92,800	Tokyo Electric Power	332	0.21
20,700	Tokyo Gas	392	0.25
		<u>2,702</u>	<u>1.70</u>
	<b>South Korea 0.17% (2018: 0.15%)</b>		
	<b>Consumer Goods 0.12% (2018: 0.11%)</b>		
21,800	Nexon	195	0.12
	<b>Technology 0.05% (2018: 0.04%)</b>		
2,700	LINE	77	0.05
	<b>United States 0.07% (2018: 0.09%)</b>		
	<b>Industrials 0.07% (2018: 0.09%)</b>		
5,000	Monotaro	118	0.07
	<b>Bonds 0.36% (2018: 0.22%)</b>		
	<b>Japan 0.36% (2018: 0.22%)</b>		
	<b>Fixed Rate Bond 0.13% (2018: 0.00%)</b>		
JPY 30,000,000	Takashimaya 0.00% 06/12/2028	214	0.13
	<b>Zero / Discount Rate Bond 0.23% (2018: 0.22%)</b>		
JPY 50,000,000	Kyushu Electric Power 0.00% 31/03/2022	357	0.23
	<b>Derivatives 0.01% (2018: (0.11%))</b>		
	<b>Contracts for Difference (0.08%) (2018: 0.01%)<sup>1</sup></b>		
	<b>Cross Currency Contracts for Difference (0.08%) (2018: 0.01%)<sup>1</sup></b>		
6,019	Renault	(126)	(0.08)
	<b>Forward Foreign Exchange Contracts 0.00% (2018: 0.00%)<sup>1</sup></b>		
	Buy GBP 525,000 : Sell JPY 73,570,875 November 2019	(1)	-
	<b>Futures 0.09% (2018: (0.12%))</b>		
28	OSE TOPIX Index December 2019	137	0.09
(2)	SGX Mini 10 year JGB December 2019	1	-
		<u>138</u>	<u>0.09</u>
	<b>Investment assets including investment liabilities</b>	<b>156,459</b>	<b>98.45</b>
	Other net assets	2,462	1.55
	<b>Total net assets</b>	<b>158,921</b>	<b>100.00</b>

<sup>1</sup> Unquoted securities

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

## Statement of total return for the year ended 31 October 2019

	Note	2019		2018	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		8,586		(3,750)
Revenue	3	4,135		3,956	
Expenses	4	(325)		(401)	
Interest payable and similar charges	5	(11)		(4)	
Net revenue before taxation		3,799		3,551	
Taxation	6	(404)		(392)	
Net revenue after taxation			<u>3,395</u>		<u>3,159</u>
Total return before distributions			11,981		(591)
Distributions	7		(3,395)		(3,159)
<b>Change in net assets attributable to shareholders from investment activities</b>			<u><b>8,586</b></u>		<u><b>(3,750)</b></u>

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

	2019		2018	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>170,390</b>		<b>190,636</b>
Amounts receivable on issue of shares	9,222		14,852	
Amounts payable on cancellation of shares	<u>(32,666)</u>		<u>(34,530)</u>	
		(23,444)		(19,678)
Dilution adjustment		49		56
Change in net assets attributable to shareholders from investment activities		8,586		(3,750)
Retained distributions on accumulation shares		3,340		3,126
<b>Closing net assets attributable to shareholders</b>		<u><b>158,921</b></u>		<u><b>170,390</b></u>



**Balance sheet** as at 31 October 2019

	Note	2019 £000	2018 £000
<b>Assets:</b>			
Investments		156,586	167,998
Current assets:			
Debtors	8	1,382	1,603
Cash and bank balances	9	4,298	1,175
<b>Total assets</b>		<b>162,266</b>	<b>170,776</b>
<b>Liabilities:</b>			
Investment liabilities		127	188
Creditors:			
Amounts held at derivative clearing houses and brokers		137	-
Bank overdrafts		2,430	75
Other creditors	10	651	123
<b>Total liabilities</b>		<b>3,345</b>	<b>386</b>
<b>Net assets attributable to shareholders</b>		<b>158,921</b>	<b>170,390</b>

## Notes to the financial statements for the year ended 31 October 2019

### 1 Accounting policies

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

### 2 Net capital gains/(losses)

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Derivative securities	(111)	(490)
Forward currency contracts	(46)	(150)
Non-derivative securities	8,691	(3,324)
Other currency gains	60	225
Transaction costs	(8)	(11)
<b>Net capital gains/(losses)</b>	<b>8,586</b>	<b>(3,750)</b>

### 3 Revenue

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Bank interest	1	1
Derivative revenue	16	16
Interest on debt securities	3	-
Overseas dividends	4,100	3,920
Stock lending revenue	15	19
<b>Total revenue</b>	<b>4,135</b>	<b>3,956</b>

### 4 Expenses

	<b>2019</b>	<b>2018</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	257	322
GAC*	46	51
	<u>303</u>	<u>373</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	13	14
Safe custody fees	9	14
	<u>22</u>	<u>28</u>
<b>Total expenses</b>	<b>325</b>	<b>401</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £10,317 (2018: £10,017).

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Interest payable	11	4
<b>Total interest payable and similar charges</b>	<b>11</b>	<b>4</b>

### 6 Taxation

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

The tax charge comprises:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Current tax</b>		
Corporation tax prior year adjustment	2	-
Overseas withholding tax	402	392
<b>Total tax (note 6b)</b>	<b>404</b>	<b>392</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% (2018: 20%). The differences are explained below:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Net revenue before taxation	3,799	3,551
Corporation tax at 20% (2018: 20%)	760	710
Effects of:		
Corporation tax prior year adjustment	2	-
Irrecoverable overseas tax	402	392
Overseas dividends	(820)	(784)
Unused management expenses	60	74
<b>Tax charge for the year (note 6a)</b>	<b>404</b>	<b>392</b>

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

#### c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2018: nil).

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

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £824,438 (2018: £764,239) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

## Notes to the financial statements (continued)

### 7 Distributions

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Interim accumulation	1,775	1,563
Final accumulation	1,565	1,563
	<u>3,340</u>	<u>3,126</u>
Amounts deducted on cancellation of shares	70	49
Amounts received on issue of shares	(15)	(16)
<b>Total distributions</b>	<b><u>3,395</u></b>	<b><u>3,159</u></b>

Details of the distribution per share are set out in the Distribution tables on page 120.

### 8 Debtors

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Accrued revenue	1,375	1,407
Amounts receivable for issue of shares	6	182
Corporation tax recoverable	-	2
Overseas withholding tax reclaimable	1	6
Sales awaiting settlement	-	6
<b>Total debtors</b>	<b><u>1,382</u></b>	<b><u>1,603</u></b>

### 9 Cash and bank balances

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Amounts held at derivative clearing houses and brokers	401	534
Cash and bank balances	3,897	641
<b>Total cash and bank balances</b>	<b><u>4,298</u></b>	<b><u>1,175</u></b>

### 10 Other creditors

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Accrued annual management charge	19	25
Accrued Depositary's fee	1	1
Accrued other expenses	5	20
Amounts payable for cancellation of shares	626	70
Purchases awaiting settlement	-	7
<b>Total other creditors</b>	<b><u>651</u></b>	<b><u>123</u></b>

## Notes to the financial statements (continued)

### 11 Contingent assets, liabilities and commitments

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

There were no contingent liabilities 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 108 and 109 and notes 4, 7, 8 and 10 on pages 110 to 112 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

HSBC Global Custody Nominee (UK) Ltd, as a material shareholder, is a related party holding shares comprising 76.52% of the total net assets of the fund as at the year end (2018: 68.56%).

### 13 Shareholders' funds

The fund currently has 5 share classes available; Class A (Retail with front-end charges), Class C (Institutional), Class I (Institutional), Class Y (Institutional) and Class Z. The annual management charge on each share class is as follows:

	<b>2019</b>	<b>2018</b>
	%	%
Class A	0.50	0.50
Class C	0.50	0.50
Class I	0.30	0.30
Class Y	0.75	0.75
Class Z*	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the comparative tables on pages 92 to 94. The distribution per share class is given in the Distribution tables on page 120. All share classes have the same rights on winding up.

### Shares reconciliation as at 31 October 2019

	<b>Class A accumulation</b>	<b>Class C accumulation</b>	<b>Class I accumulation</b>	<b>Class Y accumulation</b>
Opening number of shares	4,079,551	36,612	10,909,130	14,413,872
Issues during the year	275,148	-	1,951,027	18,500
Cancellations during the year	(778,538)	(1,001)	(10,179,335)	(2,532,612)
Shares converted during the year	(6,210)	-	7,128	-
<b>Closing shares in issue</b>	<b>3,569,951</b>	<b>35,611</b>	<b>2,687,950</b>	<b>11,899,760</b>
	<b>Class Z accumulation</b>			
Opening number of shares	46,730,337			
Issues during the year	2,137,006			
Cancellations during the year	(3,043,951)			
Shares converted during the year	-			
<b>Closing shares in issue</b>	<b>45,823,392</b>			

## Notes to the financial statements (continued)

### 14 Financial derivatives

The fund may use financial derivatives for the purposes of hedging and meeting the investment objectives of the fund, including risk reduction and implementation of investment policies.

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 October 2019 (2018: nil).

#### 2019

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

Counterparty	Futures £000	Total by counterparty £000
UBS	138	138
	<u>138</u>	<u>138</u>

#### 2018

At 31 October 2018 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Contracts for difference £000	Total by counterparty £000
Credit Suisse	9	9
	<u>9</u>	<u>9</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 for the purposes of efficient portfolio management and 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.

## Notes to the financial statements (continued)

### 15 Stock lending (continued) 2019

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Citigroup	181	201	Equity
HSBC	1,589	1,768	Equity
JP Morgan	578	642	Equity
Macquarie Bank	126	140	Equity
	<b>2,474</b>	<b>2,751</b>	

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	18	3	15

### 2018

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of Nova Scotia	118	132	Equity
Barclays	58	60	Government Bond
Citigroup	1,140	1,267	Equity
HSBC	694	771	Equity
JP Morgan	198	220	Equity
Merrill Lynch	790	884	Equity
Natixis	60	66	Equity
	<b>3,058</b>	<b>3,400</b>	

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	22	3	19

## Notes to the financial statements (continued)

### 16 Risk

#### Currency risk

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

	Investment assets including investment liabilities £000	Other net assets/ (liabilities) £000	Total net assets £000
<b>2019</b>			
<b>Currency</b>			
Japanese yen	155,934	2,966	158,900
UK sterling	525	(504)	21
<b>Total</b>	<b>156,459</b>	<b>2,462</b>	<b>158,921</b>

	Investment assets including investment liabilities £000	Other net assets £000	Total net assets £000
<b>2018</b>			
<b>Currency</b>			
Japanese yen	167,890	2,473	170,363
UK sterling	(80)	107	27
<b>Total</b>	<b>167,810</b>	<b>2,580</b>	<b>170,390</b>

#### Interest rate risk

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

#### Sensitivity analysis

##### Global exposure

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

##### VaR Results

	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%	%	%	%	%
<b>2019</b>	96.14	108.15	99.96	200.00	48.07	54.08	49.98
<b>2018</b>	93.49	102.36	99.46	200.00	46.75	51.18	49.73

Global exposure calculation basis: Relative VaR

Reference portfolio: FTSE customised Japan Index

##### Leverage

	Minimum	Maximum	Average
	%	%	%
<b>2019</b>	1.38	3.84	2.25
<b>2018</b>	0.58	3.48	1.84



## 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>2019</b>				
Amounts held at derivatives clearing houses and brokers	137	-	-	-
Bank overdrafts	2,430	-	-	-
Derivative financial liabilities	-	127	-	-
Other creditors	-	651	-	-
<b>Total</b>	<b>2,567</b>	<b>778</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>2018</b>				
Bank overdrafts	75	-	-	-
Derivative financial liabilities	-	188	-	-
Other creditors	-	123	-	-
<b>Total</b>	<b>75</b>	<b>311</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.

#### Fair value hierarchy

	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	156,015	-	167,620	188
Level 2	571	127	378	-
Level 3	-	-	-	-
	<b>156,586</b>	<b>127</b>	<b>167,998</b>	<b>188</b>

## Notes to the financial statements (continued)

### 18 Direct transaction costs

	Purchases		Sales	
	2019 £000	2018 £000	2019 £000	2018 £000
<b>Trades in the year</b>				
Debt securities	285	483	72	418
Equities	7,510	15,893	27,970	31,024
<b>Trades in the year before transaction costs</b>	<b>7,795</b>	<b>16,376</b>	<b>28,042</b>	<b>31,442</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	1	5	10	10
<b>Total commissions</b>	<b>1</b>	<b>5</b>	<b>10</b>	<b>10</b>
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Total other expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>1</b>	<b>5</b>	<b>10</b>	<b>10</b>
<b>Total net trades in the year after transaction costs</b>	<b>7,796</b>	<b>16,381</b>	<b>28,032</b>	<b>31,432</b>

	Purchases		Sales	
	2019 %	2018 %	2019 %	2018 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	0.01	0.03	0.04	0.03
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.01	0.01		
Taxes	-	-		
Other expenses	-	-		
<b>Total costs</b>	<b>0.01</b>	<b>0.01</b>		

## Notes to the financial statements (continued)

### 18 Direct transaction costs (continued)

There were no in specie transfers during the year (2018: nil). There were no corporate actions during the year (2018: £44,243).

There were direct transaction costs associated with derivatives in the year of £3,955 (2018: £5,266) which is 0.00% of the average net asset value of the fund (2018: 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 October 2019 was 0.19% (2018: 0.17%). The portfolio dealing spread is calculated at a 12 noon valuation point.

### 19 Events after the Balance sheet date

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

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

### Interim dividend distribution (accounting date 30 April 2019, paid on 28 June 2019)

Group 1: shares purchased prior to 1 November 2018

Group 2: shares purchased on or after 1 November 2018

	Distribution per share	Equalisation	Total distribution per share 28/06/19	Total distribution per share 29/06/18
<b>Class A accumulation</b>				
Group 1	1.5899	-	1.5899	1.2219
Group 2	1.5094	0.0805	1.5899	1.2219
<b>Class C accumulation</b>				
Group 1	2.0001	-	2.0001	1.5732
Group 2	2.0001	-	2.0001	1.5732
<b>Class I accumulation</b>				
Group 1	1.6858	-	1.6858	1.3795
Group 2	1.6250	0.0608	1.6858	1.3795
<b>Class Y accumulation</b>				
Group 1	1.2919	-	1.2919	0.9709
Group 2	1.2919	-	1.2919	0.9709
<b>Class Z accumulation</b>				
Group 1	2.8218	-	2.8218	2.3793
Group 2	2.5082	0.3136	2.8218	2.3793

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

Group 1 : shares purchased prior to 1 May 2019

Group 2 : shares purchased on or after 1 May 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	1.5702	-	1.5702	1.3334
Group 2	1.0017	0.5685	1.5702	1.3334
<b>Class C accumulation</b>				
Group 1	1.9869	-	1.9869	1.7102
Group 2	1.9869	-	1.9869	1.7102
<b>Class I accumulation</b>				
Group 1	1.6923	-	1.6923	1.4873
Group 2	1.2199	0.4724	1.6923	1.4873
<b>Class Y accumulation</b>				
Group 1	1.2709	-	1.2709	1.0579
Group 2	1.2709	-	1.2709	1.0579
<b>Class Z accumulation</b>				
Group 1	2.8616	-	2.8616	2.5538
Group 2	2.2234	0.6382	2.8616	2.5538

# Janus Henderson Institutional North American Index Opportunities Fund

## Authorised Corporate Director's (ACD) report

### Investment Fund Managers

Janus Henderson Multi Strategy Equities Team

### Investment objective and policy

The fund aims to deliver a return in excess of the FTSE customised North America Index, the 'reference index', (or such other index as may from time to time replace it) before management fees, while carefully controlling deviation from the reference index.

The fund will invest primarily in shares of North American companies included in the reference index. The fund's holdings are principally selected to replicate the components of the reference index. The index will not be identically replicated and this can lead to differences in performance. There are no restrictions on the size of the companies in which the fund may invest.

In addition to seeking to reflect the index, the fund manager will make use of investment strategies aimed at enhancing returns. These seek to generate returns based on differences in the prices of securities issued by, or associated with, companies that form part of the reference index. They can include, but are not limited to, liquidity strategies (investing in 'blocks of stock' at discounted prices), and relative value strategies (taking advantage of differences between the prices of securities related to the same company).

Further details explaining the investment strategies are available on the fund's pages on our website ([www.janushenderson.com](http://www.janushenderson.com))

The fund may invest the Scheme Property in transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Derivatives and forward transactions may be used by the fund for investment purposes, in achieving the enhancements to the index return and for the purposes of efficient portfolio management.

### Performance summary

	31 Oct 18 - 31 Oct 19	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16	31 Oct 14 - 31 Oct 15
	%	%	%	%	%
<b>Class I accumulation</b>	12.6	10.7	13.2	32.2	7.0
<b>FTSE customised North America Index*</b>	12.5	10.5	13.2	31.9	6.8
<b>IA North America</b>	11.3	8.7	13.1	27.4	8.3

Source: BNP, Class I accumulation, gross of fees and gross income reinvested as at close of business.

\* Customised net dividends re-invested (Market Capitalisation on weighted index of United States of America and Canada).

Benchmark values are at close of business.

Index: FTSE customised North America Index

Index Usage: Target, Constraint & Comparator

Index description: The FTSE customised North America Index is a measure of the combined performance of large and medium sized companies from North American stock markets. It constrains the fund's portfolio, is the performance target and provides a useful comparison against which the fund's performance can be assessed over time.

Peer group benchmark: IA North America

Peer group benchmark usage: Comparator

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

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

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

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

### Significant portfolio changes for the year ended 31 October 2019

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Wabtec	1,829	Alphabet 'C'	1,838
IQVIA	1,700	Wabtec	1,727
Sarepta Therapeutics	1,496	Apple	1,672
Alphabet 'A'	1,480	IQVIA	1,643
Baker Hughes 'A'	1,241	Microsoft	1,337
SailPoint Technologies 0.125% 15/09/2024	1,130	Sarepta Therapeutics	1,336
Shopify 'A'	1,091	Baker Hughes 'A'	1,246
Wayfair 1.125% 01/11/2024	1,017	Wayfair 1.125% 01/11/2024	1,145
Altice	993	Shopify 'A'	1,023
Uber Technologies	958	Altice	1,004
<b>Total purchases</b>	<b>62,181</b>	<b>Total sales</b>	<b>89,420</b>

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

### Investment review

The fund returned 12.6% based on Class I accumulation over the year under review, compared with a return of 12.5% in the FTSE customised North America Index and a return of 11.3% in the IA North America peer group benchmark.

The long-running US/China trade war continued to have a marked effect on US stocks, with the major indices tending to follow the changes in market sentiment towards the dispute. The S&P 500 Index and the Nasdaq Composite Index posted impressive gains during the year under review, breaking records on several occasions, as strong corporate results and three interest rate cuts from the US Federal Reserve (Fed) boosted sentiment. The rate cuts – in July, September and October – came as the Fed responded to worries about the economic outlook and marked an about-turn from its previous policy of concerted monetary tightening.

US stocks experienced a tough finish to 2018, after intensifying US/China trade rhetoric dragged sentiment down in the final two months of last year. But the more conciliatory tone of trade relations in early 2019 brought fresh optimism. In February, President Trump postponed trade tariffs due to be enacted in early March, citing progress in negotiations with China. The S&P 500 and Nasdaq indices achieved all-time highs in April, following strong results from major companies. Favourable economic data further lifted sentiment – first-quarter gross domestic product (GDP) rose to an annualised growth rate of 3.1% from 1.1% in the fourth quarter of 2018, significantly beating expectations and marking the biggest January-March growth in four years. However, markets changed course in May, when the US raised tariffs on imported Chinese goods. President Trump then threatened to impose tariffs on Mexico, demanding a halt to the flow of undocumented migrants to the US. Equities rebounded in June as the US and Mexico agreed to work together.

The S&P 500 and Nasdaq indices hit record highs near the end of July, despite a mixed earnings season in which the semiconductor industry performed well, while stalwarts such as Ford Motor and Boeing fell short of expectations. Stocks plummeted in early August, as investors worried about US/China trade relations and indications from the Fed that it might not cut rates further after July's reduction. President Trump threatened an additional 10% tariff on US\$300 billion worth of Chinese imports, and Beijing promised to retaliate. Late in the month, US second-quarter GDP was revised down to an annualised growth rate of 2.0%, a significant drop from the first quarter.

Markets rebounded in September and October, on increasing signs that the US and China were inching towards an agreement – the US delayed the imposition of new tariffs and President Trump said the two sides had reached a 'phase-one deal'. Strengthening market sentiment, largely driven by the improving trade relations and the Fed's rate cuts, helped push the S&P 500 to new record levels in late October.

Despite the market highs, some key US economic data – with the exception of very strong employment figures – gradually weakened in 2019. Annual inflation stayed below the Fed's 2.0% target, missing expectations and slipping to 1.7% annual growth in August and September. Additionally, the Treasury yield curve inverted – which is often considered a sign of an impending recession.

## Comparative tables for the year ended 31 October 2019

	Class A accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,489.40	1,355.59	1,204.06
Return before operating charges*	187.52	143.81	160.60
Operating charges	(10.84)	(10.00)	(9.07)
Return after operating charges*	176.68	133.81	151.53
Distributions on accumulation shares	(19.28)	(16.06)	(14.78)
Retained distributions on accumulation shares	19.28	16.06	14.78
Closing net asset value per share	1,666.08	1,489.40	1,355.59
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	11.86%	9.87%	12.58%
<b>Other information</b>			
Closing net asset value (£000s)	23,887	23,591	22,751
Closing number of shares	1,433,699	1,583,896	1,678,282
Operating charges	0.69%	0.70%	0.70%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	1,757.32	1,585.26	1,365.04
Lowest share price (pence)	1,341.03	1,273.98	1,155.67
	Class I accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,680.89	1,524.22	1,350.06
Return before operating charges*	210.74	162.12	179.11
Operating charges	(5.87)	(5.45)	(4.95)
Return after operating charges*	204.87	156.67	174.16
Distributions on accumulation shares	(26.87)	(22.81)	(20.63)
Retained distributions on accumulation shares	26.87	22.81	20.63
Closing net asset value per share	1,885.76	1,680.89	1,524.22
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	12.19%	10.28%	12.90%
<b>Other information</b>			
Closing net asset value (£000s)	33,849	34,778	49,168
Closing number of shares	1,794,966	2,069,030	3,225,790
Operating charges	0.33%	0.34%	0.34%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	1,987.56	1,788.97	1,535.90
Lowest share price (pence)	1,514.54	1,435.60	1,295.85



## Comparative tables (continued)

	Class Y accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	312.05	284.25	252.68
Return before operating charges*	39.33	30.17	33.69
Operating charges	(2.57)	(2.37)	(2.12)
Return after operating charges*	36.76	27.80	31.57
Distributions on accumulation shares	(3.79)	(3.15)	(2.88)
Retained distributions on accumulation shares	3.79	3.15	2.88
Closing net asset value per share	348.81	312.05	284.25
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	11.78%	9.78%	12.49%
<b>Other information</b>			
Closing net asset value (£000s)	81	73	68
Closing number of shares	23,302	23,302	24,131
Operating charges	0.78%	0.79%	0.78%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	367.97	332.13	286.22
Lowest share price (pence)	280.91	267.01	242.52
	Class Z accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	466.51	421.87	372.77
Return before operating charges*	58.23	44.82	49.26
Operating charges	(0.15)	(0.18)	(0.16)
Return after operating charges*	58.08	44.64	49.10
Distributions on accumulation shares	(8.65)	(7.29)	(6.66)
Retained distributions on accumulation shares	8.65	7.29	6.66
Closing net asset value per share	524.59	466.51	421.87
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	12.45%	10.58%	13.17%
<b>Other information</b>			
Closing net asset value (£000s)	423,556	407,370	392,020
Closing number of shares	80,741,034	87,322,289	92,924,083
Operating charges	0.03%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	552.59	496.62	425.35
Lowest share price (pence)	420.68	398.04	357.76

## **Comparative tables** (continued)

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

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

### **Operating charges**

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

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

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

## Ongoing charge figure

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

	<b>2019</b> %	<b>2018</b> %
<b>Class A</b>	0.69	0.70
<b>Class I</b>	0.33	0.34
<b>Class Y</b>	0.78	0.79
<b>Class Z</b>	0.03	0.04

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

## Risk and reward profile

The fund currently has 4 types of share class in issue; A accumulation, I accumulation, Y accumulation and Z accumulation. Each type of share class has the same risk and reward profile which is as follows:



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

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

The value of an investment 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 rating in the year.

The SRRRI conforms to the European Securities and Markets Authority (ESMA) guidelines for the calculation of the SRRRI.

## Portfolio statement as at 31 October 2019

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 97.51% (2018: 97.16%)</b>		
	<b>Argentina 0.09% (2018: 0.06%)</b>		
	<b>Consumer Services 0.09% (2018: 0.06%)</b>		
1,026	MercadoLibre	413	0.09
	<b>Brazil 0.00% (2018: 0.00%)</b>		
	<b>Consumer Services 0.00% (2018: 0.00%)</b>		
668	ARCO Platform 'A'	21	-
	<b>Canada 4.64% (2018: 4.63%)</b>		
	<b>Basic Materials 0.40% (2018: 0.40%)</b>		
7,007	Agnico Eagle Mines	333	0.07
40,148	Barrick Gold	539	0.11
5,077	Franco-Nevada	381	0.08
11,194	Nutrien	414	0.09
12,767	Teck Resources 'B'	156	0.03
3,863	Wheaton Precious Metals	84	0.02
		1,907	0.40
	<b>Consumer Goods 0.08% (2018: 0.10%)</b>		
6,632	Magna International	275	0.06
4,394	Saputo	99	0.02
		374	0.08
	<b>Consumer Services 0.39% (2018: 0.33%)</b>		
17,848	Alimentation Couche-Tard 'B'	413	0.09
1,816	Canadian Tire 'A'	151	0.03
6,147	Dollarama	160	0.03
794	George Weston	49	0.01
874	Loblaws	36	0.01
5,871	Metro 'A'	192	0.04
7,192	Restaurant Brands	364	0.08
12,071	Shaw Communications 'B'	190	0.04
5,999	Thomson Reuters	312	0.06
		1,867	0.39
	<b>Financials 2.00% (2018: 1.99%)</b>		
15,239	Bank of Montreal	873	0.18
23,902	Bank of Nova Scotia	1,060	0.22
18,377	Brookfield Asset Management 'A'	785	0.16
9,315	Canadian Imperial Bank of Commerce	615	0.13
695	Fairfax Financial	228	0.05
4,496	Great-West Lifeco	84	0.02
2,052	Intact Financial	164	0.03
42,616	Manulife Financial	614	0.13
7,793	National Bank of Canada	311	0.06
6,713	Power Corporation of Canada	120	0.02
7,770	Power Financial	140	0.03
10,913	RioCan REIT	169	0.04

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Financials (continued)</b>		
32,919	Royal Bank of Canada	2,053	0.42
15,980	Sun Life Financial	554	0.12
42,235	Toronto-Dominion Bank	1,866	0.39
		<u>9,636</u>	<u>2.00</u>
	<b>Health Care 0.04% (2018: 0.04%)</b>		
10,249	Bausch Health	196	0.04
	<b>Industrials 0.52% (2018: 0.49%)</b>		
16,148	Canadian National Railway	1,116	0.24
2,568	Canadian Pacific Railway	452	0.09
1,961	Shopify	475	0.10
6,349	Waste Connections	453	0.09
		<u>2,496</u>	<u>0.52</u>
	<b>Oil &amp; Gas 0.81% (2018: 0.89%)</b>		
25,585	Canadian Natural Resources	499	0.10
33,105	Cenovus Energy	218	0.05
24,489	Enbridge (Canada Listing)	690	0.14
19,796	Enbridge (US Listing)	557	0.12
42,850	Encana	130	0.03
12,105	Husky Energy	65	0.01
6,106	Imperial Oil	117	0.02
10,956	Inter Pipeline	142	0.03
28,656	Suncor Energy	659	0.14
21,363	TC Energy	832	0.17
		<u>3,909</u>	<u>0.81</u>
	<b>Technology 0.13% (2018: 0.14%)</b>		
6,255	CGI	376	0.08
332	Constellation Software	253	0.05
		<u>629</u>	<u>0.13</u>
	<b>Telecommunications 0.14% (2018: 0.15%)</b>		
5,127	BCE	188	0.04
9,312	Rogers Communications 'B'	340	0.07
6,087	Telus	167	0.03
		<u>695</u>	<u>0.14</u>
	<b>Utilities 0.13% (2018: 0.10%)</b>		
6,495	Algonquin Power & Utilities	69	0.01
7,932	Fortis	255	0.05
10,779	Pembina Pipeline	293	0.07
		<u>617</u>	<u>0.13</u>
	<b>China 0.06% (2018: 0.00%)</b>		
	<b>Consumer Services 0.06% (2018: 0.00%)</b>		
9,449	Yum China	310	0.06

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Israel 0.04% (2018: 0.04%)</b>		
	<b>Technology 0.04% (2018: 0.04%)</b>		
2,096	Check Point Software Technologies	182	0.04
	<b>Netherlands 0.17% (2018: 0.16%)</b>		
	<b>Industrials 0.01% (2018: 0.05%)</b>		
764	AerCap	34	0.01
	<b>Technology 0.16% (2018: 0.11%)</b>		
8,880	NXP Semiconductors	780	0.16
	<b>Peru 0.07% (2018: 0.00%)</b>		
	<b>Financials 0.07% (2018: 0.00%)</b>		
2,039	Credicorp	337	0.07
	<b>Russian Federation 0.04% (2018: 0.04%)</b>		
	<b>Technology 0.04% (2018: 0.04%)</b>		
8,295	Yandex	214	0.04
	<b>Sweden 0.02% (2018: 0.03%)</b>		
	<b>Consumer Goods 0.02% (2018: 0.03%)</b>		
1,348	Autoliv	81	0.02
	<b>United Kingdom 0.54% (2018: 0.53%)</b>		
	<b>Basic Materials 0.39% (2018: 0.37%)</b>		
12,312	Linde	1,888	0.39
	<b>Consumer Goods 0.05% (2018: 0.04%)</b>		
5,671	Coca-Cola European Partners	235	0.05
	<b>Consumer Services 0.05% (2018: 0.09%)</b>		
12,370	Liberty Global 'C'	228	0.05
	<b>Financials 0.00% (2018: 0.02%)</b>		
	<b>Industrials 0.00% (2018: 0.01%)</b>		
	<b>Technology 0.05% (2018: 0.00%)</b>		
2,553	Atlassian	238	0.05
	<b>United States 91.84% (2018: 91.67%)</b>		
	<b>Basic Materials 1.55% (2018: 1.68%)</b>		
4,516	Air Products & Chemicals	744	0.16
2,292	Albemarle	108	0.02
1,128	Ashland Global	67	0.01
2,248	Avery Dennison	222	0.05
2,718	Celanese 'A'	254	0.05
7,035	CF Industries	247	0.05
17,639	Corteva	359	0.07
17,639	Dow	688	0.14
17,639	DuPont de Nemours	898	0.20
3,430	Eastman Chemical	202	0.04

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Basic Materials</b> (continued)			
6,072	Ecolab	900	0.20
2,793	FMC	197	0.04
33,478	Freeport-McMoRan C & G 'B'	254	0.05
1,704	International Flavors & Fragrances	161	0.03
11,057	International Paper	373	0.08
4,099	Lyondellbasell Industries 'A'	284	0.06
9,736	Mosaic	150	0.03
11,648	Newmont Goldcorp (Canada Listing)	358	0.07
5,443	Newmont Goldcorp (US Listing)	167	0.03
5,420	Nucor	226	0.05
4,701	PPG Industries	455	0.09
5,236	Steel Dynamics	123	0.03
		7,437	1.55
<b>Consumer Goods 7.56% (2018: 7.62%)</b>			
17,671	Activision Blizzard	765	0.16
38,689	Altria	1,339	0.28
6,888	Aptiv	477	0.10
14,589	Archer-Daniels-Midland	474	0.10
1,954	BorgWarner	63	0.01
8,819	Brown-Forman	446	0.09
1,217	Bunge	51	0.01
3,063	Campbell Soup	110	0.02
2,236	Capri	54	0.01
6,690	Church & Dwight	362	0.08
2,083	Clorox	238	0.05
86,319	Coca-Cola	3,630	0.75
18,580	Colgate-Palmolive	985	0.20
6,873	Conagra Brands	144	0.03
3,621	Constellation Brands 'A'	533	0.11
6,938	Coty 'A'	63	0.01
8,291	D.R. Horton	335	0.07
7,354	Elanco Animal Health	154	0.03
6,921	Electronic Arts	516	0.11
4,241	Estée Lauder 'A'	610	0.13
96,751	Ford Motor	642	0.13
14,240	General Mills	560	0.12
28,622	General Motors	822	0.17
1,897	Gentex	41	0.01
2,498	Genuine Parts	198	0.04
13,072	Hanesbrands	154	0.03
3,132	Harley-Davidson	94	0.02
1,862	Hasbro	140	0.03
1,831	Herbalife Nutrition	63	0.01
3,356	Hershey	381	0.08
8,208	Hormel Foods	259	0.05
1,799	Ingredion	110	0.02
6,378	Jefferies Financial	92	0.02
6,054	Kellogg	297	0.06
4,058	Keurig Dr Pepper	88	0.02
8,764	Kimberly-Clark	900	0.19



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Goods (continued)</b>			
1,070	Kontoor Brands	31	0.01
15,581	Kraft Heinz	389	0.08
2,197	Lamb Weston	132	0.03
1,439	Lear	131	0.03
6,100	Lennar 'A'	281	0.06
3,815	LKQ	100	0.02
2,695	Lululemon Athletica	425	0.09
2,114	McCormick Non-Voting Shares	263	0.05
1,190	Mohawk Industries	132	0.03
4,020	Molson Coors Brewing 'B'	164	0.03
28,423	Mondelez International	1,153	0.24
10,148	Monster Beverage	440	0.09
10,357	Newell Brands	152	0.03
28,992	Nike 'B'	2,006	0.42
87	NVR	244	0.05
29,593	PepsiCo	3,137	0.65
35,145	Philip Morris International	2,212	0.46
2,191	Polaris	167	0.03
53,816	Procter & Gamble	5,178	1.08
6,418	Pulte	195	0.04
1,794	PVH	121	0.03
986	Ralph Lauren	73	0.02
2,739	Smucker (JM)	224	0.05
949	Snap-on	119	0.02
3,712	Stanley Black & Decker	434	0.09
2,665	Take-Two Interactive Software	248	0.05
5,843	Tapestry	117	0.02
3,161	Tesla	769	0.16
5,838	Toll Brothers	179	0.04
6,571	Tyson Foods 'A'	420	0.09
7,496	VF	477	0.10
710	Whirlpool	83	0.02
		<u>36,386</u>	<u>7.56</u>
<b>Consumer Services 12.55% (2018: 12.37%)</b>			
1,647	Advance Auto Parts	207	0.04
9,125	Amazon.com	12,531	2.61
6,012	American Airlines	140	0.03
4,989	AmerisourceBergen 'A'	329	0.07
6,204	Aramark	210	0.04
458	AutoZone	405	0.08
4,032	Best Buy	224	0.05
988	Booking	1,565	0.33
1,507	Burlington Stores	224	0.05
5,325	Cardinal Health	203	0.04
2,255	CarMax	162	0.03
7,770	Carnival	244	0.05
5,865	CBS 'B'	163	0.03
3,649	Charter Communications 'A'	1,319	0.27
586	Chipotle Mexican Grill 'A'	352	0.07
102,609	Comcast 'A' Special	3,555	0.75

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Services</b> <small>(continued)</small>			
3,907	Copart	250	0.05
9,956	Costco Wholesale	2,286	0.47
28,558	CVS Health	1,465	0.30
1,995	Darden Restaurants	173	0.04
4,070	Delta Air Lines	173	0.04
17,109	Discovery Communications 'C'	334	0.07
7,839	DISH Network 'A'	208	0.04
6,087	Dollar General	754	0.16
5,948	Dollar Tree	507	0.11
1,226	Domino's Pizza	257	0.05
16,657	eBay	454	0.09
2,337	Expedia	247	0.05
3,007	Foot Locker	101	0.02
8,198	Fox 'A'	203	0.04
4,482	Fox 'B'	108	0.02
7,835	Gap	98	0.02
5,951	Grocery Outlet	147	0.03
6,573	Hilton Worldwide	493	0.10
23,846	Home Depot	4,324	0.91
8,077	H&R Block	156	0.03
4,891	Interpublic	82	0.02
5,655	Kohl's	224	0.05
15,750	Kroger	300	0.06
6,945	L Brands	91	0.02
8,482	Las Vegas Sands	405	0.08
3,430	Liberty SiriusXM 'C'	120	0.02
16,866	Lowe's	1,455	0.30
10,556	Macy's	124	0.03
6,475	Marriott International 'A'	633	0.13
16,938	McDonald's	2,574	0.53
4,122	McKesson	424	0.09
13,780	MGM Resorts International	303	0.06
9,664	Netflix	2,147	0.45
15,279	News 'A'	162	0.03
9,726	Nielsen	151	0.03
4,185	Nordstrom	116	0.02
4,617	Norwegian Cruise Line	181	0.04
5,950	Omnicom	355	0.07
1,733	O'Reilly Automotive	583	0.12
6,717	Qurate Retail	50	0.01
7,293	Ross Stores	618	0.13
3,557	Royal Caribbean Cruises	299	0.06
52,454	Sirius XM	272	0.06
1,762	Southwest Airlines	76	0.02
2,776	Spotify Technology	309	0.06
26,093	Starbucks	1,705	0.35
10,606	Sysco	655	0.14
11,071	Target	914	0.19
2,615	Tiffany	252	0.05
26,267	TJX	1,170	0.24
1,701	Tractor Supply	125	0.03

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Services</b> <small>(continued)</small>			
4,422	Tripadvisor	138	0.03
4,050	Uber Technologies	98	0.02
1,322	ULTA Beauty	238	0.05
775	Vail Resorts	139	0.03
6,853	Viacom 'B'	114	0.02
19,477	Walgreens Boots Alliance	825	0.17
29,411	Walmart	2,666	0.56
39,493	Walt Disney	3,966	0.83
3,140	Wyndham Hotels & Resorts	131	0.03
1,839	Wynn Resorts	172	0.04
6,251	Yum! Brands	491	0.10
		60,424	12.55
<b>Financials 17.51% (2018: 17.26%)</b>			
582	Affiliated Managers	36	0.01
16,234	Aflac	667	0.14
16,878	AGNC Investment	222	0.05
2,366	Alexandria Real Estate Equities REIT	290	0.06
302	Alleghany	183	0.04
8,910	Allstate	733	0.15
13,565	Ally Financial	321	0.07
15,242	American Express	1,382	0.29
17,903	American International	733	0.15
10,309	American Tower	1,737	0.36
2,850	Ameriprise Financial	332	0.07
38,044	Annaly Capital Management REIT	264	0.05
5,496	AON	820	0.17
9,776	Arch Capital	315	0.07
3,327	Arthur J Gallagher	235	0.05
3,718	AvalonBay Communities	625	0.13
4,068	Axis Capital	187	0.04
183,763	Bank of America	4,441	0.91
18,897	Bank of New York Mellon	683	0.14
19,474	BB&T	798	0.17
10	Berkshire Hathaway 'A'	2,463	0.51
29,112	Berkshire Hathaway 'B'	4,781	0.98
2,980	BlackRock	1,063	0.22
2,999	Boston Properties	318	0.07
9,234	Capital One Financial	666	0.14
2,820	Cboe Global Markets	251	0.05
5,269	CBRE 'A'	218	0.05
27,184	Charles Schwab	855	0.18
9,974	Chubb	1,174	0.24
4,637	Cincinnati Financial	406	0.08
3,181	CIT	105	0.02
48,429	Citigroup	2,689	0.56
13,712	Citizens Financial	373	0.08
8,205	CME 'A'	1,305	0.27
2,829	Comerica	143	0.03
10,107	Crown Castle International	1,084	0.23
5,185	Digital Realty Trust REIT	509	0.11

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Financials</b> (continued)		
5,748	Discover Financial Services	356	0.07
5,154	Duke Realty REIT	140	0.03
2,026	Equifax	214	0.04
2,157	Equinix	945	0.20
6,866	Equity Residential REIT	470	0.10
1,306	Essex Property Trust	330	0.07
5,009	E*TRADE Financial	162	0.03
627	Everest Reinsurance	125	0.03
1,465	Extra Space Storage	127	0.03
2,315	Federal Realty Investment Trust REIT	243	0.05
4,254	Fidelity National Financial	151	0.03
4,398	First Republic Bank	362	0.08
19,424	Flagstar Bank	545	0.11
6,425	Franklin Resources	137	0.03
2,264	Globe Life	170	0.04
7,707	Goldman Sachs	1,271	0.26
10,727	Hartford Financial Services	473	0.10
9,041	HCP	263	0.05
13,059	Host Hotels & Resorts	165	0.03
32,469	Huntington Bancshares	355	0.07
9,728	IHS Markit	526	0.11
12,645	Intercontinental Exchange	921	0.19
6,304	Invesco	82	0.02
13,232	Invitation Homes REIT	315	0.07
8,257	Iron Mountain	209	0.04
69,650	JPMorgan Chase	6,725	1.39
11,400	KeyCorp	158	0.03
9,352	Kimco Realty	156	0.03
1,432	Liberty Broadband 'C'	131	0.03
6,149	Lincoln National	268	0.06
3,863	Loews	146	0.03
2,193	Macerich	47	0.01
335	Markel	303	0.06
500	MarketAxess	142	0.03
10,119	Marsh & McLennan	810	0.17
19,979	MasterCard	4,275	0.89
15,993	MetLife	578	0.12
2,942	Mid-America Apartment Communities	316	0.07
3,382	Moody's	577	0.12
29,944	Morgan Stanley	1,066	0.22
1,728	MSCI	313	0.07
3,058	M&T Bank	370	0.08
2,525	NASDAQ	195	0.04
3,390	Northern Trust	261	0.05
2,569	People's United Financial	32	0.01
9,998	PNC Financial Services	1,134	0.24
6,078	Price (T. Rowe) Associates	544	0.11
4,645	Principal Financial	192	0.04
11,659	Progressive	628	0.13
14,628	Prologis	992	0.21
9,912	Prudential Financial	698	0.14

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Financials</b> (continued)			
3,346	Public Storage	576	0.12
2,987	Raymond James Financial	193	0.04
6,003	Realty Income	379	0.08
3,834	Regency Centers	199	0.04
33,514	Regions Financial	417	0.09
2,251	SBA Communications	419	0.09
2,145	SEI Investments	99	0.02
6,690	Simon Property	779	0.16
2,140	SL Green Realty	138	0.03
5,330	S&P Global	1,062	0.22
8,683	State Street	443	0.09
8,630	SunTrust Banks	456	0.09
1,017	SVB Financial	174	0.04
15,919	Synchrony Financial	435	0.09
6,057	TD Ameritrade	180	0.04
6,218	The Travelers Companies	630	0.13
4,879	UDR	189	0.04
3,394	Unum	72	0.02
33,749	US Bancorp	1,487	0.31
9,894	Ventas	498	0.10
29,968	Vereit	228	0.05
38,602	Visa	5,336	1.10
4,093	Vornado Realty Trust	208	0.04
3,280	Voya Financial	137	0.03
85,648	Wells Fargo	3,418	0.71
9,819	Welltower	688	0.14
10,578	Western Union	205	0.04
15,398	Weyerhaeuser	348	0.07
3,332	Willis Towers Watson	481	0.10
3,593	WP Carey	255	0.05
489	WR Berkley	26	0.01
4,725	Zions Bancorp	177	0.04
18,839	5th Third Bancorp	423	0.09
		84,276	17.51
<b>Health Care 11.81% (2018: 12.58%)</b>			
39,094	Abbott Laboratories	2,526	0.52
33,551	AbbVie	2,063	0.43
988	Abiomed	158	0.03
4,336	Alexion Pharmaceuticals	353	0.07
1,836	Align Technology	358	0.07
6,908	Allergan	940	0.20
2,081	Alnylam Pharmaceuticals	139	0.03
12,766	Amgen	2,104	0.44
5,628	Anthem	1,171	0.24
10,035	Baxter International	595	0.12
5,703	Becton Dickinson	1,129	0.23
4,866	Biogen	1,123	0.23
5,135	BioMarin Pharmaceutical	291	0.06
33,481	Boston Scientific	1,079	0.22
43,021	Bristol-Myers Squibb	1,908	0.40

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Health Care</b> (continued)		
16,554	Celgene	1,382	0.29
6,918	Centene	284	0.06
8,734	Cigna	1,204	0.25
1,090	Cooper	245	0.05
2,003	DaVita	91	0.02
5,781	Dentsply Sirona	245	0.05
2,370	DexCom	282	0.06
4,705	Edwards Lifesciences	867	0.18
19,970	Eli Lilly	1,759	0.37
2,400	Exact Sciences	162	0.03
30,055	Gilead Sciences	1,480	0.31
5,291	HCA Healthcare	546	0.11
3,058	Henry Schein	148	0.03
8,695	Hologic	325	0.07
2,963	Humana	673	0.14
2,329	IDEXX Laboratories	513	0.11
2,990	Illumina	683	0.14
4,727	Incyte	307	0.06
6,633	Innovive Pharmaceuticals <sup>1</sup>	-	-
2,387	Intuitive Surgical	1,020	0.21
3,920	IQVIA	437	0.09
1,789	Jazz Pharmaceuticals	174	0.04
58,187	Johnson & Johnson	5,939	1.24
3,007	Laboratory Corporation of America	383	0.08
27,929	Medtronic	2,350	0.49
56,387	Merck	3,777	0.78
10,578	Mylan	156	0.03
3,478	Perrigo	142	0.03
120,449	Pfizer	3,573	0.74
1,714	Quest Diagnostics	134	0.03
1,606	Regeneron Pharmaceuticals	380	0.08
2,994	ResMed	342	0.07
900	Steris	98	0.02
7,992	Stryker	1,335	0.28
1,075	Teleflex	289	0.06
8,909	Thermo Fisher Scientific	2,080	0.43
20,959	UnitedHealth	4,092	0.86
1,315	Universal Health Services	140	0.03
2,049	Varian Medical Systems	191	0.04
5,295	Vertex Pharmaceuticals	800	0.17
1,024	Waters	167	0.03
1,153	WellCare Health Plans	264	0.05
4,334	Zimmer Biomet	463	0.10
10,054	Zoetis	994	0.21
		56,853	11.81

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b> Industrials 11.16% (2018: 10.75%) </b>			
14,283	Accenture	2,046	0.43
1,270	Acuity Brands	122	0.03
6,267	Agilent Technologies	367	0.08
1,582	Allegion	142	0.03
512	Alliance Data Systems	40	0.01
4,037	Ametek	286	0.06
5,529	Amphenol 'A'	429	0.09
14,012	Arconic	297	0.06
9,825	Automatic Data Processing	1,232	0.26
5,743	Avnet	176	0.04
8,196	Ball	443	0.09
11,529	Boeing	3,030	0.63
2,638	Broadridge Financial Solutions	255	0.05
13,039	Caterpillar	1,388	0.29
2,388	CH Robinson Worldwide	139	0.03
1,721	Cintas	357	0.07
847	CoStar	359	0.07
27,187	CSX	1,477	0.31
4,126	Cummins	550	0.11
13,648	Danaher	1,454	0.30
6,569	Deere	884	0.18
3,847	Dover	309	0.06
9,038	Eaton	608	0.13
13,132	Emerson Electric	712	0.15
3,333	Expeditors International of Washington	188	0.04
9,328	Fastenal	259	0.05
6,129	FedEx	723	0.15
13,908	Fidelity National Information Services	1,416	0.29
12,822	Fiserv	1,052	0.22
1,840	Fleetcor Technologies	418	0.09
16,359	Flex	148	0.03
1,443	Flowserve	54	0.01
2,618	Fluor	33	0.01
8,285	Fortive	442	0.09
2,384	Fortune Brands Home & Security	111	0.02
5,662	General Dynamics	774	0.16
191,022	General Electric	1,473	0.31
7,165	Global Payments	937	0.19
843	Grainger (WW)	201	0.04
15,435	Honeywell International	2,061	0.43
1,066	Huntington Ingalls Industries	186	0.04
900	IDEX	108	0.02
7,300	Illinois Tool Works	951	0.20
6,730	Ingersoll-Rand	660	0.14
8,160	Jabil	232	0.05
1,921	Jacobs Engineering	139	0.03
978	JB Hunt Transport Services	89	0.02
18,036	Johnson Controls	604	0.13
2,969	Kansas City Southern	323	0.07
3,743	Keysight Technologies	292	0.06
5,781	Lockheed Martin	1,683	0.35

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Industrials (continued)</b>			
1,292	Manpowergroup	91	0.02
2,071	Martin Marietta Materials	419	0.09
5,016	Masco	179	0.04
6,397	MDU Resources	143	0.03
746	Mettler-Toledo International	407	0.08
5,929	Norfolk Southern	834	0.17
3,386	Northrop Grumman	922	0.19
1,461	Old Dominion Freight Line	206	0.04
9,138	PACCAR	537	0.11
2,387	Packaging Corporation of America	202	0.04
2,781	Parker-Hannifin	394	0.08
7,333	Paychex	474	0.10
26,009	PayPal	2,092	0.43
2,905	Pentair	93	0.02
5,409	Raytheon	887	0.18
5,646	Republic Services	382	0.08
2,087	Robert Half International	92	0.02
2,736	Rockwell Automation	364	0.08
2,111	Roper Technologies	550	0.11
2,701	Sealed Air	87	0.02
853	Sensata Technologies	34	0.01
1,636	Sherwin-Williams	724	0.15
7,080	TE Connectivity	490	0.10
4,748	Textron	169	0.04
1,339	Tradeweb Markets 'A'	43	0.01
955	TransDigm	388	0.08
3,842	TransUnion	245	0.05
4,355	Trimble	134	0.03
16,363	Union Pacific	2,092	0.43
14,967	United Parcel Service	1,332	0.28
962	United Rentals	99	0.02
18,746	United Technologies	2,079	0.43
3,621	Verisk Analytics 'A'	405	0.08
2,997	Vulcan Materials	331	0.07
3,416	Wabtec	183	0.04
8,870	Waste Management	769	0.16
4,935	Westrock	142	0.03
3,886	Xerox	102	0.02
2,830	XPO Logistics	167	0.03
2,944	Xylem	174	0.04
12,604	3M	1,607	0.33
		<u>53,723</u>	<u>11.16</u>
<b>Oil &amp; Gas 3.91% (2018: 5.22%)</b>			
6,503	Apache	109	0.02
12,686	Baker Hughes 'A'	210	0.04
11,722	Cabot Oil & Gas	169	0.04
6,172	Cheniere Energy	293	0.06
40,691	Chevron	3,650	0.75
1,671	Cimarex Energy	55	0.01
3,714	Concho Resources	194	0.04



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Oil &amp; Gas (continued)</b>		
26,618	ConocoPhillips	1,134	0.24
11,714	Devon Energy	184	0.04
3,751	Diamondback Energy	249	0.05
13,322	EOG Resources	714	0.15
4,755	Equitrans Midstream	51	0.01
91,034	Exxon Mobil	4,753	0.98
21,379	Halliburton	318	0.07
3,692	Helmerich & Payne	107	0.02
4,988	Hess	253	0.05
1,902	Hollyfrontier	81	0.02
45,658	Kinder Morgan	705	0.15
15,923	Marathon Oil	142	0.03
14,115	Marathon Petroleum	698	0.15
7,028	National Oilwell Varco	123	0.03
13,654	Noble Energy	203	0.04
18,964	Occidental Petroleum	594	0.12
7,712	ONEOK	416	0.09
9,280	Phillips 66	838	0.17
4,460	Pioneer Natural Resources	424	0.09
31,199	Schlumberger	788	0.16
4,939	Targa Resources	148	0.03
10,006	Valero Energy	750	0.16
27,715	Williams	478	0.10
		18,831	3.91
	<b>Technology 21.39% (2018: 20.12%)</b>		
10,630	Adobe	2,283	0.47
20,232	Advanced Micro Devices	531	0.11
2,914	Akamai Technologies	195	0.04
8,381	Alphabet 'A'	8,154	1.69
4,963	Alphabet 'C'	4,834	1.00
4,566	Amdocs	230	0.05
9,589	Analog Devices	790	0.16
1,911	Ansys	325	0.07
100,162	Apple	19,260	4.01
24,291	Applied Materials	1,019	0.21
1,249	Arista Networks	236	0.05
4,007	Autodesk	456	0.09
8,369	Broadcom	1,894	0.39
6,621	Cadence Design Systems	334	0.07
4,528	CDK Global	177	0.04
3,627	CDW	359	0.07
8,211	Cerner	426	0.09
97,511	Cisco Systems	3,581	0.74
3,996	Citrix Systems	336	0.07
12,823	Cognizant Technology Solutions	604	0.13
13,079	Corning	300	0.06
3,431	Dell Technologies	140	0.03
6,046	DXC Technology	129	0.03
52,771	Facebook	7,818	1.62
3,254	Fortinet	205	0.04

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Technology</b> (continued)			
586	F5 Networks	65	0.01
3,310	Garmin	240	0.05
2,092	Gartner	249	0.05
3,013	GoDaddy 'A'	151	0.03
39,622	Hewlett Packard Enterprise	502	0.10
35,471	HP	476	0.10
1,329	IAC	233	0.05
95,879	Intel	4,190	0.87
19,770	International Business Machines	2,043	0.42
5,198	Intuit	1,034	0.21
10,104	Juniper Networks	194	0.04
2,821	KLA	369	0.08
2,960	Lam Research	620	0.13
1,400	Leidos	93	0.02
5,085	L3Harris Technologies	810	0.17
8,174	Marvell Technology	154	0.03
4,845	Maxim Integrated Products	220	0.05
3,636	Microchip Technology	265	0.06
26,098	Micron Technology	959	0.20
167,471	Microsoft	18,559	3.87
3,584	Motorola Solutions	461	0.10
7,158	NetApp	309	0.06
13,059	Nvidia	2,029	0.42
2,300	Okta	194	0.04
50,075	Oracle	2,108	0.44
1,300	Palo Alto Networks	228	0.05
600	Paycom Software	98	0.02
21,826	Pinterest	424	0.09
2,154	PTC	111	0.02
4,297	Qorvo	268	0.06
27,817	Qualcomm	1,729	0.36
18,724	Salesforce.com	2,264	0.47
4,918	Seagate Technology	220	0.05
4,521	ServiceNow	864	0.18
5,663	Skyworks Solutions	398	0.08
3,869	Splunk	359	0.07
6,260	Square 'A'	297	0.06
3,748	SS&C Technologies	151	0.03
15,586	Symantec	275	0.06
3,398	Synopsys	356	0.07
19,675	Texas Instruments	1,794	0.37
2,200	Twilio	164	0.03
6,113	Twitter	142	0.03
2,868	Veeva Systems	314	0.07
1,912	VeriSign	281	0.06
1,690	VMWare 'A'	207	0.04
5,706	Western Digital	228	0.05
3,127	Workday 'A'	392	0.08
4,175	Xilinx	293	0.06
		103,000	21.39

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Telecommunications 1.19% (2018: 1.23%)</b>			
18,969	AT&T	564	0.12
24,311	CenturyLink	243	0.05
8,333	T-Mobile USA	532	0.11
93,731	Verizon Communications	4,381	0.91
		<u>5,720</u>	<u>1.19</u>
<b>Utilities 3.21% (2018: 2.84%)</b>			
15,898	AES	209	0.04
8,298	Alliant Energy	342	0.07
7,233	Ameren	434	0.09
12,559	American Electric Power	916	0.19
3,325	American Water Works	317	0.07
2,876	Atmos Energy	250	0.05
14,541	CenterPoint Energy	327	0.07
4,483	CMS Energy	221	0.05
8,500	Consolidated Edison	606	0.13
18,448	Dominion Energy	1,177	0.24
5,304	DTE Energy	522	0.11
14,682	Duke Energy	1,069	0.22
6,195	Edison International	301	0.06
3,273	Entergy	307	0.06
6,271	Evergy	310	0.06
6,946	Eversource Energy	449	0.09
17,900	Exelon	629	0.13
12,762	FirstEnergy	477	0.10
10,399	NextEra Energy	1,916	0.39
10,411	NiSource	226	0.05
9,463	NRG Energy	293	0.06
10,393	PG&E	49	0.01
1,737	Pinnacle West Capital	126	0.03
19,712	PPL	510	0.11
10,501	Public Service Enterprise	514	0.11
5,457	Sempra Energy	609	0.13
21,482	Southern	1,040	0.22
9,486	Vistra Energy	198	0.04
8,428	WEC Energy	615	0.13
9,913	Xcel Energy	487	0.10
		<u>15,446</u>	<u>3.21</u>
<b>Bonds 0.39% (2018: 0.60%)</b>			
<b>United States 0.39% (2018: 0.60%)</b>			
<b>Fixed Rate Bond 0.39% (2018: 0.60%)</b>			
USD 883,000	SailPoint Technologies 0.125% 15/09/2024	658	0.14
USD 903,000	Twitter 0.25% 15/06/2024	667	0.13
USD 833,000	Wayfair 1.00% 15/08/2026	572	0.12
		<u>1,897</u>	<u>0.39</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Derivatives 0.71% (2018: 0.47%)</b>			
<b>Contracts for Difference 0.03% (2018: (0.05%))<sup>2</sup></b>			
<b>Equity Contracts for Difference 0.03% (2018: (0.05%))<sup>2</sup></b>			
139,956	AT&T	27	0.01
(18,147)	SailPoint Technologies	14	-
(3,322)	Wayfair 'A'	93	0.02
		134	0.03
<b>Futures 0.00% (2018: 0.00%)</b>			
(8)	CBT US 2 year Note December 2019 <sup>3</sup>	-	-
(8)	CBT US 5 year Note December 2019	2	-
(7)	CME E-mini Russell 2000 Index December 2019	(14)	-
(5)	CME E-mini S&P MidCap 400 Index December 2019 <sup>3</sup>	-	-
29	CME E-mini S&P 500 Index December 2019	19	-
3	MSE S&P/TSX 60 Index December 2019	4	-
		11	-
<b>Options 0.68% (2018: 0.52%)</b>			
1	S&P 500 Index Call 1525 December 2019	116	0.02
1	S&P 500 Index Call 1675 March 2020	105	0.02
1	S&P 500 Index Call 1750 June 2020	98	0.02
2	S&P 500 Index Call 1775 December 2019	194	0.04
1	S&P 500 Index Call 1800 September 2020	94	0.02
1	S&P 500 Index Call 1950 March 2020	84	0.02
3	S&P 500 Index Call 2025 December 2019	233	0.04
2	S&P 500 Index Call 2050 June 2020	152	0.03
2	S&P 500 Index Call 2100 September 2020	145	0.03
2	S&P 500 Index Call 2225 March 2020	126	0.03
4	S&P 500 Index Call 2300 December 2019	226	0.04
2	S&P 500 Index Call 2325 June 2020	112	0.02
3	S&P 500 Index Call 2400 September 2020	155	0.03
4	S&P 500 Index Call 2500 March 2020	170	0.04
6	S&P 500 Index Call 2550 December 2019	225	0.05
4	S&P 500 Index Call 2625 June 2020	142	0.03
4	S&P 500 Index Call 2700 September 2020	129	0.03
6	S&P 500 Index Call 2800 March 2020	132	0.03
6	S&P 500 Index Call 2925 June 2020	103	0.02
5	S&P 500 Index Call 3000 September 2020	77	0.02
34	S&P 500 Index Put 1525 December 2019 <sup>3</sup>	-	-
33	S&P 500 Index Put 1675 March 2020	2	-
33	S&P 500 Index Put 1750 June 2020	7	-
24	S&P 500 Index Put 1775 December 2019 <sup>3</sup>	-	-
32	S&P 500 Index Put 1800 September 2020	16	-
24	S&P 500 Index Put 1950 March 2020	4	-
17	S&P 500 Index Put 2025 December 2019 <sup>3</sup>	-	-
23	S&P 500 Index Put 2050 June 2020	15	-
23	S&P 500 Index Put 2100 September 2020	32	0.01
17	S&P 500 Index Put 2225 March 2020	8	-
11	S&P 500 Index Put 2300 December 2019	1	-
17	S&P 500 Index Put 2325 June 2020	28	0.01
16	S&P 500 Index Put 2400 September 2020	53	0.01

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Options</b> (continued)			
12	S&P 500 Index Put 2500 March 2020	16	-
7	S&P 500 Index Put 2550 December 2019	2	-
11	S&P 500 Index Put 2625 June 2020	42	0.01
11	S&P 500 Index Put 2700 September 2020	75	0.02
7	S&P 500 Index Put 2800 March 2020	27	0.01
6	S&P 500 Index Put 2925 June 2020	52	0.01
6	S&P 500 Index Put 3000 September 2020	77	0.02
		<u>3,275</u>	<u>0.68</u>
<b>Forward Foreign Exchange Contracts 0.00% (2018: 0.00%)<sup>2</sup></b>			
	Buy CAD 199,750 : Sell USD 150,206 November 2019	1	-
	Buy USD 150,612 : Sell CAD 199,750 November 2019	(1)	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
	<b>Investment assets including investment liabilities</b>	<b>474,700</b>	<b>98.61</b>
	Other net assets	6,673	1.39
	<b>Total net assets</b>	<b>481,373</b>	<b>100.00</b>

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

<sup>2</sup> Unquoted securities

<sup>3</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 October 2019

		2019		2018	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		48,046		38,095
Revenue	3	9,930		9,061	
Expenses	4	(376)		(437)	
Interest payable and similar charges	5	(110)		(88)	
Net revenue before taxation		9,444		8,536	
Taxation	6	(1,368)		(1,177)	
Net revenue after taxation			8,076		7,359
Total return before distributions			56,122		45,454
Distributions	7		(8,077)		(7,359)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>48,045</b>		<b>38,095</b>

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

		2019		2018	
		£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>			<b>465,812</b>		<b>464,007</b>
Amounts receivable on issue of shares		43,043		39,866	
Amounts payable on cancellation of shares		(83,470)		(83,387)	
			(40,427)		(43,521)
Dilution adjustment			39		40
Change in net assets attributable to shareholders from investment activities			48,045		38,095
Retained distributions on accumulation shares			7,904		7,191
<b>Closing net assets attributable to shareholders</b>			<b>481,373</b>		<b>465,812</b>

**Balance sheet** as at 31 October 2019

	Note	2019 £000	2018 £000
<b>Assets:</b>			
Investments		474,715	457,874
Current assets:			
Debtors	8	1,962	1,038
Cash and bank balances	9	12,808	11,110
<b>Total assets</b>		<b>489,485</b>	<b>470,022</b>
<b>Liabilities:</b>			
Investment liabilities		15	321
Creditors:			
Amounts held at derivative clearing houses and brokers		25	25
Bank overdrafts		4,329	2,780
Other creditors	10	3,743	1,084
<b>Total liabilities</b>		<b>8,112</b>	<b>4,210</b>
<b>Net assets attributable to shareholders</b>		<b>481,373</b>	<b>465,812</b>

## Notes to the financial statements for the year ended 31 October 2019

### 1 Accounting policies

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

### 2 Net capital gains

Net capital gains on investments during the year comprise:

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Derivative securities	2,056	321
Forward currency contracts	(77)	(444)
Non-derivative securities	46,243	37,701
Other currency (losses)/gains	(169)	534
Transaction costs	(7)	(17)
<b>Net capital gains</b>	<b>48,046</b>	<b>38,095</b>

### 3 Revenue

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Bank interest	134	72
Derivative revenue	161	201
Interest on debt securities	124	10
Interest on margin	69	32
Overseas dividends	8,846	8,191
Overseas REIT revenue	480	490
Stock dividends	20	11
Stock lending revenue	20	32
UK dividends	76	22
<b>Total revenue</b>	<b>9,930</b>	<b>9,061</b>

### 4 Expenses

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	215	246
GAC*	132	130
	<u>347</u>	<u>376</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	31	31
Safe custody fees	(2)	30
	<u>29</u>	<u>61</u>
<b>Total expenses</b>	<b>376</b>	<b>437</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £10,317 (2018: £10,017).



## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Interest payable	110	88
<b>Total interest payable and similar charges</b>	<b>110</b>	<b>88</b>

### 6 Taxation

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

The tax charge comprises:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Current tax</b>		
UK corporation tax	100	54
Double tax relief	(72)	(54)
Overseas withholding tax	1,317	1,177
Adjustment in respect of prior periods	23	-
<b>Total tax (note 6b)</b>	<b>1,368</b>	<b>1,177</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% (2018: 20%). The differences are explained below:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Net revenue before taxation	9,444	8,536
Corporation tax at 20% (2018: 20%)	1,889	1,707
Effects of:		
Adjustment in respect of prior periods	23	-
Double tax relief	(72)	(54)
Irrecoverable overseas tax	1,317	1,177
Overseas dividends	(1,769)	(1,639)
Stock dividends*	(4)	(2)
UK dividends*	(16)	(5)
Unused management expenses	-	(7)
<b>Tax charge for the year (note 6a)</b>	<b>1,368</b>	<b>1,177</b>

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

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

## Notes to the financial statements (continued)

### 6 Taxation (continued)

#### c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2018: 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.

### 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>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Interim accumulation	3,908	3,482
Final accumulation	3,996	3,709
	<u>7,904</u>	<u>7,191</u>
Amounts deducted on cancellation of shares	343	323
Amounts received on issue of shares	(170)	(155)
<b>Total distributions</b>	<u><b>8,077</b></u>	<u><b>7,359</b></u>
Net revenue after taxation	8,076	7,359
Equalisation on conversions	1	-
<b>Total distributions</b>	<u><b>8,077</b></u>	<u><b>7,359</b></u>

Details of the distribution per share are set out in the Distribution tables on page 158.

### 8 Debtors

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Accrued revenue	391	375
Amounts receivable for issue of shares	104	592
Corporation tax recoverable	6	57
Currency transactions awaiting settlement	1,450	-
Overseas withholding tax reclaimable	-	4
Sales awaiting settlement	11	10
<b>Total debtors</b>	<u><b>1,962</b></u>	<u><b>1,038</b></u>

## Notes to the financial statements (continued)

### 9 Cash and bank balances

	2019 £000	2018 £000
Amounts held at derivative clearing houses and brokers	2,003	2,956
Cash and bank balances	10,805	8,154
<b>Total cash and bank balances</b>	<b>12,808</b>	<b>11,110</b>

### 10 Other creditors

	2019 £000	2018 £000
Accrued annual management charge	19	19
Accrued Depository's fee	3	3
Accrued other expenses	14	39
Amounts payable for cancellation of shares	1,540	704
Currency transactions awaiting settlement	1,452	-
Purchases awaiting settlement	715	319
<b>Total other creditors</b>	<b>3,743</b>	<b>1,084</b>

### 11 Contingent assets, liabilities and commitments

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

There were no contingent liabilities 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 146 and 147 and notes 4, 7, 8 and 10 on pages 148 to 151 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

The ultimate controlling party of Henderson Investment Funds Limited is Janus Henderson Group plc. The transactions associated with Janus Henderson Group plc, its subsidiaries and other funds managed by Henderson Investment Funds Limited are as follows:

- a) The aggregate value of purchases and sales transactions was £86,653 (2018: nil) and the balance outstanding at the year end was nil (2018: nil).
- b) Revenue receivable for the year was £5,680 (2018: £5,057) and the balance outstanding at the year end was nil (2018: nil).
- c) The aggregate value of investments held at the year end was nil (2018: £96,220).

HSBC Global Custody Nominees (UK) Limited, as a material shareholder, is a related party holding shares comprising 87.63% of the total net assets of the fund as at the year end (2018: 88.17%).

## Notes to the financial statements (continued)

### 13 Shareholders' funds

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

	2019	2018
	%	%
Class A	0.50	0.50
Class I	0.30	0.30
Class Y	0.75	0.75
Class Z*	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the comparative tables on pages 124 to 126. The distribution per share class is given in the Distribution tables on page 158. All share classes have the same rights on winding up.

### Shares reconciliation as at 31 October 2019

	Class A accumulation	Class I accumulation	Class Y accumulation	Class Z accumulation
Opening number of shares	1,583,896	2,069,030	23,302	87,322,289
Issues during the year	109,561	2,307,508	-	87,850
Cancellations during the year	(225,344)	(2,612,003)	-	(6,669,105)
Shares converted during the year	(34,414)	30,431	-	-
<b>Closing shares in issue</b>	<b>1,433,699</b>	<b>1,794,966</b>	<b>23,302</b>	<b>80,741,034</b>

### 14 Financial derivatives

The fund has used financial derivatives for the purposes of hedging and meeting the investment objectives of the fund, including risk reduction and implementation of investment policies.

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 October 2019 (2018: nil).

#### 2019

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

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Futures £000
Credit Suisse	107	-	-
UBS	27	1	25
	<b>134</b>	<b>1</b>	<b>25</b>
		Options £000	Total by counterparty £000
Credit Suisse		-	107
UBS		3,275	3,328
		<b>3,275</b>	<b>3,435</b>

## Notes to the financial statements (continued)

### 14 Financial derivatives (continued)

2018

At 31 October 2018 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Contracts for difference £000	Forward foreign exchange contracts £000	Futures £000
Credit Suisse	58	-	-
UBS	-	-	25
Morgan Stanley	-	3	-
	<b>58</b>	<b>3</b>	<b>25</b>
		Options £000	Total by counterparty £000
Credit Suisse		-	58
UBS		2,430	2,455
Morgan Stanley		-	3
		<b>2,430</b>	<b>2,516</b>

### 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 for the purposes of efficient portfolio management and 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.

2019

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category	
Bank of Nova Scotia	3,840	4,266	Equity	
Citigroup	702	782	Equity	
Macquarie Bank	59	66	Equity	
Natixis	13,956	15,506	Equity	
	<b>18,557</b>	<b>20,620</b>		
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	24	4	20

## Notes to the financial statements (continued)

### 15 Stock lending (continued)

2018

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of Nova Scotia	4,928	5,481	Equity
Deutsche Bank	804	905	Equity
Merrill Lynch	3,241	3,627	Equity
Natixis	107	119	Equity
	<b>9,080</b>	<b>10,132</b>	

2018

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	38	6	32

### 16 Risk

#### Currency risk

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

2019 Currency	Investment assets including investment liabilities £000	Other net assets £000	Total net assets £000
	Canadian dollar	21,871	547
UK sterling	-	189	189
US dollar	452,829	5,937	458,766
<b>Total</b>	<b>474,700</b>	<b>6,673</b>	<b>481,373</b>

2018 Currency	Investment assets including investment liabilities £000	Other net assets £000	Total net assets £000
	Canadian dollar	20,860	522
UK sterling	(300)	529	229
US dollar	436,993	7,208	444,201
<b>Total</b>	<b>457,553</b>	<b>8,259</b>	<b>465,812</b>

#### Interest rate risk

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

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Sensitivity analysis

##### Global exposure

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

#### VaR Results

	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
<b>2019</b>	98.51	100.65	99.62	200.00	49.26	50.33	49.81
<b>2018</b>	98.61	99.92	101.00	200.00	49.31	49.96	50.50

Global exposure calculation basis: Relative VaR

Reference portfolio: FTSE customised North America Index

#### Leverage

	Minimum	Maximum	Average
	%	%	%
<b>2019</b>	21.22	32.80	23.57
<b>2018</b>	2.62	26.29	16.03

#### 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	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
<b>2019</b>				
Amounts held at derivatives clearing houses and brokers	25	-	-	-
Bank overdrafts	4,329	-	-	-
Derivative financial liabilities	-	15	-	-
Other creditors	-	3,743	-	-
<b>Total</b>	<b>4,354</b>	<b>3,758</b>	<b>-</b>	<b>-</b>
<b>2018</b>				
Amounts held at derivatives clearing houses and brokers	25	-	-	-
Bank overdrafts	2,780	-	-	-
Derivative financial liabilities	-	23	298	-
Other creditors	-	1,084	-	-
<b>Total</b>	<b>2,805</b>	<b>1,107</b>	<b>298</b>	<b>-</b>

## Notes to the financial statements (continued)

### 17 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	472,683	14	455,038	16
Level 2	2,032	1	2,836	305
Level 3	-	-	-	-
	<b>474,715</b>	<b>15</b>	<b>457,874</b>	<b>321</b>

### 18 Direct transaction costs

	Purchases		Sales	
	2019 £000	2018 £000	2019 £000	2018 £000
<b>Trades in the year</b>				
Debt securities	6,328	9,578	7,187	7,135
Equities	55,850	79,229	82,249	114,794
<b>Trades in the year before transaction costs</b>	<b>62,178</b>	<b>88,807</b>	<b>89,436</b>	<b>121,929</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	3	8	15	21
<b>Total commissions</b>	<b>3</b>	<b>8</b>	<b>15</b>	<b>21</b>
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	-	-	1	2
<b>Total other expenses</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>2</b>
<b>Total transaction costs</b>	<b>3</b>	<b>8</b>	<b>16</b>	<b>23</b>
<b>Total net trades in the year after transaction costs</b>	<b>62,181</b>	<b>88,815</b>	<b>89,420</b>	<b>121,906</b>



## Notes to the financial statements (continued)

### 18 Direct transaction costs (continued)

	Purchases		Sales	
	2019 %	2018 %	2019 %	2018 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	0.01	0.01	0.02	0.02
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
	<b>2019</b>	<b>2018</b>		
	<b>%</b>	<b>%</b>		
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	-	0.01		
Taxes	-	-		
Other expenses	-	-		
<b>Total costs</b>	<b>-</b>	<b>0.01</b>		

There were no in specie transfers during the year (2018: nil). There were corporate actions during the year of £3,191,036 (2018: £5,235,581).

There were direct transaction costs associated with derivatives in the year of £9,616 (2018: £8,261) which is 0.00% of the average net asset value of the fund (2018: 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 October 2019 was 0.04% (2018: 0.04%). The portfolio dealing spread is calculated at a 12 noon valuation point.

### 19 Events after the Balance sheet date

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

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

### Interim dividend distribution (accounting date 30 April 2019, paid on 28 June 2019)

Group 1: shares purchased prior to 1 November 2018

Group 2: shares purchased on or after 1 November 2018

	Distribution per share	Equalisation	Total distribution per share 28/06/19	Total distribution per share 29/06/18
<b>Class A accumulation</b>				
Group 1	9.4876	-	9.4876	6.8295
Group 2	5.2224	4.2652	9.4876	6.8295
<b>Class I accumulation</b>				
Group 1	13.0605	-	13.0605	10.4073
Group 2	6.5833	6.4772	13.0605	10.4073
<b>Class Y accumulation</b>				
Group 1	1.8686	-	1.8686	1.3048
Group 2	1.8686	-	1.8686	1.3048
<b>Class Z accumulation</b>				
Group 1	4.1830	-	4.1830	3.5027
Group 2	2.1111	2.0719	4.1830	3.5027

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

Group 1 : shares purchased prior to 1 May 2019

Group 2 : shares purchased on or after 1 May 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	9.7891	-	9.7891	9.2310
Group 2	5.6463	4.1428	9.7891	9.2310
<b>Class I accumulation</b>				
Group 1	13.8059	-	13.8059	12.4028
Group 2	6.2299	7.5760	13.8059	12.4028
<b>Class Y accumulation</b>				
Group 1	1.9260	-	1.9260	1.8433
Group 2	1.9260	-	1.9260	1.8433
<b>Class Z accumulation</b>				
Group 1	4.4677	-	4.4677	3.7852
Group 2	2.2035	2.2642	4.4677	3.7852

## Appendix - additional information (unaudited)

### Securities financing transactions

The funds engage 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 funds' involvement in and exposures related to securities lending for the year ended 31 October 2019 are detailed below.

### Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the funds' assets under management (AUM) as at 31 October 2019:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson Institutional Asia Pacific ex Japan Index Opportunities Fund	3,238	2.67%	2.64%
Janus Henderson Institutional European Index Opportunities Fund	30,353	9.24%	8.02%
Janus Henderson Institutional Japan Index Opportunities Fund	2,474	1.58%	1.56%
Janus Henderson Institutional North American Index Opportunities Fund	18,557	3.94%	3.86%

### Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for each fund as at 31 October 2019:

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
<b>Janus Henderson Institutional Asia Pacific ex Japan Index Opportunities Fund</b>		<b>Janus Henderson Institutional European Index Opportunities Fund</b>	
BKW	478	Linde	1,728
Huber + Suhner	261	Government of Japan	1,215
St. Galler Kantonalbank	251	Haitong Securities	1,005
Government of Japan	193	Iberdrola	914
Ackermans & van Haaren	160	China Telecom 'H'	841
Altran Technologies	160	Toyota Motor	840
Sofina	160	China Railway	826
Medacta Group	131	Aroundtown Property	812
Banco de Sabadell	98	Alstom	728
Unicredit	95	Bureau Veritas	721
<b>Janus Henderson Institutional Japan Index Opportunities Fund</b>		<b>Janus Henderson Institutional North American Index Opportunities Fund</b>	
Banco de Sabadell	201	Linde	1,542
Koninklijke Philips	177	Toyota Motor	750
Unicredit	177	Iberdrola	741
Aena	177	Sumitomo Mitsui Financial	506
Eiffage	167	Inmarsat Ventures	500
STMicroelectronics	157	Lloyds Banking	487
British American Tobacco	157	EADS	473
Reed Elsevier	95	Mitsui	461
Enagas	95	Cobham	427
Intesa Sanpaolo	84	Entertainment One	417

## 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 each fund as at 31 October 2019:

Counterparty	Market value of securities on loan £000	Settlement basis	Counterparty	Market value of securities on loan £000	Settlement basis
<b>Janus Henderson Institutional Asia Pacific ex Japan Index Opportunities Fund</b>			<b>Janus Henderson Institutional European Index Opportunities Fund *</b>		
Merrill Lynch	1,437	Triparty	Natixis	15,644	Triparty
HSBC	855	Triparty	Credit Suisse	7,965	Triparty
JP Morgan	637	Triparty	JP Morgan	1,602	Triparty
Morgan Stanley	184	Triparty	Deutsche Bank	1,155	Triparty
Citigroup	69	Triparty	Morgan Stanley	1,154	Triparty
Bank of Nova Scotia	56	Triparty	Bank of Nova Scotia	1,084	Triparty
	<b>3,238</b>		Citigroup	756	Triparty
			ABN Amro	328	Triparty
			Société Générale	265	Triparty
			Barclays	232	Triparty
				<b>30,185</b>	
<b>Janus Henderson Institutional Japan Index Opportunities Fund</b>			<b>Janus Henderson Institutional North American Index Opportunities Fund</b>		
HSBC	1,589	Triparty	Natixis	13,956	Triparty
JP Morgan	578	Triparty	Bank of Nova Scotia	3,840	Triparty
Citigroup	181	Triparty	Citigroup	702	Triparty
Macquarie Bank	126	Triparty	Macquarie Bank	59	Triparty
	<b>2,474</b>			<b>18,557</b>	

All counterparties have been included.

\* Janus Henderson Institutional European Index Opportunities Fund has more than 10 counterparties.

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

### Securities financing transactions (continued)

#### Aggregate transaction data

The following tables provide an analysis of the collateral received by each fund in respect of each type of SFTs as at 31 October 2019:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
<b>Janus Henderson Institutional Asia Pacific ex Japan Index Opportunities Fund</b>							
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	16
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	45
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	1
Citigroup	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	1
Citigroup	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	37
Citigroup	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	24
Citigroup	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	5
Citigroup	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	10
HSBC	United Kingdom	Equity	Main market listing	AUD	Triparty	BNP Paribas	1
HSBC	United Kingdom	Equity	Main market listing	CHF	Triparty	BNP Paribas	37
HSBC	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	800
HSBC	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	85
HSBC	United Kingdom	Equity	Main market listing	HKD	Triparty	BNP Paribas	14
HSBC	United Kingdom	Equity	Main market listing	JPY	Triparty	BNP Paribas	14
JP Morgan	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	24
JP Morgan	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	100
JP Morgan	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	21
JP Morgan	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	526
JP Morgan	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	37
Merrill Lynch	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	1,114
Merrill Lynch	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	484
Morgan Stanley	United States	Government Bond	Investment grade	JPY	Triparty	BNP Paribas	193
							<b>3,589</b>

## 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
<b>Janus Henderson Institutional European Index Opportunities Fund</b>							
ABN Amro	Netherlands	Equity	Main market listing	CHF	Triparty	BNP Paribas	41
ABN Amro	Netherlands	Equity	Main market listing	EUR	Triparty	BNP Paribas	230
ABN Amro	Netherlands	Equity	Main market listing	GBP	Triparty	BNP Paribas	37
ABN Amro	Netherlands	Equity	Main market listing	USD	Triparty	BNP Paribas	57
Bank of Nova Scotia	Canada	Equity	Main market listing	AUD	Triparty	BNP Paribas	2
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	325
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	863
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	16
Barclays	United Kingdom	Equity	Main market listing	CHF	Triparty	BNP Paribas	107
Barclays	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	34
Barclays	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	17
Barclays	United Kingdom	Equity	Main market listing	HKD	Triparty	BNP Paribas	130
Citigroup	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	11
Citigroup	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	400
Citigroup	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	263
Citigroup	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	58
Citigroup	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	109
Credit Suisse	Switzerland	Equity	Main market listing	CHF	Triparty	BNP Paribas	203
Credit Suisse	Switzerland	Equity	Main market listing	EUR	Triparty	BNP Paribas	3,171
Credit Suisse	Switzerland	Equity	Main market listing	GBP	Triparty	BNP Paribas	1,503
Credit Suisse	Switzerland	Equity	Main market listing	HKD	Triparty	BNP Paribas	3,965
Credit Suisse	Switzerland	Equity	Main market listing	JPY	Triparty	BNP Paribas	8
Deutsche Bank	Germany	Equity	Main market listing	CHF	Triparty	BNP Paribas	51
Deutsche Bank	Germany	Equity	Main market listing	EUR	Triparty	BNP Paribas	436
Deutsche Bank	Germany	Equity	Main market listing	GBP	Triparty	BNP Paribas	413
Deutsche Bank	Germany	Equity	Main market listing	HKD	Triparty	BNP Paribas	113
Deutsche Bank	Germany	Equity	Main market listing	JPY	Triparty	BNP Paribas	38
Deutsche Bank	Germany	Equity	Main market listing	USD	Triparty	BNP Paribas	233
HSBC	United Kingdom	Equity	Main market listing	CHF	Triparty	BNP Paribas	7
HSBC	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	157
HSBC	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	16
HSBC	United Kingdom	Equity	Main market listing	HKD	Triparty	BNP Paribas	3
HSBC	United Kingdom	Equity	Main market listing	JPY	Triparty	BNP Paribas	3
JP Morgan	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	62
JP Morgan	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	252
JP Morgan	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	53
JP Morgan	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	1,321
JP Morgan	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	92
Morgan Stanley	United States	Government Bond	Investment grade	JPY	Triparty	BNP Paribas	1,215
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	1,504
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	11,813
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	1,035
Natixis	France	Equity	Main market listing	HKD	Triparty	BNP Paribas	205
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	2,825
Société Générale	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	9
Société Générale	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	40
Société Générale	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	232
Société Générale	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	14
							<b>33,692</b>

## 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
<b>Janus Henderson Institutional Japan Index Opportunities Fund</b>							
Citigroup	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	2
Citigroup	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	96
Citigroup	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	63
Citigroup	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	14
Citigroup	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	26
HSBC	United Kingdom	Equity	Main market listing	AUD	Triparty	BNP Paribas	1
HSBC	United Kingdom	Equity	Main market listing	CHF	Triparty	BNP Paribas	70
HSBC	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	1,488
HSBC	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	157
HSBC	United Kingdom	Equity	Main market listing	HKD	Triparty	BNP Paribas	27
HSBC	United Kingdom	Equity	Main market listing	JPY	Triparty	BNP Paribas	25
JP Morgan	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	22
JP Morgan	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	91
JP Morgan	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	19
JP Morgan	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	477
JP Morgan	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	33
Macquarie Bank	United Kingdom	Equity	Main market listing	AUD	Triparty	BNP Paribas	7
Macquarie Bank	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	80
Macquarie Bank	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	13
Macquarie Bank	United Kingdom	Equity	Main market listing	HKD	Triparty	BNP Paribas	16
Macquarie Bank	United Kingdom	Equity	Main market listing	JPY	Triparty	BNP Paribas	21
Macquarie Bank	United Kingdom	Equity	Main market listing	SEK	Triparty	BNP Paribas	3
							<b>2,751</b>
<b>Janus Henderson Institutional North American Index Opportunities Fund</b>							
Bank of Nova Scotia	Canada	Equity	Main market listing	AUD	Triparty	BNP Paribas	6
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	1,145
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	3,058
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	57
Citigroup	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	10
Citigroup	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	372
Citigroup	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	245
Citigroup	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	54
Citigroup	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	101
Macquarie Bank	United Kingdom	Equity	Main market listing	AUD	Triparty	BNP Paribas	4
Macquarie Bank	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	38
Macquarie Bank	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	6
Macquarie Bank	United Kingdom	Equity	Main market listing	HKD	Triparty	BNP Paribas	7
Macquarie Bank	United Kingdom	Equity	Main market listing	JPY	Triparty	BNP Paribas	10
Macquarie Bank	United Kingdom	Equity	Main market listing	SEK	Triparty	BNP Paribas	1
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	1,342
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	10,538
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	923
Natixis	France	Equity	Main market listing	HKD	Triparty	BNP Paribas	183
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	2,520
							<b>20,620</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 funds do not engage in any re-use of collateral.

### Return and cost on securities lending activities

The following table details the funds' return and costs for each type of SFTs for the year ended 31 October 2019:

<b>Fund</b>	<b>Total gross amount of stock lending revenue £000</b>	<b>Direct and indirect costs and fees deducted by securities lending agent £000</b>	<b>Net stock lending revenue retained by the fund £000</b>	<b>% return retained by the securities lending agent</b>	<b>% return retained by the fund</b>
Janus Henderson Institutional Asia Pacific ex Japan Index Opportunities Fund	13	2	11	15%	85%
Janus Henderson Institutional European Index Opportunities Fund	121	18	103	15%	85%
Janus Henderson Institutional Japan Index Opportunities Fund	18	3	15	15%	85%
Janus Henderson Institutional North American Index Opportunities Fund	24	4	20	15%	85%



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

### Remuneration policy

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

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

Janus Henderson Strategic Investment Funds is managed by HIFL, which is a subsidiary of Janus Henderson Group plc.

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

Further information with respect to Janus Henderson Group plc's Remuneration Policy is available in Janus Henderson Group plc's annual report as at 31 December 2018.

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson Institutional Asia Pacific ex Japan Index Opportunities Fund</b>	1,955	120
<b>of which</b>		
Fixed Remuneration	1,955	60
Variable Remuneration	1,942	60
<b>Janus Henderson Institutional Asia Pacific ex Japan Index Opportunities Fund Remuneration Code Staff</b>	115	48
<b>of which</b>		
Senior Management (4)	28	12
Other Code Staff (5)	87	36
<b>Janus Henderson Institutional European Index Opportunities Fund</b>	1,955	373
<b>of which</b>		
Fixed Remuneration	1,955	187
Variable Remuneration	1,942	186
<b>Janus Henderson Institutional European Index Opportunities Fund Remuneration Code Staff</b>	115	149
<b>of which</b>		
Senior Management (4)	28	38
Other Code Staff (5)	87	111
<b>Janus Henderson Institutional Japan Index Opportunities Fund</b>	1,955	158
<b>of which</b>		
Fixed Remuneration	1,955	79
Variable Remuneration	1,942	79
<b>Janus Henderson Institutional Japan Index Opportunities Fund Remuneration Code Staff</b>	115	63
<b>of which</b>		
Senior Management (4)	28	16
Other Code Staff (5)	87	47
<b>Janus Henderson Institutional North American Index Opportunities Fund</b>	1,955	439
<b>of which</b>		
Fixed Remuneration	1,955	220
Variable Remuneration	1,942	219

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

### Remuneration policy (continued)

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson Institutional North American Index Opportunities Fund</b>	115	176
<b>Remuneration Code Staff</b>		
<b>of which</b>		
Senior Management (4)	28	45
Other Code Staff (5)	87	131

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

## Further information

### Shareholder enquiries

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

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

The following line is also available:

Client Services: **0800 832 832**

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

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





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