



ANNUAL REPORT & ACCOUNTS

For the year ended
31 August 2019

Janus Henderson
— INVESTORS —

Janus Henderson Investment Fund OEIC

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 August 2019

We are pleased to present the Annual Report and Accounts for Janus Henderson Investment Fund OEIC (the 'Company') for the year ended 31 August 2019.

Authorised status

The Company is an open ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC106 and authorised by the Financial Conduct Authority (FCA) with effect from 18 May 2001. It is a UCITS Scheme structured as an umbrella company, comprising of three sub-funds ('funds'), complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the Company is governed by the OEIC regulations, COLL, its Instrument of Incorporation and Prospectus.

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

Fund liabilities

Each fund is treated as a separate entity and is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against that fund.

Brexit update

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


Other information

On 24 June 2019, some of the shareholders in the Global Equity Income Fund A income and accumulation share classes were converted to the newly launched E income and accumulation share classes respectively. For A accumulation shareholders in the European Growth and UK Alpha funds some of the shares were converted into the newly launched E accumulation share classes on 8 July 2019.

As there are no commission payments for financial advice bundled within the E share classes, these are available for direct investment from individual investors only. The conversion of A share classes to the E share classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged.

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)

26 November 2019

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

Service providers

	Name	Address	Regulator
Authorised Corporate Director (ACD)	Henderson Investment Funds Limited Member of the Investment Association The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Dealing – 0845 608 8703 Enquiries – 0800 832 832	Authorised and regulated by the Financial Conduct Authority
Directors of the ACD	C Chaloner (to 28.09.18) R Chaudhuri (to 07.03.19) A Crooke G Foggin G Fogo (from 04.02.19) S Hillenbrand (from 04.01.19) H J de Sausmarez P Shea (from 07.06.19)* F Smith (from 28.03.19)* R Thompson (from 17.01.19) P Wagstaff (to 26.09.18) *Independent		
Investment Manager	Henderson Global Investors Limited The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
Shareholder Administrator	DST Financial Services International Limited and DST Financial Services Europe Limited	DST House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
Depository	NatWest Trustee and Depository Services Limited The ultimate holding company is the Royal Bank of Scotland Group plc	250 Bishopsgate London EC2M 4AA	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority
Independent Auditors	PricewaterhouseCoopers LLP	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
Legal Adviser	Eversheds Sutherland (International) LLP	One Wood Street London EC2V 7WS	The Law Society

Global equity markets rose over the year to 31 August 2019 (MSCI World Index +7.6% in total return sterling terms and +15.6% in US dollar terms). Geopolitics, trade tensions and active central banks drove headlines and influenced investor sentiment.

In the UK, the FTSE All Share Index rose by +0.4% in sterling terms despite ongoing political turmoil. The UK's exit from the EU dominated headlines. The original 29 March deadline was delayed until 31 October, and the country saw a change in leadership when Prime Minister Theresa May was replaced by Boris Johnson in July. Uncertainty ramped up in the last month of the review period on the possibility of Parliament being shut down for five weeks from mid-September in an attempt to prevent any more delays to Brexit. This had a negative effect on both sterling and equities; the FTSE 100 posted its worst monthly performance in four years in the month to 31 August. Further dampening sentiment was disappointing second-quarter GDP growth, which came in significantly below expectations at -0.2%; this represented the first contraction in nearly seven years.

European equities were up (FTSE World Europe (Ex UK) Index +4.8% in sterling and +3.1% in euros) in a year defined by myriad complications, including global trade tensions, slowing economic growth and Brexit. The German economy, the largest in Europe, experienced negative quarterly growth in the third quarter of 2018 and second quarter of 2019, and Italy suffered a short-lived recession. Markets plummeted along with most of their global peers in December but were brought higher in the first quarter of 2019 before experiencing volatility related to US/China trade tensions and Brexit in the summer months. Eurozone economic data was largely disappointing; the annual growth rate gradually sank to 1.2% over the review period, and inflation fell sharply to -0.5% in July. Minutes from the 25 July meeting of the European Central Bank revealed a willingness to introduce further easing measures, perhaps as early as September.

US equities advanced (S&P 500 Index +9.8% in sterling, +2.9% in US dollars) over the year under review, though August saw heightened volatility as US/China trade relations took a turn for the combative and domestic data revealed a slowing economy. Trade relations with China were vitriolic throughout 2019, with any apparent progress between the two countries proving to be short-lived. In February, President Trump announced the postponement of additional tariffs due to be enacted in early March, only to make a complete turnaround and increase tariffs on US\$200 billion worth of Chinese imports (from 10% to 25%) in May. Similar threats were made in August, and were met with Chinese authorities stating that they would take 'necessary countermeasures' should the additional tariffs come to fruition. The US Federal Reserve (Fed) cut interest rates to a target range of 2.0%–2.25% at its meeting in July, but disappointed investors when it announced in August that the move did not necessarily equate to further cuts to come.

Japanese equities declined, with the fall most dramatic in local currency terms (Topix Index -0.5% in sterling, -10.8% in yen). Fears about softening domestic data and trade worries stemming from China and the US, and Japan's own relations with South Korea meant that returns lagged those of other developed markets. In early October, the Nikkei Index hit its highest level in 27 years, but Japanese equities weakened towards the end of 2018 along with major equity markets as global economic sentiment dampened. 2019 brought disappointing economic data: exports declined for eight months straight, and August marked the sixth month since the year began in which the Nikkei Japan manufacturing purchasing managers' index gave a reading below 50 (a reading below 50 signals a contraction). The yen's rise against its peers was a persistent cause for concern; in August, Japan's vice finance minister announced that measures would be taken to curb the currency's strength, as a continuously rising yen would have adverse effects on the export dependent domestic economy.

Asian equities were up in the year (MSCI AC Asia Pacific ex Japan Index +7.9% in sterling, +1.1% in US dollars). The trade dispute between China and the US was foremost in investors' minds, given that many countries in the region are heavily dependent on US and Chinese trade. 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. Central banks in the region were particularly active in August; the Philippines, Thailand and New Zealand all lowered rates. The Reserve Bank of New Zealand cut by more than was expected to reach a record low of 1%, citing a poor outlook for global growth and fears about the aforementioned trade tensions. Elsewhere, South Korea saw GDP growth rebound sharply, to 1.0% in the second quarter from a contraction of 0.4% in the first. China exceeded expectations with promising GDP growth of 1.6% in the three months to 30 June, though the annualised rate of 6.2% remained lacklustre.

Emerging markets were up in sterling terms (MSCI Emerging Markets Index +2.5%), but fell by 4.0% in US dollars. Trade friction between the US and China was a major influence on emerging markets, as was the relative strength of the US dollar. On an individual basis, the Reserve Bank of India lowered rates four times in an effort to combat flailing inflation. Russia also decreased its base rate twice in the year, despite boasting one of the strongest markets in the region (MSCI Russia +35.5% in sterling terms). Elsewhere, Latin American markets performed well in aggregate, although this was largely due to the strength of the Brazilian index, which was boosted by optimism about pension reforms. Argentina, Chile and Mexico fared worse, and recorded negative returns for the year in review in both sterling and US dollar terms.

Market review (continued)

Within fixed income, core government bond markets were up. Yields fell (prices rose) in the US, UK and Germany amid a lack of clarity on Brexit proceedings, sell offs in global equity markets and trade war worries (JP Morgan Global Government Bond Index +16.3% sterling terms). German and UK bond yields declined from October as investors began buying government bonds as an antidote to plummeting global equities. Investors in US Treasuries followed suit in November. August brought the steepest falls; German and French bond yields dipped into negative territory, and 30-year US Treasuries hit an all-time low mid-month in reaction to the Fed's July rate cut and fears about stalling inflation. European investment grade corporate bonds also benefited from the late-period rush for perceived safe havens (IBOXX Euro Corporates All Maturities +6.7% in sterling terms).

The price of Brent Crude fell over the year, swinging from highs of near US\$75 per barrel in the autumn to lows near US\$44 per barrel at the end of 2018. Prices began to climb in 2019 before falling again on global fears. But rumours of a US conflict with Iran, which could curtail Middle Eastern production, helped the commodity advance, and oil ended the period at around US\$55 per barrel. Gold, on the other hand, boomed. Dovish central banks and aggressive trade rhetoric from the Trump administration pushed the precious metal particularly high from May. Copper was notably volatile, and, barring a slight reprieve in June, fell dramatically from April on concerns that continuing trade tensions would have adverse effects on already sluggish global manufacturing data.

Statement of Authorised Corporate Director's (ACD) responsibilities

for the year ended 31 August 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 a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

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

Statement of the Depositary's responsibilities and report of the Depositary to the shareholders of Janus Henderson Investment Fund OEIC (the 'Company')

for the year ended 31 August 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 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
26 November 2019

Independent Auditors' report to the shareholders of Janus Henderson Investment Fund OEIC (the 'Company') for the year ended 31 August 2019

Report on the audit of the financial statements

Opinion

In our opinion, Janus Henderson Investment Fund OEIC (the 'Company') financial statements:

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

Janus Henderson Investment Fund OEIC (the 'Company') is an Open Ended Investment Company (OEIC) with three sub-funds. The financial statements of the Company comprise the financial statements of each of the 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 August 2019; the statement of total return and the statement of change in net assets attributable to shareholders for the year then ended; the distribution tables; aggregated notes to the financial statements and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you 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 on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the fund's business and the wider economy.

Reporting on other information

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

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

Authorised Corporate Director's Report

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

Independent Auditors' report to the shareholders of Janus Henderson Investment Fund OEIC (the 'Company') (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

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

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the 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. 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

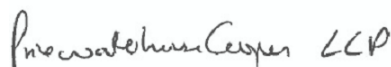
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

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
26 November 2019

1 Accounting policies

(a) Basis of preparation

The financial statements of Janus Henderson Investment Fund OEIC (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 a close of business market price on the last working day of the accounting year (30 August 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 reports 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.

Bank interest is recognised on an accruals basis.

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

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

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

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

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

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

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

(d) Treatment of expenses (including ACD expenses)

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

Annual Management Charge (AMC)

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

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

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, safe custody fees and dividend collection 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.

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.

(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.

Aggregated notes to the financial statements (continued)

2 Distribution Policy

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

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

Marginal tax relief has been taken into account when determining the amount available for distribution on Janus Henderson UK Alpha Fund.

With effect from 1 September 2017, marginal tax relief is no longer taken into account when determining the amount available for distribution on Janus Henderson Global Equity Income Fund.

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 following funds make annual distributions (31 October) to shareholders:

- Janus Henderson European Growth Fund and Janus Henderson UK Alpha Fund.

The following fund makes quarterly distributions (31 January, 30 April, 31 July, and 31 October) to shareholders:

- Janus Henderson Global Equity Income Fund.

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

Equalisation

Income equalisation applies to Janus Henderson Global Equity Income Fund.

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

3 Risk

In pursuing its investment objective each fund holds 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, transaction and stock lending and forward foreign exchange contracts for the purpose of efficient portfolio management only.

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 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, Cognity and Barra for market risk measurement; and
- Bloomberg for market data and price checking.

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

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(a) Market risk (continued)

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

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

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 investments include: fraudulent securities; lack of liquidity; currency fluctuations; settlement and custody risks; investment and remittance restrictions; and accounting 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 derivative instruments solely for the purpose of efficient portfolio management, and they are not intended to increase 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 risks and for attempting to enhance return. These strategies may include the use of derivatives instruments such as options, futures, forward transactions and contracts for difference. Such strategies may be unsuccessful and incur losses for the funds, due to market conditions. The funds do not employ significant leverage.

Currency risk

Currency risk is the risk that the value of the funds' investments will fluctuate as a result of changes in foreign currency exchange rates. A proportion of a fund's assets and income may be denominated in currencies other than sterling (the funds' functional currency and the one in which results are reported). As a result, movements in exchange rates may affect the sterling value of those items so a 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 each fund's investment objective, powers and limits, though this will not eliminate the relevant fund's currency risk.

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

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.

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

Other market price risk

Other market price risk is the risk that the value of the funds' investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. 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 Authorised Corporate Director 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 a funds portfolio and therefore a proportionate effect on the value of the relevant 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 cashflow.

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

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(b) Credit and counterparty risk (continued)

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.

(c) Liquidity risk

Liquidity risk is the risk that a position in a fund's portfolio cannot be sold, liquidated or closed out at limited cost in an adequately short timeframe and that the ability of the relevant fund to meet its 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 relevant fund's portfolio in order to meet redemption requests. In addition the ACD monitors the market liquidity of all securities, seeking to ensure the funds maintain sufficient liquidity to meet known and potential redemption activity. 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.

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 are no cross-holdings within any of the funds of Janus Henderson Investment Fund OEIC at the year end (2018: nil).

Janus Henderson European Growth Fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

Simon Rowe and Marc Schartz

Investment objective and policy

To achieve long-term capital growth in excess of the FTSE World Europe (Ex UK) Index over rolling 5 year periods, after charges.

The fund will invest principally in the securities of European companies. In addition to ordinary shares, the fund may also invest in preference shares, debt securities convertible into ordinary stocks and shares, money-market instruments and deposits. The fund may also invest outside of Europe if the investment manager believes that it is in the interest of the fund.

Performance summary

	31 Aug 18 - 31 Aug 19	31 Aug 17 - 31 Aug 18	31 Aug 16 - 31 Aug 17	31 Aug 15 - 31 Aug 16	31 Aug 14 - 31 Aug 15
	%	%	%	%	%
Class I accumulation	(1.7)	2.2	22.1	23.1	9.3
FTSE World Europe (Ex UK) Index	4.8	1.4	26.0	15.4	1.3
IA Europe Ex UK Equity Sector	0.3	2.6	23.6	15.7	4.4

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

Index: FTSE World Europe (Ex UK) Index

Index Usage: Target & Comparator

Benchmark usage: The FTSE World Europe (Ex UK) Index is a measure of the combined performance of large and medium sized companies from developed and advanced emerging European stock markets excluding the UK. It is the performance target for the fund and provides a useful comparison against which the fund's performance can be assessed over time.

Peer group benchmark: IA Europe Ex UK Equity 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 August 2019

Largest purchases	£000	Largest sales	£000
ASR Nederland	30,058	Amer Sports	23,837
Infineon Technologies	28,863	Continental	23,280
ABN AMRO	23,755	Danske Bank	22,160
Nestlé	22,771	Nordea Bank	20,679
SBM Offshore	19,693	Schouw	20,009
Knorr-Bremse	15,984	Wolters Kluwer	16,992
Bayer	14,951	Schneider Electric	16,953
CIE Financiere Richemont 'A'	13,762	Huhtamaki	15,963
Danone	13,664	Nokian Renkaat	14,554
SIG Combibloc	13,386	Trelleborg 'B'	14,246
Total purchases	451,768	Total sales	539,122

Investment review

The fund fell 1.7% based on Class I accumulation over the year under review, compared with the FTSE World Europe (Ex UK) Index which returned 4.8% and the IA Europe ex UK Equity Sector peer group benchmark which returned 0.3%.

Equities experienced something of a rollercoaster during the year. In the first half of the year, there was a sharp sell-off because of increasing worries of a trade war between the US and China, with the potential for reinforcing a slowdown in economic growth. Investors were, initially, concerned about the potential impact of the US Federal Reserve (Fed) continuing to raise interest rates. But after the sell-off in 2018, equities rallied strongly from the start of 2019 on hopes of a settlement between the US and China, partly because US President Trump backed down over trade threats to Mexico. Markets were encouraged by a change in tone from the US central bank, which became more cautious about the economic outlook and indicated that rates were likely to fall. On the last day of July 2019, the Fed cut rates for the first time since the financial crisis, and the European Central Bank (ECB) prepared to cut rates in September and restart its bond-buying programme. This resulted in a paradoxical situation of weakening economic indicators but rising equity markets, with bond markets anticipating the rate cut – US 10-year bond yields fell from around 3% in mid-2018 to below 1.5% at the end of the period, and the German 10-year bund yield dropped from about 0.5% to a record low of -0.7%, well below the previous low in 2016 after the UK's Brexit vote to leave the European Union. The strength of the bond market gave huge impetus to defensive equities in the first eight months of 2019, particularly companies in the consumer staples sector and other so called 'bond proxies'.

In this volatile year, the fund underperformed its benchmark. A major part of this underperformance can be explained by our position in mid-caps. Historically, these have driven significant outperformance by the fund. But in this year, especially in the second half of 2018, mid-caps were a handicap because they underperformed the wider market. Moreover, this underperformance was sustained in the first half of 2019 because the market continued to favour large-cap defensive companies. That said, our holdings in defensive growth companies performed well, including RELX and Wolters Kluwer. Carlsberg gained 27%, beating margin expectations. Elsewhere, a number of other positions worked well: Amer Sports returned 45% as it succumbed to a Chinese bid, and Tele2 gained 22% on its combination with Com Hem. Other strong performers included new positions Stroer and Rheinmetall. Offsetting these gains were Rockwool International, which fell sharply on reduced margin expectations. Plant engineer Andritz and sausage skin maker Viscofan disappointed on trading, while UPM and DFDS fell on concerns about the economic outlook and Brexit (we think concerns are overdone). Our position in Bayer suffered because of US legal concerns, although we now think the shares have completely overreacted to the likely legal costs.

In terms of portfolio changes, we reduced our exposure to industrial and cyclical holdings in the second half of 2018, trimming holdings in Continental, Trelleborg, Schneider Electric, Atlas Copco, Cargotec, Tarkett and Nokian Tyres. We sold a number of other holdings, including Nilfisk, where we were more cautious than management about the outlook. Some of these companies produced profit warnings or poor performance after disposal. We replaced some of these holdings with more defensive positions, including diagnostics group Diasorin and healthcare outsourcing group UDG Healthcare. We bought positions in Nestle and Danone, whose performances are improving because of greater portfolio management. We bought a holding in Infineon Technologies, after a sell-off in May, because even if the auto market is weak in 2019, we believe it will benefit from a trend toward increased use of electric cars in the medium term. We bought into three initial public offerings: Knorr-Bremse, a global leader in train and truck brakes; SIG Combibloc, a Switzerland-based competitor to Tetra Pak; and Marel, a specialist in meat processing equipment. These companies have performed well since listing.

While we are frustrated with our underperformance in this year, we think a number of the fund's positions have much potential but were held back because of specific uncertainties, including Brexit. In hindsight, we perhaps should have been more tactical in our positioning given Trump's unpredictability. Nevertheless, we take comfort from the very strong performance of some parts of the portfolio as well as the recovery of several holdings that sold off in 2018 but where we retained positions.

The start of September has seen a reversal of some of the recent market trends. Bond yields have risen from low levels in August (for example, German negative yields have become less negative) and this development has given a lift to pariah sectors such as banking and other 'value' areas. By contrast, equities seen as 'bond proxies' have retreated from their August highs. The reasons for the rotation are not entirely clear but we believe they are partly explained by renewed hope about Trump's attitude towards China as he starts to think about domestic elections and some stronger US economic data such as resilient private sector employment statistics. But, elsewhere, there are cautionary signals such as weak manufacturing surveys in the US and German exports, and the ECB's moves to cut interest rates and revive its bond-buying programme. It is far from clear that the turnaround in the bond market will be sustained.

Comparative tables for the year ended 31 August 2019

	Class A accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	242.71	241.28	198.37
Return before operating charges*	(2.33)	5.50	46.57
Operating charges	(3.80)	(4.07)	(3.66)
Return after operating charges*	(6.13)	1.43	42.91
Distributions on accumulation shares	(2.08)	(1.79)	(1.99)
Retained distributions on accumulation shares	2.08	1.79	1.99
Closing net asset value per share	236.58	242.71	241.28
* after direct transaction costs of:	0.14	0.14	0.19
Performance			
Return after charges	(2.53%)	0.59%	21.63%
Other information			
Closing net asset value (£000s)	293,223	516,610	554,738
Closing number of shares	123,942,976	212,848,610	229,913,165
Operating charges	1.69%	1.70%	1.70%
Direct transaction costs	0.06%	0.06%	0.09%
Prices			
Highest share price (pence)	245.40	249.00	242.00
Lowest share price (pence)	202.90	224.20	187.60
		Class E accumulation 08/07/19 - 31/08/19 (pence per share)	
Change in net assets per share			
Opening net asset value per share		241.99 ¹	
Return before operating charges*		(4.83)	
Operating charges		(0.41)	
Return after operating charges*		(5.24)	
Distributions on accumulation shares		(2.24)	
Retained distributions on accumulation shares		2.24	
Closing net asset value per share		236.75	
* after direct transaction costs of:		0.15	
Performance			
Return after charges		(2.17%)	
Other information			
Closing net asset value (£000s)		147,424	
Closing number of shares		62,268,741	
Operating charges		1.19%	
Direct transaction costs		0.06%	
Prices			
Highest share price (pence)		243.90	
Lowest share price (pence)		230.90	

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

Comparative tables (continued)

	Class I accumulation		
	2019	2018	2017
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	548.03	540.16	440.32
Return before operating charges*	(4.97)	12.39	103.88
Operating charges	(4.30)	(4.52)	(4.04)
Return after operating charges*	(9.27)	7.87	99.84
Distributions on accumulation shares	(8.36)	(9.16)	(7.63)
Retained distributions on accumulation shares	8.36	9.16	7.63
Closing net asset value per share	538.76	548.03	540.16
* after direct transaction costs of:	0.32	0.32	0.42

Performance

Return after charges	(1.69%)	1.46%	22.67%
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Other information

Closing net asset value (£000s)	606,021	674,712	631,479
Closing number of shares	112,483,505	123,116,676	116,905,981
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.06%	0.06%	0.09%

Prices

Highest share price (pence)	558.20	559.30	541.70
Lowest share price (pence)	459.30	504.50	417.40

	Class S income		
	2019	2018	2017
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	317.93	318.50	263.53
Return before operating charges*	(2.69)	7.40	62.42
Operating charges	(0.18)	(0.19)	(0.17)
Return after operating charges*	(2.87)	7.21	62.25
Distributions on income shares	(8.14)	(7.78)	(7.28)
Closing net asset value per share	306.92	317.93	318.50
* after direct transaction costs of:	0.19	0.19	0.25

Performance

Return after charges	(0.90%)	2.26%	23.62%
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Other information

Closing net asset value (£000s)	26,058	40,391	39,088
Closing number of shares	8,490,235	12,704,235	12,272,579
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.06%	0.06%	0.09%

Prices

Highest share price (pence)	326.00	330.90	326.70
Lowest share price (pence)	267.20	298.90	250.30

Comparative tables (continued)

	Class Z accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	267.55	261.66	211.64
Return before operating charges*	(2.29)	6.05	50.16
Operating charges	(0.15)	(0.16)	(0.14)
Return after operating charges*	(2.44)	5.89	50.02
Distributions on accumulation shares	(6.48)	(6.14)	(7.51)
Retained distributions on accumulation shares	6.48	6.14	7.51
Closing net asset value per share	265.11	267.55	261.66
* after direct transaction costs of:	0.16	0.16	0.20
Performance			
Return after charges	(0.91%)	2.25%	23.63%
Other information			
Closing net asset value (£000s)	374	342	266
Closing number of shares	141,082	127,925	101,640
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.06%	0.06%	0.09%
Prices			
Highest share price (pence)	274.30	271.90	262.40
Lowest share price (pence)	224.80	245.50	201.00
	Class I Euro accumulation		
	2019 (pence per share)	2018 (pence per share)	
Change in net assets per share			
Opening net asset value per share	90.40	89.40 ²	
Return before operating charges*	(0.84)	1.52	
Operating charges	(0.70)	(0.52)	
Return after operating charges*	(1.54)	1.00	
Distributions on accumulation shares	(476.44)	(1.51)	
Retained distributions on accumulation shares	476.44	1.51	
Closing net asset value per share	88.86	90.40	
* after direct transaction costs of:	0.05	0.05	
Performance			
Return after charges	(1.70%)	1.12%	
Other information			
Closing net asset value (£000s)	1	189	
Closing number of shares	508	209,494	
Operating charges	0.84%	0.84%	
Direct transaction costs	0.06%	0.06%	
Prices			
Highest share price (Euro cents)	102.40	104.40	
Lowest share price (Euro cents)	84.01	95.11	

² Class I Euro accumulation launched on 15 December 2017 and this is the first published price.

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

Comparative tables (continued)

Operating charges

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

Share class launches and closures

The following share class launched in the year:

Share class	Launch date
Class E accumulation	8 July 2019

There were no share classes closed in the year.

Ongoing charge figure

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

	2019	2018	Projected OCF from 8 July 2019¹
	%	%	%
Class A	1.69	1.70	n/a
Class E²	1.19	n/a	1.19
Class I	0.84	0.84	n/a
Class S	0.06	0.06	n/a
Class Z	0.06	0.06	n/a
Class I Euro	0.84	0.84 ³	n/a

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

¹ The projected ongoing charge is based on the annual fee rates on launch date as at 8 July 2019.

² Class E accumulation launched on 8 July 2019.

³ Class I Euro launched on 15 December 2017.

Risk and reward profile

The fund currently has 6 types of share in issue: A accumulation, E accumulation, I accumulation, S income, Z accumulation and I Euro accumulation.

Each 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 lowest category does not mean risk free.

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

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

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

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

* Class I Euro accumulation was launched on 15 December 2017 and Class E accumulation was launched on 8 July 2019. As these share classes do not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

Portfolio statement as at 31 August 2019

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 97.79% (2018: 97.09%)		
	Austria 0.98% (2018: 1.42%)		
	Industrials 0.98% (2018: 1.42%)		
364,778	Andritz	10,522	0.98
	Belgium 2.06% (2018: 1.91%)		
	Financials 2.06% (2018: 1.91%)		
464,716	KBC	22,112	2.06
	Denmark 11.76% (2018: 15.28%)		
	Consumer Goods 6.17% (2018: 5.70%)		
263,156	Carlsberg	31,851	2.97
237,027	Royal Unibrew	16,903	1.58
1,842,270	Scandinavian Tobacco	17,427	1.62
		66,181	6.17
	Financials 0.00% (2018: 1.96%)		
	Health Care 2.49% (2018: 1.42%)		
624,785	Novo Nordisk 'B'	26,748	2.49
	Industrials 3.10% (2018: 6.20%)		
574,938	DFDS	16,246	1.51
106,082	Rockwool International 'B'	17,047	1.59
		33,293	3.10
	Finland 5.55% (2018: 11.44%)		
	Basic Materials 2.41% (2018: 2.63%)		
1,163,258	UPM-Kymmene	25,824	2.41
	Consumer Goods 0.00% (2018: 2.81%)		
	Financials 2.11% (2018: 3.34%)		
693,816	Sampo	22,629	2.11
	Industrials 1.03% (2018: 2.66%)		
348,444	Huhtamaki	11,053	1.03
	France 17.19% (2018: 17.44%)		
	Consumer Goods 3.62% (2018: 2.56%)		
204,453	Danone	15,060	1.40
275,465	Michelin	23,812	2.22
		38,872	3.62
	Consumer Services 1.95% (2018: 2.70%)		
765,005	Elior	8,010	0.75
241,428	Fnac Darty	12,957	1.20
		20,967	1.95
	Financials 2.50% (2018: 2.29%)		
816,506	SCOR	26,794	2.50

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 9.12% (2018: 9.89%)		
11,734	Dassault Aviation	13,730	1.28
382,482	Eiffage	32,593	3.03
1,652,429	SPIE	24,654	2.30
282,938	Thales	26,889	2.51
		<u>97,866</u>	<u>9.12</u>
	Germany 12.95% (2018: 9.51%)		
	Basic Materials 0.00% (2018: 1.51%)		
	Consumer Goods 1.34% (2018: 2.07%)		
187,305	Knorr-Bremse	<u>14,368</u>	<u>1.34</u>
	Consumer Services 0.77% (2018: 1.03%)		
133,816	Ströer	<u>8,216</u>	<u>0.77</u>
	Health Care 4.97% (2018: 3.37%)		
410,114	Bayer	24,961	2.33
324,625	Merck	28,415	2.64
		<u>53,376</u>	<u>4.97</u>
	Industrials 0.89% (2018: 0.00%)		
98,984	Rheinmetall	<u>9,582</u>	<u>0.89</u>
	Technology 4.98% (2018: 1.53%)		
1,915,744	Infineon Technologies	27,255	2.54
267,757	SAP	26,192	2.44
		<u>53,447</u>	<u>4.98</u>
	Iceland 0.65% (2018: 0.00%)		
	Industrials 0.65% (2018: 0.00%)		
1,828,212	Marel	<u>6,943</u>	<u>0.65</u>
	Ireland 1.94% (2018: 1.46%)		
	Consumer Services 0.71% (2018: 1.46%)		
922,481	Ryanair	<u>7,607</u>	<u>0.71</u>
	Health Care 1.23% (2018: 0.00%)		
1,677,637	UDG Healthcare	<u>13,170</u>	<u>1.23</u>
	Italy 1.10% (2018: 0.00%)		
	Health Care 1.10% (2018: 0.00%)		
121,151	DiaSorin	<u>11,799</u>	<u>1.10</u>
	Netherlands 17.89% (2018: 11.30%)		
	Basic Materials 3.73% (2018: 2.68%)		
441,115	Akzo Nobel	32,421	3.02
131,866	IMCD	7,607	0.71
		<u>40,028</u>	<u>3.73</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Consumer Services 2.24% (2018: 2.85%)		
405,105	Wolters Kluwer	23,993	2.24
	Financials 3.33% (2018: 0.00%)		
598,643	ABN AMRO	8,748	0.82
938,070	ASR Nederland	26,948	2.51
		<u>35,696</u>	<u>3.33</u>
	Health Care 2.52% (2018: 2.75%)		
698,014	Koninklijke Philips	27,068	2.52
	Oil & Gas 4.83% (2018: 3.02%)		
1,095,683	Royal Dutch Shell 'B'	24,817	2.31
1,968,427	SBM Offshore	27,091	2.52
		<u>51,908</u>	<u>4.83</u>
	Telecommunications 1.24% (2018: 0.00%)		
5,102,955	Koninklijke KPN	13,289	1.24
	Spain 0.77% (2018: 2.16%)		
	Consumer Goods 0.77% (2018: 2.16%)		
215,178	Viscofan	8,246	0.77
	Sweden 3.63% (2018: 8.13%)		
	Consumer Goods 1.18% (2018: 2.32%)		
1,321,600	Dometic	8,839	0.83
594,306	Husqvarna 'B'	3,786	0.35
		<u>12,625</u>	<u>1.18</u>
	Financials 0.00% (2018: 2.88%)		
	Industrials 0.00% (2018: 1.32%)		
	Telecommunications 2.45% (2018: 1.61%)		
2,276,727	Tele2 'B'	26,307	2.45
	Switzerland 14.47% (2018: 9.70%)		
	Consumer Goods 5.18% (2018: 1.26%)		
209,301	CIE Financiere Richemont 'A'	13,336	1.24
11,120	Forbo	13,307	1.24
314,486	Nestlé	28,970	2.70
		<u>55,613</u>	<u>5.18</u>
	Health Care 2.31% (2018: 1.39%)		
335,884	Novartis	24,811	2.31

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 6.98% (2018: 7.05%)		
58,966	Bucher Industries	14,279	1.33
1,411,695	OC Oerlikon	10,743	1.00
1,323,717	SIG Combibloc	14,347	1.34
175,611	Sika	20,708	1.93
189,797	Sulzer	14,806	1.38
		<u>74,883</u>	<u>6.98</u>
	United Kingdom 6.85% (2018: 7.34%)		
	Consumer Services 2.01% (2018: 1.96%)		
1,099,228	RELX	<u>21,619</u>	<u>2.01</u>
	Industrials 4.84% (2018: 4.19%)		
753,581	CNH Industrial	6,370	0.59
513,613	DCC	35,871	3.35
1,283,216	Grafton	<u>9,656</u>	<u>0.90</u>
		<u>51,897</u>	<u>4.84</u>
	Oil & Gas 0.00% (2018: 1.19%)		
	Derivatives 0.00% (2018: 0.00%)		
	Forward Foreign Exchange Contracts 0.00% (2018: 0.00%)¹		
	Buy GBP 410,111 : Sell EUR 452,143 September 2019	1	-
	Buy GBP 543,301 : Sell EUR 598,625 September 2019	2	-
	Buy GBP 546,843 : Sell EUR 603,821 September 2019	<u>1</u>	<u>-</u>
		<u>4</u>	<u>-</u>
	Investment assets	<u>1,049,356</u>	<u>97.79</u>
	Other net assets	<u>23,745</u>	<u>2.21</u>
	Total net assets	<u>1,073,101</u>	<u>100.00</u>

¹ 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 August 2019

	Note	2019		2018	
		£000	£000	£000	£000
Income					
Net capital losses	2		(50,546)		(4,457)
Revenue	3	28,625		35,430	
Expenses	4	(12,347)		(14,938)	
Interest payable and similar charges	5	(48)		(2)	
Net revenue before taxation		16,230		20,490	
Taxation	6	(2,147)		(4,410)	
Net revenue after taxation			14,083		16,080
Total return before distributions			(36,463)		11,623
Distributions	7		(14,083)		(16,080)
Change in net assets attributable to shareholders from investment activities			(50,546)		(4,457)

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

	2019		2018	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		1,232,244		1,225,571
Amounts receivable on issue of shares	93,769		180,241	
Amounts payable on cancellation of shares	(215,758)		(184,203)	
		(121,989)		(3,962)
Change in net assets attributable to shareholders from investment activities		(50,546)		(4,457)
Retained distributions on accumulation shares		13,392		15,092
Closing net assets attributable to shareholders		1,073,101		1,232,244

Balance sheet as at 31 August 2019

	Note	2019 £000	2018 £000
Assets:			
Investments		1,049,356	1,196,440
Current assets:			
Debtors	8	22,642	27,394
Cash and bank balances	9	33,706	18,175
Total assets		1,105,704	1,242,009
Liabilities:			
Creditors:			
Bank overdrafts		11,896	-
Distributions payable		691	988
Other creditors	10	20,016	8,777
Total liabilities		32,603	9,765
Net assets attributable to shareholders		1,073,101	1,232,244

Notes to the financial statements for the year ended 31 August 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 losses

Net capital losses on investments during the year comprise:

	2019	2018
	£000	£000
Forward currency contracts	26	91
Non-derivative securities	(51,252)	(4,318)
Other currency gains/(losses)	691	(215)
Transaction costs	(11)	(15)
Net capital losses	(50,546)	(4,457)

3 Revenue

	2019	2018
	£000	£000
Bank interest	94	82
Overseas dividends	26,098	33,285
Stock lending revenue	128	145
UK dividends	2,305	1,918
Total revenue	28,625	35,430

4 Expenses

	2019	2018
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	10,960	13,254
GAC*	1,256	1,505
	<u>12,216</u>	<u>14,759</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	64	70
Safe custody fees	36	109
	<u>100</u>	<u>179</u>
Other expenses:		
Professional fees	31	-
	<u>31</u>	<u>-</u>
Total expenses	12,347	14,938

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	48	2
Total interest payable and similar charges	48	2

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2019 £000	2018 £000
Current tax		
Overseas withholding tax	2,147	4,410
Total tax (note 6b)	2,147	4,410

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	16,230	20,490
Corporation tax at 20% (2018: 20%)	3,246	4,098
Effects of:		
Irrecoverable overseas tax	2,147	4,410
Overseas dividends	(5,220)	(6,657)
UK dividends*	(461)	(383)
Unused management expenses	2,435	2,942
Tax charge for the year (note 6a)	2,147	4,410

* 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 £25,018,008 (2018: £22,583,337) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

	2019	2018
	£000	£000
Final income	691	988
Final accumulation	13,392	15,092
Total distributions	14,083	16,080

Details of the distribution per share are set out in the Distribution table on page 38.

8 Debtors

	2019	2018
	£000	£000
Accrued revenue	963	704
Amounts receivable for issue of shares	-	18,631
Currency transactions awaiting settlement	8,435	3,818
Overseas withholding tax reclaimable	2,942	2,283
Sales awaiting settlement	10,302	1,958
Total debtors	22,642	27,394

9 Cash and bank balances

	2019	2018
	£000	£000
Cash and bank balances	33,706	18,175
Total cash and bank balances	33,706	18,175

10 Other creditors

	2019	2018
	£000	£000
Accrued annual management charge	890	1,091
Accrued Depository's fee	6	6
Accrued other expenses	118	176
Amounts payable for cancellation of shares	2,387	1,531
Corporation tax payable	298	298
Currency transactions awaiting settlement	8,445	3,817
Purchases awaiting settlement	7,872	1,858
Total other creditors	20,016	8,777

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 or outstanding commitments at the current or prior year end.

Notes to the financial statements (continued)

12 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party 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 27 and 28 and notes 4, 8, and 10 on pages 29 to 31 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

There were no material shareholders at the year end (2018: nil).

13 Shareholders' funds

The fund currently has 6 share classes available; Class A (Retail with front-end charges), Class E (Retail), Class I (Institutional), Class S (Institutional), Class Z (Institutional) and Class I Euro (Institutional). The annual management charge on each share class is as follows:

	2019	2018
	%	%
Class A	1.50	1.50
Class E ¹	1.00	n/a
Class I	0.75	0.75
Class S*	0.00	0.00
Class Z*	0.00	0.00
Class I Euro	0.75	0.75

¹ Class E launched on 8 July 2019.

* Charges for managing Classes S and Z 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 17 to 20. The distribution per share class is given in the Distribution table on page 38. All share classes have the same rights on winding up.

Shares reconciliation as at 31 August 2019

	Class A accumulation	Class E accumulation	Class I accumulation
Opening number of shares	212,848,610	-	123,116,676
Issues during the year	182,729	5,325	16,821,730
Cancellations during the year	(22,614,707)	(783,089)	(28,965,631)
Shares converted during the year	(66,473,656)	63,046,505	1,510,730
Closing shares in issue	123,942,976	62,268,741	112,483,505
	Class S Income	Class Z accumulation	Class I Euro accumulation
Opening number of shares	12,704,235	127,925	209,494
Issues during the year	1,419,139	45,652	402
Cancellations during the year	(5,633,139)	(32,495)	(209,388)
Shares converted during the year	-	-	-
Closing shares in issue	8,490,235	141,082	508

Notes to the financial statements (continued)

14 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 August 2019 (2018: nil).

2019

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

Counterparty	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	4	4
	<u>4</u>	<u>4</u>

2018

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

15 Stock lending

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

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

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

2019

The fund had no stock on loan as at 31 August 2019.

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	151	23	128

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	5,444	6,066	Equity
Citigroup	19,142	21,270	Equity
Credit Suisse	13,987	15,779	Equity
Deutsche Bank	83,443	93,228	Equity
HSBC	8,392	9,335	Equity
JP Morgan	14,212	16,150	Equity
Merril Lynch	7,877	8,753	Equity
Morgan Stanley	6,320	6,654	Government Bond
Natixis	30,072	33,531	Equity
Total	188,889	210,766	

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	171	26	145

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 £000	Other net assets/(liabilities) £000	Total net assets £000
2019			
Currency			
Danish krone	126,221	2,047	128,268
Euro	643,882	24,726	668,608
Swedish krona	38,932	1,325	40,257
Swiss franc	155,307	-	155,307
UK sterling	85,014	(4,383)	80,631
US dollar	-	30	30
Total	1,049,356	23,745	1,073,101

Notes to the financial statements (continued)

16 Risk (continued)

Currency risk (continued)

	Investment assets £000	Other net assets £000	Total net assets £000
2018			
Currency			
Danish krone	188,335	1,009	189,344
Euro	702,567	1,510	704,077
Norwegian krone	14,636	-	14,636
Swedish krona	100,241	5	100,246
Swiss franc	119,560	-	119,560
UK sterling	71,102	32,818	103,920
US dollar	-	461	461
Total	1,196,441	35,803	1,232,244

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £992,470,278 (2018: £1,128,324,284). A 10% increase in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing the return for the year ended 31 August 2019 and the net assets as at 31 August 2019 by £99,247,028 (2018: £112,832,428). A 10% decrease in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of decreasing the return for the year ended 31 August 2019 and the net assets as at 31 August 2019 by £99,247,028 (2018: £112,832,428).

Interest rate risk

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

Other market price risk

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

Leverage

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

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Bank overdrafts	11,896	-	-	-
Distribution payable	-	691	-	-
Other creditors	-	20,016	-	-
Total	11,896	20,707	-	-
2018				
Distribution payable	-	988	-	-
Other creditors	-	8,777	-	-
Total	-	9,765	-	-

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	1,049,352	-	1,196,440	-
Level 2	4	-	-	-
Level 3	-	-	-	-
	<u>1,049,356</u>	<u>-</u>	<u>1,196,440</u>	<u>-</u>

18 Direct transaction costs

	Purchases		Sales	
	2019 £000	2018 £000	2019 £000	2018 £000
Trades in the year				
Equities	451,246	424,069	539,336	416,717
Trades in the year before transaction costs	<u>451,246</u>	<u>424,069</u>	<u>539,336</u>	<u>416,717</u>
Transaction costs				
Commissions				
Equities	139	176	214	178
Total commissions	<u>139</u>	<u>176</u>	<u>214</u>	<u>178</u>
Taxes				
Equities	204	233	-	-
Total taxes	<u>204</u>	<u>233</u>	<u>-</u>	<u>-</u>
Other expenses				
Equities	179	172	-	-
Total other expenses	<u>179</u>	<u>172</u>	<u>-</u>	<u>-</u>
Total transaction costs	<u>522</u>	<u>581</u>	<u>214</u>	<u>178</u>
Total net trades in the year after transaction costs	<u>451,768</u>	<u>424,650</u>	<u>539,122</u>	<u>416,539</u>

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

	Purchases		Sales	
	2019 %	2018 %	2019 %	2018 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.04	0.04	0.04
Taxes				
Equities	0.05	0.05	-	-
Other expenses				
Equities	0.04	0.04	-	-
	2019 %	2018 %		
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.03	0.03		
Taxes	0.02	0.02		
Other expenses	0.01	0.01		
Total costs	0.06	0.06		

There were no in specie transfers during the year (2018: nil). There were corporate actions during the year of £8,083,926 (2018: nil).

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

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

The portfolio dealing spread as at 31 August 2019 was 0.08% (2018: 0.08%). 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 table for the year ended 31 August 2019 (in pence per share)

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

Group 1: shares purchased prior to 1 September 2018

Group 2: shares purchased on or after 1 September 2018

	Distribution per share	Total distribution per share 31/10/19	Total distribution per share 31/10/18
Class A accumulation			
Group 1	2.0823	2.0823	1.7889
Group 2	2.0823	2.0823	1.7889
Class E accumulation¹			
Group 1	2.2393	2.2393	n/a
Group 2	2.2393	2.2393	n/a
Class I accumulation			
Group 1	8.3612	8.3612	9.1568
Group 2	8.3612	8.3612	9.1568
Class S income			
Group 1	8.1446	8.1446	7.7786
Group 2	8.1446	8.1446	7.7786
Class Z accumulation			
Group 1	6.4835	6.4835	6.1410
Group 2	6.4835	6.4835	6.1410
Class I Euro accumulation^{2,3}			
Group 1	526.8895	526.8895	1.6914
Group 2	526.8895	526.8895	1.6914

¹ Class E accumulation launched on 8 July 2019.

² in Euro cents per share

³ Please note Distribution rate has been impacted by a large disinvestment in the class and the fund's no equalisation policy.

Janus Henderson Global Equity Income Fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

Andrew Jones and Ben Lofthouse

Investment objective and policy

To achieve an income in excess of that of the MSCI World Index with the potential for long-term capital growth.

The fund will invest principally in global equities. In addition to ordinary shares, the fund may also invest in fixed interest securities, preference shares, debt securities convertible into ordinary stock, money market instruments, cash and near cash and deposits.

Performance summary

	31 Aug 18 - 31 Aug 19	31 Aug 17 - 31 Aug 18	31 Aug 16 - 31 Aug 17	31 Aug 15 - 31 Aug 16	31 Aug 14 - 31 Aug 15
	%	%	%	%	%
Class I accumulation	2.8	5.3	15.3	23.3	4.4
MSCI World Index	7.6	12.7	18.8	26.0	4.1
IA Global Equity Income Sector	5.7	5.7	14.3	22.4	(0.7)

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

Index: MSCI World Index

Index Usage: Target & Comparator

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

Peer group benchmark: IA Global Equity Income Sector

Peer group benchmark usage: Comparator

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

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

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

Significant portfolio changes for the year ended 31 August 2019

Largest purchases	£000	Largest sales	£000
GlaxoSmithKline	15,529	Microsoft	20,018
Sanofi	15,017	Deutsche Post	14,085
Michelin	12,357	Blackstone	11,316
Telus	9,566	Standard Chartered	10,134
Veolia Environnement	9,251	Deutsche Telekom	9,973
BNP Paribas	7,738	Nutrien	8,976
ENI	7,719	Best Buy	8,673
Henkel	7,698	Mitsubishi UFJ Financial	8,518
Bristol-Myers Squibb	7,653	RELX	7,503
Tokyo Electron	7,528	Philip Morris International	7,379
Total purchases	173,087	Total sales	224,370

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

Investment review

The fund returned 2.8% based on Class I accumulation over the year under review, compared with a return of 7.6% in the MSCI World Index and a return of 5.7% in the IA Global Equity Income Sector peer group benchmark.

Despite concerns about the pace of global economic growth, trade war protectionism and difficult Brexit negotiations between the UK and European Union, global equity markets continued to make progress over the past year. The US equity market outperformed the MSCI World Index, while Japan, Europe and the UK lagged. At a sectoral level, the strongest performances came from information technology (IT), utilities, consumer staples and healthcare, while more cyclical areas such as materials, financials and energy underperformed the market.

Against this backdrop, some holdings in the energy and financials sectors negatively affected the fund's performance. Occidental Petroleum fell after announcing the acquisition of Anadarko, despite committing to its dividend policy following the deal's completion. The continued low interest rate environment led to poor performances from banks during the year and, as a result, holdings such as ING and Nordea Bank detracted from returns. These holdings have all been retained, as we consider the valuations to be very attractive, with significant dividend yield premiums for each.

The fund's holdings in the IT sector were positive for performance, with Microsoft, Cisco Systems and Maxim Integrated Products all performing well against the benchmark. A number of the fund's more defensive holdings, including RELX, Tele2 and Novartis, delivered good results.

Positions were initiated in Bristol-Myers Squibb, Mondelez International and Danone during the year. Bristol-Myers Squibb has underperformed the market since announcing the acquisition of Celgene and now trades at a price-to-earnings multiple of 9.5 times with a dividend yield of 3.6%. Mondelez International and Danone have strong global brands, and we expect them to improve their rate of organic revenue growth, while continuing to generate good levels of cashflow.

The fund also bought positions in Michelin, Veolia Environnement and Henkel during the year. Veolia Environnement yields almost 4% and is well positioned for growth as an international waste and water company, while Henkel, a health & personal products and adhesives company, has a strong balance sheet and should benefit from restructuring and initiatives to improve top line performance. Michelin is well placed as a leading global tyre company and should benefit from the replacement market for higher margin SUV tyres and growth in the electric vehicle tyre market. These purchases were funded by trimming positions in Maxim Integrated Products, Microsoft and Crown Castle International and exiting Nutrien and Hasbro after a period of strong performances.

After a very weak second half of 2018, equity markets rebounded strongly in 2019; most major areas of the world continued to deliver reasonable gross domestic product growth, albeit at a lower level than anticipated. Despite the good performance of equity markets, valuations remain reasonable in a historical context and continue to look attractive on a yield basis relative to bonds. The fund will maintain its strategy of identifying companies that are attractively valued, pay a sustainable dividend and have the capacity to grow their dividends over the medium to long term.

Comparative tables for the year ended 31 August 2019

	Class A accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	369.61	356.58	310.52
Return before operating charges*	13.46	19.21	51.83
Operating charges	(6.19)	(6.18)	(5.77)
Return after operating charges*	7.27	13.03	46.06
Distributions on accumulation shares	(13.10)	(11.23)	(11.36)
Retained distributions on accumulation shares	13.10	11.23	11.36
Closing net asset value per share	376.88	369.61	356.58
* after direct transaction costs of:	0.13	0.20	0.20
Performance			
Return after charges	1.97%	3.65%	14.83%
Other information			
Closing net asset value (£000s)	78,238	164,208	169,609
Closing number of shares	20,759,349	44,426,889	47,565,303
Operating charges	1.73%	1.73%	1.73%
Direct transaction costs	0.04%	0.06%	0.06%
Prices			
Highest share price (pence)	391.30	377.10	356.80
Lowest share price (pence)	329.80	330.10	304.00
	Class A income		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	62.43	62.15	55.96
Return before operating charges*	2.16	3.29	9.24
Operating charges	(1.03)	(1.07)	(1.03)
Return after operating charges*	1.13	2.22	8.21
Distributions on income shares	(2.19)	(1.94)	(2.02)
Closing net asset value per share	61.37	62.43	62.15
* after direct transaction costs of:	0.02	0.03	0.04
Performance			
Return after charges	1.81%	3.57%	14.67%
Other information			
Closing net asset value (£000s)	102,419	431,503	446,672
Closing number of shares	166,881,057	691,180,203	718,680,004
Operating charges	1.73%	1.73%	1.73%
Direct transaction costs	0.04%	0.06%	0.06%
Prices			
Highest share price (pence)	64.11	64.10	62.70
Lowest share price (pence)	55.41	57.00	54.79

Comparative tables (continued)

	Class E accumulation 24/06/19 - 31/08/19 (pence per share)
Change in net assets per share	
Opening net asset value per share	375.69 ¹
Return before operating charges*	6.17
Operating charges	(4.63)
Return after operating charges*	1.54
Distributions on accumulation shares	(2.34)
Retained distributions on accumulation shares	2.34
Closing net asset value per share	377.23
* after direct transaction costs of:	0.14
Performance	
Return after charges	0.41%
Other information	
Closing net asset value (£000s)	73,443
Closing number of shares	19,468,856
Operating charges	1.22%
Direct transaction costs	0.04%
Prices	
Highest share price (pence)	391.50
Lowest share price (pence)	369.40

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

	Class E income 24/06/19 - 31/08/19 (pence per share)
Change in net assets per share	
Opening net asset value per share	61.56 ²
Return before operating charges*	0.39
Operating charges	(0.14)
Return after operating charges*	0.25
Distributions on income shares	(0.38)
Closing net asset value per share	61.43
* after direct transaction costs of:	0.02
Performance	
Return after charges	0.41%
Other information	
Closing net asset value (£000s)	299,060
Closing number of shares	486,833,661
Operating charges	1.22%
Direct transaction costs	0.04%
Prices	
Highest share price (pence)	64.14
Lowest share price (pence)	60.53

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

Comparative tables (continued)

	Class G accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	146.78	140.22	120.91
Return before operating charges*	5.43	7.60	20.28
Operating charges	(1.05)	(1.04)	(0.97)
Return after operating charges*	4.38	6.56	19.31
Distributions on accumulation shares	(5.47)	(4.68)	(4.64)
Retained distributions on accumulation shares	5.47	4.68	4.64
Closing net asset value per share	151.16	146.78	140.22
* after direct transaction costs of:	0.05	0.08	0.08

Performance

Return after charges	2.98%	4.68%	15.97%
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Other information

Closing net asset value (£000s)	5,330	6,191	6,588
Closing number of shares	3,525,995	4,218,186	4,698,530
Operating charges	0.73%	0.74%	0.74%
Direct transaction costs	0.04%	0.06%	0.06%

Prices

Highest share price (pence)	156.80	149.70	140.20
Lowest share price (pence)	131.40	130.50	118.40

	Class G income		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	133.32	131.64	117.52
Return before operating charges*	4.69	7.00	19.50
Operating charges	(0.94)	(0.97)	(0.93)
Return after operating charges*	3.75	6.03	18.57
Distributions on income shares	(4.91)	(4.35)	(4.45)
Closing net asset value per share	132.16	133.32	131.64
* after direct transaction costs of:	0.05	0.07	0.08

Performance

Return after charges	2.81%	4.58%	15.80%
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Other information

Closing net asset value (£000s)	16,431	16,229	31,220
Closing number of shares	12,432,642	12,172,252	23,716,745
Operating charges	0.73%	0.74%	0.74%
Direct transaction costs	0.04%	0.06%	0.06%

Prices

Highest share price (pence)	138.00	136.80	132.70
Lowest share price (pence)	118.70	121.30	115.10

Comparative tables (continued)

	Class I accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	159.46	152.49	131.63
Return before operating charges*	5.90	8.26	22.06
Operating charges	(1.31)	(1.29)	(1.20)
Return after operating charges*	4.59	6.97	20.86
Distributions on accumulation shares	(5.90)	(5.04)	(5.01)
Retained distributions on accumulation shares	5.90	5.04	5.01
Closing net asset value per share	164.05	159.46	152.49
* after direct transaction costs of:	0.06	0.09	0.09
Performance			
Return after charges	2.88%	4.57%	15.85%
Other information			
Closing net asset value (£000s)	48,396	57,750	47,973
Closing number of shares	29,499,736	36,215,377	31,459,326
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.04%	0.06%	0.06%
Prices			
Highest share price (pence)	170.20	162.60	152.40
Lowest share price (pence)	142.70	141.90	128.90

	Class I income		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	133.41	131.83	117.79
Return before operating charges*	4.68	6.99	19.53
Operating charges	(1.08)	(1.10)	(1.06)
Return after operating charges*	3.60	5.89	18.47
Distributions on income shares	(4.87)	(4.31)	(4.43)
Closing net asset value per share	132.14	133.41	131.83
* after direct transaction costs of:	0.05	0.07	0.08
Performance			
Return after charges	2.70%	4.47%	15.68%
Other information			
Closing net asset value (£000s)	134,138	138,325	132,514
Closing number of shares	101,512,500	103,686,103	100,519,852
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.04%	0.06%	0.06%
Prices			
Highest share price (pence)	138.00	136.90	132.90
Lowest share price (pence)	118.70	121.40	115.40

Comparative tables (continued)

	Class S income		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	137.00	134.35	119.17
Return before operating charges*	4.87	7.18	19.82
Operating charges	(0.08)	(0.08)	(0.08)
Return after operating charges*	4.79	7.10	19.74
Distributions on income shares	(5.06)	(4.45)	(4.56)
Closing net asset value per share	136.73	137.00	134.35
* after direct transaction costs of:	0.05	0.08	0.08
Performance			
Return after charges	3.50%	5.28%	16.56%
Other information			
Closing net asset value (£000s)	2,075	2,426	2,714
Closing number of shares	1,517,850	1,770,672	2,020,321
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.04%	0.06%	0.06%
Prices			
Highest share price (pence)	142.70	140.50	135.40
Lowest share price (pence)	122.20	124.30	116.70
	Class A Euro accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	68.87	66.42	57.83
Return before operating charges*	2.58	3.58	9.65
Operating charges	(1.15)	(1.13)	(1.06)
Return after operating charges*	1.43	2.45	8.59
Distributions on accumulation shares	(2.47)	(2.12)	(2.13)
Retained distributions on accumulation shares	2.47	2.12	2.13
Closing net asset value per share	70.30	68.87	66.42
* after direct transaction costs of:	0.03	0.04	0.04
Performance			
Return after charges	2.08%	3.69%	14.85%
Other information			
Closing net asset value (£000s)	18	890	849
Closing number of shares	25,190	1,292,884	1,278,241
Operating charges	1.69%	1.70%	1.70%
Direct transaction costs	0.04%	0.06%	0.06%
Prices			
Highest share price (Euro cents)	80.49	78.34	75.61
Lowest share price (Euro cents)	68.19	70.54	65.24

Comparative tables (continued)

	Class A Euro income		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	57.80	57.55	51.81
Return before operating charges*	2.00	3.03	8.56
Operating charges	(0.94)	(0.97)	(0.94)
Return after operating charges*	1.06	2.06	7.62
Distributions on income shares	(2.04)	(1.81)	(1.88)
Closing net asset value per share	56.82	57.80	57.55
* after direct transaction costs of:	0.02	0.03	0.03
Performance			
Return after charges	1.83%	3.58%	14.71%
Other information			
Closing net asset value (£000s)	1,519	1,487	1,454
Closing number of shares	2,673,053	2,571,772	2,526,718
Operating charges	1.69%	1.70%	1.70%
Direct transaction costs	0.04%	0.06%	0.06%
Prices			
Highest share price (Euro cents)	66.07	67.52	66.99
Lowest share price (Euro cents)	56.95	60.53	58.47
	Class A US Dollar accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	478.03	461.15	401.40
Return before operating charges*	17.44	24.73	67.10
Operating charges	(7.86)	(7.85)	(7.35)
Return after operating charges*	9.58	16.88	59.75
Distributions on accumulation shares	(17.10)	(14.70)	(14.81)
Retained distributions on accumulation shares	17.10	14.70	14.81
Closing net asset value per share	487.61	478.03	461.15
* after direct transaction costs of:	0.17	0.26	0.26
Performance			
Return after charges	2.00%	3.66%	14.89%
Other information			
Closing net asset value (£000s)	111	103	102
Closing number of shares	22,837	21,460	22,138
Operating charges	1.69%	1.70%	1.70%
Direct transaction costs	0.04%	0.06%	0.06%
Prices			
Highest share price (USD cents)	632.32	670.69	598.84
Lowest share price (USD cents)	539.59	591.68	500.79

Comparative tables (continued)

	Class A US Dollar income		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	43.95	43.77	39.40
Return before operating charges*	1.51	2.30	6.52
Operating charges	(0.71)	(0.74)	(0.71)
Return after operating charges*	0.80	1.56	5.81
Distributions on income shares	(1.55)	(1.38)	(1.44)
Closing net asset value per share	43.20	43.95	43.77
* after direct transaction costs of:	0.02	0.02	0.03
Performance			
Return after charges	1.82%	3.56%	14.75%
Other information			
Closing net asset value (£000s)	392	477	864
Closing number of shares	907,667	1,085,736	1,973,842
Operating charges	1.69%	1.70%	1.70%
Direct transaction costs	0.04%	0.06%	0.06%
Prices			
Highest share price (USD cents)	58.14	63.33	57.30
Lowest share price (USD cents)	49.34	55.95	48.86
	Class I Euro accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	92.54	88.49 ⁵	118.16
Return before operating charges*	3.46	4.73	17.35
Operating charges	(0.76)	(0.68)	(0.93)
Return after operating charges*	2.70	4.05	16.42
Distributions on accumulation shares	(3.51)	(2.78)	(3.38)
Retained distributions on accumulation shares	3.51	2.78	3.38
Final cancellation price per share	-	-	(134.58) ³
Closing net asset value per share	95.24	92.54	-
* after direct transaction costs of:	0.03	0.05	0.08
Performance			
Return after charges	2.92%	4.58%	13.90%
Other information			
Closing net asset value (£000s)	1	1	-
Closing number of shares	1,000	1,000	-
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.04%	0.06%	0.06%
Prices			
Highest share price (Euro cents)	108.90	104.70	156.20 ⁴
Lowest share price (Euro cents)	91.91	94.45	134.20 ⁴

³ Class I Euro accumulation closed on 14 July 2017 and this is the final cancellation price.

⁴ to 14 July 2017

⁵ Class I Euro accumulation relaunched on 4 October 2017 and this is the first published price.

Comparative tables (continued)

	Class I Euro income 2017 (pence per share)
Change in net assets per share	
Opening net asset value per share	105.52
Return before operating charges*	15.70
Operating charges	(0.85)
Return after operating charges*	14.85
Distributions on income shares	(2.99)
Final cancellation price per share	(117.38) ⁶
Closing net asset value per share	-
* after direct transaction costs of:	0.07
Performance	
Return after charges	14.07%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.84%
Direct transaction costs	0.06%
Prices	
Highest share price (Euro cents)	137.90 ⁷
Lowest share price (Euro cents)	119.90 ⁷

⁶ Class I Euro income closed on 25 July 2017 and this is the final cancellation price.

⁷ to 25 July 2017

	Class I US Dollar accumulation 2017 (pence per share)
Change in net assets per share	
Opening net asset value per share	90.60
Return before operating charges*	12.73
Operating charges	(0.68)
Return after operating charges*	12.05
Distributions on accumulation shares	(2.58)
Retained distributions on accumulation shares	2.58
Final cancellation price per share	(102.65) ⁸
Closing net asset value per share	-
* after direct transaction costs of:	0.06
Performance	
Return after charges	13.30%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.84%
Direct transaction costs	0.06%
Prices	
Highest share price (USD cents)	113.30 ⁹
Lowest share price (USD cents)	113.30 ⁹

⁸ Class I US Dollar accumulation closed on 14 July 2017 and this is the final cancellation price.

⁹ to 14 July 2017

Comparative tables (continued)

	Class I US Dollar income		
	2019	2018	2017
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	91.59	90.50	80.87
Return before operating charges*	3.23	4.81	13.39
Operating charges	(0.74)	(0.76)	(0.73)
Return after operating charges*	2.49	4.05	12.66
Distributions on income shares	(3.35)	(2.96)	(3.03)
Closing net asset value per share	90.73	91.59	90.50
* after direct transaction costs of:	0.03	0.05	0.05
Performance			
Return after charges	2.72%	4.48%	15.65%
Other information			
Closing net asset value (£000s)	170	205	201
Closing number of shares	186,839	223,903	222,492
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.04%	0.06%	0.06%
Prices			
Highest share price (USD cents)	121.20	131.40	118.40
Lowest share price (USD cents)	103.10	116.20	100.50

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

The following share classes launched in the year:

Share class	Launch date
Class E accumulation	24 June 2019
Class E income	24 June 2019

There were no share classes closed in the year.

Ongoing charge figure

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

	2019	2018	Projected OCF from 24 June 2019 ¹
	%	%	%
Class A	1.73	1.73	n/a
Class E²	1.22	n/a	1.23
Class G	0.73	0.74	n/a
Class I	0.84	0.84	n/a
Class S	0.06	0.06	n/a
Class A Euro	1.69	1.70	n/a
Class A US Dollar	1.69	1.70	n/a
Class I Euro³	0.84	0.84	n/a
Class I US Dollar	0.84	0.84	n/a

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

¹ The projected ongoing charge is based on the annual fee rates on launch date as at 24 June 2019.

² Class E accumulation and E Income launched on 24 June 2019.

³ Class I Euro accumulation closed on 14 July 2017; and relaunched on 4 October 2017.

Risk and reward profile

The fund currently has 15 types of share class in issue; A accumulation, A income, E accumulation, E income, G accumulation, G income, I accumulation, I income, S income, A Euro accumulation, A Euro income, A US Dollar accumulation, A US Dollar income, I Euro accumulation and I US Dollar income.



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 lowest category does not mean risk free.

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

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

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

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

* Class G was launched on 20 February 2016, Class E accumulation and Class E income was launched on 24 June 2019. As these share classes do not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

Portfolio statement as at 31 August 2019

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 99.94% (2018: 99.86%)		
	Australia 2.20% (2018: 1.02%)		
	Materials 2.20% (2018: 1.02%)		
970,030	Amcor	7,733	1.02
507,269	BHP	8,994	1.18
		<u>16,727</u>	<u>2.20</u>
	Austria 0.91% (2018: 0.98%)		
	Financials 0.91% (2018: 0.98%)		
223,018	BAWAG	6,917	0.91
	Canada 2.63% (2018: 1.90%)		
	Communication Services 1.40% (2018: 0.00%)		
359,533	Telus	10,698	1.40
	Financials 1.23% (2018: 0.78%)		
685,908	Manulife Financial	9,358	1.23
	Materials 0.00% (2018: 1.12%)		
	China 0.00% (2018: 0.87%)		
	Financials 0.00% (2018: 0.87%)		
	Denmark 1.29% (2018: 2.64%)		
	Consumer Discretionary 0.00% (2018: 0.49%)		
	Consumer Staples 1.29% (2018: 1.26%)		
81,057	Carlsberg	9,811	1.29
	Health Care 0.00% (2018: 0.89%)		
	Finland 0.89% (2018: 1.78%)		
	Materials 0.89% (2018: 1.78%)		
306,736	UPM-Kymmene	6,809	0.89
	France 10.84% (2018: 6.81%)		
	Communication Services 1.41% (2018: 1.64%)		
861,949	Orange	10,752	1.41
	Consumer Discretionary 1.47% (2018: 0.00%)		
129,490	Michelin	11,194	1.47
	Consumer Staples 0.79% (2018: 0.00%)		
81,411	Danone	5,997	0.79
	Energy 1.39% (2018: 1.66%)		
258,038	Total	10,566	1.39

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Financials 2.28% (2018: 2.63%)		
555,100	AXA	10,475	1.37
186,410	BNP Paribas	6,913	0.91
		<u>17,388</u>	<u>2.28</u>
	Health Care 2.15% (2018: 0.00%)		
231,907	Sanofi	<u>16,382</u>	<u>2.15</u>
	Real Estate 0.00% (2018: 0.88%)		
	Utilities 1.35% (2018: 0.00%)		
525,425	Veolia Environnement	<u>10,310</u>	<u>1.35</u>
	Germany 3.98% (2018: 6.90%)		
	Communication Services 0.00% (2018: 1.23%)		
	Consumer Staples 1.09% (2018: 0.00%)		
100,769	Henkel	<u>8,290</u>	<u>1.09</u>
	Industrials 1.34% (2018: 4.02%)		
124,344	Siemens	<u>10,182</u>	<u>1.34</u>
	Materials 1.55% (2018: 1.65%)		
218,249	BASF	<u>11,849</u>	<u>1.55</u>
	Italy 2.91% (2018: 1.38%)		
	Energy 0.97% (2018: 0.00%)		
595,000	ENI	<u>7,358</u>	<u>0.97</u>
	Utilities 1.94% (2018: 1.38%)		
2,488,829	Enel	<u>14,840</u>	<u>1.94</u>
	Japan 0.68% (2018: 1.26%)		
	Financials 0.00% (2018: 1.26%)		
	Information Technology 0.68% (2018: 0.00%)		
35,100	Tokyo Electron	<u>5,160</u>	<u>0.68</u>
	Luxembourg 0.68% (2018: 0.91%)		
	Energy 0.68% (2018: 0.91%)		
578,260	Tenaris	<u>5,184</u>	<u>0.68</u>
	Netherlands 3.77% (2018: 4.05%)		
	Energy 1.79% (2018: 1.82%)		
595,640	Royal Dutch Shell 'A'	<u>13,583</u>	<u>1.79</u>
	Financials 1.51% (2018: 1.61%)		
827,491	ING	6,508	0.85
182,028	NN	<u>5,007</u>	<u>0.66</u>
		<u>11,515</u>	<u>1.51</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Real Estate 0.47% (2018: 0.62%)		
170,162	Eurocommercial Properties	3,585	0.47
	South Korea 1.43% (2018: 1.46%)		
	Information Technology 1.43% (2018: 1.46%)		
436,650	Samsung Electronics Preference Shares	10,908	1.43
	Spain 0.75% (2018: 0.97%)		
	Industrials 0.75% (2018: 0.97%)		
4,457,091	Prosegur Cash	5,699	0.75
	Sweden 3.81% (2018: 4.28%)		
	Communication Services 1.86% (2018: 1.29%)		
1,224,487	Tele2 'B'	14,149	1.86
	Financials 1.95% (2018: 2.99%)		
1,464,034	Nordea Bank	7,478	0.98
703,109	Swedbank	7,400	0.97
		14,878	1.95
	Switzerland 8.22% (2018: 5.18%)		
	Consumer Staples 2.61% (2018: 1.70%)		
215,857	Nestlé	19,884	2.61
	Health Care 4.93% (2018: 3.48%)		
280,812	Novartis	20,743	2.73
74,591	Roche	16,747	2.20
		37,490	4.93
	Industrials 0.68% (2018: 0.00%)		
480,556	SIG Combibloc	5,208	0.68
	Taiwan 1.80% (2018: 1.60%)		
	Information Technology 1.80% (2018: 1.60%)		
390,902	Taiwan Semiconductor Manufacturing ADS	13,677	1.80
	United Kingdom 17.18% (2018: 16.01%)		
	Communication Services 0.58% (2018: 0.57%)		
2,839,249	Vodafone	4,408	0.58
	Consumer Staples 6.85% (2018: 5.57%)		
286,680	British American Tobacco ADR	8,255	1.08
508,726	Diageo	17,822	2.34
570,018	Imperial Brands	12,110	1.59
274,420	Unilever	14,003	1.84
		52,190	6.85
	Energy 1.59% (2018: 1.62%)		
2,423,141	BP	12,121	1.59

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Financials 0.92% (2018: 2.35%)		
511,359	Prudential	6,995	0.92
	Health Care 2.12% (2018: 0.00%)		
943,437	GlaxoSmithKline	16,148	2.12
	Industrials 3.09% (2018: 3.36%)		
1,862,269	BAE Systems	10,161	1.33
680,191	RELX	13,377	1.76
		23,538	3.09
	Information Technology 0.00% (2018: 0.42%)		
	Materials 1.58% (2018: 1.25%)		
149,417	Rio Tinto (Australian Listing)	7,237	0.95
115,712	Rio Tinto (UK Listing)	4,801	0.63
		12,038	1.58
	Real Estate 0.45% (2018: 0.87%)		
1,508,177	Hammerson REIT	3,424	0.45
	United States 35.97% (2018: 39.86%)		
	Communication Services 1.95% (2018: 1.25%)		
311,206	Verizon Communications	14,847	1.95
	Consumer Discretionary 3.55% (2018: 6.48%)		
334,618	Carnival	12,103	1.58
197,167	General Motors	6,002	0.79
197,029	Las Vegas Sands	8,969	1.18
		27,074	3.55
	Consumer Staples 2.79% (2018: 2.11%)		
312,684	Coca-Cola	14,124	1.85
157,670	Mondelez International	7,145	0.94
		21,269	2.79
	Energy 3.90% (2018: 4.32%)		
209,515	Chevron	20,235	2.66
265,959	Occidental Petroleum	9,482	1.24
		29,717	3.90
	Financials 1.83% (2018: 3.56%)		
92,892	JPMorgan Chase	8,368	1.09
89,977	Progressive	5,600	0.74
		13,968	1.83

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Health Care 7.32% (2018: 6.63%)			
205,262	Bristol-Myers Squibb	8,097	1.06
79,824	Johnson & Johnson	8,407	1.10
181,753	Medtronic	16,087	2.11
795,393	Pfizer	23,193	3.05
		<u>55,784</u>	<u>7.32</u>
Industrials 0.00% (2018: 0.83%)			
Information Technology 10.30% (2018: 10.62%)			
482,554	Cisco Systems	18,540	2.43
34,949	Lam Research	6,041	0.79
209,761	Maxim Integrated Products	9,390	1.23
333,879	Microsoft	37,809	4.97
345,735	Sabre	6,703	0.88
		<u>78,483</u>	<u>10.30</u>
Materials 1.01% (2018: 1.67%)			
84,464	Dow	2,952	0.39
84,464	DuPont de Nemours	4,707	0.62
		<u>7,659</u>	<u>1.01</u>
Real Estate 3.32% (2018: 2.39%)			
83,480	Crown Castle International	9,944	1.31
254,411	CyrusOne	15,344	2.01
		<u>25,288</u>	<u>3.32</u>
Bonds 0.00% (2018: 0.00%)			
Italy 0.00% (2018: 0.00%)			
Fixed Rate Bond 0.00% (2018: 0.00%)			
GBP 1,361,464	Parmalat Capital Finance 9.375% Perpetual ¹	-	-
Derivatives 0.00% (2018: 0.00%)			
Forward Foreign Exchange Contracts 0.00% (2018: 0.00%)²			
	Buy USD 20,000 : Sell GBP 16,410 September 2019 ³	-	-
		<u>-</u>	<u>-</u>
	Investment assets	761,299	99.94
	Other net assets	442	0.06
	Total net assets	<u>761,741</u>	<u>100.00</u>

¹ Defaulted

² Unquoted securities

³ 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 August 2019

	Note	2019		2018	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(4,040)		15,034
Revenue	3	32,006		31,869	
Expenses	4	(10,969)		(12,231)	
Interest payable and similar charges	5	(2)		(5)	
Net revenue before taxation		21,035		19,633	
Taxation	6	(2,547)		(4,192)	
Net revenue after taxation			18,488		15,441
Total return before distributions			14,448		30,475
Distributions	7		(28,016)		(26,086)
Change in net assets attributable to shareholders from investment activities			(13,568)		4,389

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

	2019		2018	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		819,795		840,760
Amounts receivable on issue of shares	31,990		45,420	
Amounts payable on cancellation of shares	(84,139)		(78,159)	
		(52,149)		(32,739)
Change in net assets attributable to shareholders from investment activities		(13,568)		4,389
Retained distributions on accumulation shares		7,556		7,216
Unclaimed distributions		107		169
Closing net assets attributable to shareholders		761,741		819,795

Balance sheet as at 31 August 2019

	Note	2019 £000	2018 £000
Assets:			
Investments		761,299	818,663
Current assets:			
Debtors	8	4,358	4,533
Cash and bank balances	9	21,009	2,696
Total assets		786,666	825,892
Liabilities:			
Creditors:			
Bank overdrafts		19,681	-
Distributions payable		3,522	3,584
Other creditors	10	1,722	2,513
Total liabilities		24,925	6,097
Net assets attributable to shareholders		761,741	819,795

Notes to the financial statements for the year ended 31 August 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 (losses)/gains

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

	2019	2018
	£000	£000
Forward currency contracts	209	(374)
Non-derivative securities	(3,926)	15,629
Other currency losses	(312)	(206)
Transaction costs	(11)	(15)
Net capital (losses)/gains	(4,040)	15,034

3 Revenue

	2019	2018
	£000	£000
Bank interest	96	21
Overseas dividends	26,182	26,096
Overseas REIT revenue	333	721
Stock lending revenue	43	32
UK dividends	4,961	4,832
UK REIT revenue - PID	279	167
UK REIT revenue - non PID	112	-
Total revenue	32,006	31,869

4 Expenses

	2019	2018
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	9,528	10,644
GAC*	1,346	1,449
	<u>10,874</u>	<u>12,093</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	55	56
Safe custody fees	25	68
	<u>80</u>	<u>124</u>
Other expenses:		
Dividend collection charges	3	9
Professional fees	12	5
	<u>15</u>	<u>14</u>
Total expenses	10,969	12,231

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	2	5
Total interest payable and similar charges	2	5

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2019 £000	2018 £000
Current tax		
Irrecoverable overseas tax	2,547	4,192
Total tax (note 6b)	2,547	4,192

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	21,035	19,633
Corporation tax at 20% (2018: 20%)	4,207	3,927
Effects of:		
Irrecoverable overseas tax	2,547	4,192
Overseas dividends	(5,222)	(5,043)
Tax effect of expensed double taxation relief	(8)	(6)
UK dividends*	(1,015)	(967)
Unused management expenses	2,038	2,089
Tax charge for the year (note 6a)	2,547	4,192

* 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 £28,204,079 (2018: £26,166,547) 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.

Due to filing adjustments in prior year, the opening balance for the current year's potential deferred tax asset was adjusted to bring it in line with the 'Unused management expenses in note (b).'

Notes to the financial statements (continued)

7 Distributions

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

	2019	2018
	£000	£000
Interim income	16,650	15,201
Interim accumulation	6,264	5,832
Final income	3,522	3,584
Final accumulation	1,292	1,384
	<u>27,728</u>	<u>26,001</u>
Amounts deducted on cancellation of shares	433	306
Amounts received on issue of shares	(145)	(221)
Total distributions	<u>28,016</u>	<u>26,086</u>
Net revenue after taxation	18,488	15,441
Annual management charge borne by the capital account	9,528	10,644
Equalisation on conversions	-	1
Total distributions	<u>28,016</u>	<u>26,086</u>

Details of the distribution per share are set out in the Distribution tables on pages 69 to 73.

8 Debtors

	2019	2018
	£000	£000
Accrued revenue	2,892	2,310
Amounts receivable for issue of shares	84	177
Income tax receivable	22	-
Currency transactions awaiting settlement	-	321
Other debtors	10	-
Overseas withholding tax reclaimable	1,350	1,404
Sales awaiting settlement	-	321
Total debtors	<u>4,358</u>	<u>4,533</u>

9 Cash and bank balances

	2019	2018
	£000	£000
Cash and bank balances	21,009	2,696
Total cash and bank balances	<u>21,009</u>	<u>2,696</u>

Notes to the financial statements (continued)

10 Other creditors

	2019	2018
	£000	£000
Accrued annual management charge	688	914
Accrued Depository's fee	5	5
Accrued other expenses	123	157
Amounts payable for cancellation of shares	906	1,116
Currency transactions awaiting settlement	-	321
Total other creditors	1,722	2,513

11 Contingent liabilities and commitments

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

12 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 57 and 58 and notes 4, 7, 8 and 10 on pages 59 to 62 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

There were no material shareholders at the year end (2018: nil).

13 Shareholders' funds

The fund currently has 9 share classes available; Class A (Retail with front-end charges), Class E (Retail), Class G (Institutional), Class I (Institutional), Class S (Institutional), Class A Euro (Retail), Class A US Dollar (Retail), Class I Euro (Institutional) and Class I US Dollar (Institutional). The annual management charge on each share class is as follows:

	2019	2018
	%	%
Class A	1.50	1.50
Class E ¹	1.00	n/a
Class G	0.68	0.68
Class I	0.75	0.75
Class S*	0.00	0.00
Class A Euro	1.50	1.50
Class A US Dollar	1.50	1.50
Class I Euro	0.75	0.75
Class I US Dollar	0.75	0.75

¹ Class E accumulation and E Income launched on 24 June 2019.

* Charges for managing S 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 41 to 49. The distribution per share class is given in the Distribution tables on pages 69 to 73. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 31 August 2019

	Class A accumulation	Class A income	Class E accumulation	Class E income
Opening number of shares	44,426,889	691,180,203	-	-
Issues during the year	2,249,929	12,528,967	12,924	7,116,504
Cancellations during the year	(5,791,160)	(47,326,122)	(368,008)	(7,499,729)
Shares converted during the year	(20,126,309)	(489,501,991)	19,823,940	487,216,886
Closing shares in issue	20,759,349	166,881,057	19,468,856	486,833,661
	Class G accumulation	Class G income	Class I accumulation	Class I income
Opening number of shares	4,218,186	12,172,252	36,215,377	103,686,103
Issues during the year	146,580	1,889,814	1,663,457	4,925,068
Cancellations during the year	(838,771)	(1,628,284)	(9,108,238)	(8,126,169)
Shares converted during the year	-	(1,140)	729,140	1,027,498
Closing shares in issue	3,525,995	12,432,642	29,499,736	101,512,500
	Class S income	Class A Euro accumulation	Class A Euro income	Class A US Dollar accumulation
Opening number of shares	1,770,672	1,292,884	2,571,772	21,460
Issues during the year	184,055	3,843	152,596	1,377
Cancellations during the year	(436,877)	(1,271,537)	(51,315)	-
Shares converted during the year	-	-	-	-
Closing shares in issue	1,517,850	25,190	2,673,053	22,837
	Class A US Dollar income	Class I Euro accumulation	Class I US Dollar income	
Opening number of shares	1,085,736	1,000	223,903	
Issues during the year	33,254	-	22,605	
Cancellations during the year	(211,323)	-	(59,669)	
Shares converted during the year	-	-	-	
Closing shares in issue	907,667	1,000	186,839	

14 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 August 2019 (2018: nil).

The fund had no exposure to derivatives as at 31 August 2019 with a positive market value (2018: nil).

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 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	3,397	3,820	Equity
Bank of Nova Scotia	2,886	3,207	Equity
HSBC	9,392	10,439	Equity
Macquarie Bank	7,621	8,473	Equity
Natixis	729	812	Equity
	24,025	26,751	

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	51	8	43

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
Citigroup	1,130	1,256	Equity
HSBC	788	875	Equity
JP Morgan	5,542	6,294	Equity
Natixis	9,278	10,343	Equity
	16,738	18,768	

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 £000	Other net assets/(liabilities) £000	Total net assets £000
Australian dollar	14,969	254	15,223
Canadian dollar	20,056	131	20,187
Danish krone	9,811	98	9,909
Euro	215,781	557	216,338
Israeli new shekel	-	191	191
Japanese yen	5,160	-	5,160
Korean won	10,908	-	10,908
Norwegian krone	-	101	101
Swedish krona	29,028	880	29,908
Swiss franc	62,582	-	62,582
UK sterling	96,968	(3,229)	93,739
US dollar	296,036	1,459	297,495
Total	761,299	442	761,741

Notes to the financial statements (continued)

16 Risk (continued)

Currency risk (continued)

2018	Investment assets £000	Other net assets/(liabilities) £000	Total net assets £000
Currency			
Australian dollar	6,036	142	6,178
Canadian dollar	6,432	89	6,521
Danish krone	21,610	55	21,665
Euro	226,281	556	226,837
Hong Kong dollar	7,122	-	7,122
Israeli new shekel	-	176	176
Japanese yen	10,298	28	10,326
Korean won	11,981	-	11,981
Norwegian krone	-	215	215
Swedish krona	35,101	-	35,101
Swiss franc	42,435	-	42,435
UK sterling	98,749	(1,831)	96,918
US dollar	352,618	1,702	354,320
Total	818,663	1,132	819,795

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £668,002,144 (2018: £722,876,544). A 10% increase in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing the return for the year ended 31 August 2019 and the net assets as at 31 August 2019 by £66,800,214 (2018: £72,287,654). A 10% decrease in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of decreasing the return for the year ended 31 August 2019 and the net assets as at 31 August 2019 by £66,800,214 (2018: £72,287,654).

Interest rate risk

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

Other market price risk

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

Leverage

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

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Bank overdrafts	19,681	-	-	-
Distribution payable	-	3,522	-	-
Other creditors	-	1,722	-	-
Total	19,681	5,244	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2018				
Distribution payable	-	3,584	-	-
Other creditors	-	2,513	-	-
Total	-	6,097	-	-

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	761,299	-	818,663	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	761,299	-	818,663	-

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2019 £000	2018 £000	2019 £000	2018 £000
Trades in the year				
Equities	172,765	215,468	224,447	245,210
Trades in the year before transaction costs	172,765	215,468	224,447	245,210
Transaction costs				
Commissions				
Equities	63	90	68	122
Total commissions	63	90	68	122
Taxes				
Equities	92	209	7	15
Total taxes	92	209	7	15
Other expenses				
Equities	167	23	2	3
Total other expenses	167	23	2	3
Total transaction costs	322	322	77	140
Total net trades in the year after transaction costs	173,087	215,790	224,370	245,070

	Purchases		Sales	
	2019 %	2018 %	2019 %	2018 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.04	0.03	0.05
Taxes				
Equities	0.05	0.10	-	0.01
Other expenses				
Equities	0.10	0.01	-	-
	2019 %	2018 %		
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.01	0.03		
Taxes	0.01	0.03		
Other expenses	0.02	-		
Total costs	0.04	0.06		

There were no in specie transfers during the year (2018: nil). There were corporate actions during the year of £1,531,999 (2018: £69,716).

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

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

The portfolio dealing spread as at 31 August 2019 was 0.07% (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 August 2019 (in pence per share)

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

Group 1: shares purchased prior to 1 September 2018

Group 2: shares purchased on or after 1 September 2018

	Distribution per share	Equalisation	Total distribution per share 31/01/19	Total distribution per share 31/01/18
Class A accumulation				
Group 1	1.9132	-	1.9132	1.8071
Group 2	0.8614	1.0518	1.9132	1.8071
Class A income				
Group 1	0.3232	-	0.3232	0.3150
Group 2	0.1762	0.1470	0.3232	0.3150
Class G accumulation				
Group 1	0.8202	-	0.8202	0.7712
Group 2	0.7021	0.1181	0.8202	0.7712
Class G income				
Group 1	0.7450	-	0.7450	0.7241
Group 2	0.2851	0.4599	0.7450	0.7241
Class I accumulation				
Group 1	0.8802	-	0.8802	0.8272
Group 2	0.5375	0.3427	0.8802	0.8272
Class I income				
Group 1	0.7362	-	0.7362	0.7151
Group 2	0.4202	0.3160	0.7362	0.7151
Class S income				
Group 1	0.7650	-	0.7650	0.7398
Group 2	0.2511	0.5139	0.7650	0.7398
Class A Euro accumulation¹				
Group 1	0.4099	-	0.4099	0.3888
Group 2	0.4099	-	0.4099	0.3888
Class A Euro income¹				
Group 1	0.3427	-	0.3427	0.3368
Group 2	0.1688	0.1739	0.3427	0.3368
Class A US Dollar accumulation²				
Group 1	3.2082	-	3.2082	3.2159
Group 2	3.2082	-	3.2082	3.2159
Class A US Dollar income²				
Group 1	0.2951	-	0.2951	0.3051
Group 2	0.2545	0.0406	0.2951	0.3051
Class I Euro accumulation¹				
Group 1	0.5961	-	0.5961	0.3691
Group 2	0.5961	-	0.5961	0.3691
Class I US Dollar income²				
Group 1	0.6480	-	0.6480	0.6645
Group 2	0.3800	0.2680	0.6480	0.6645

¹ in Euro cents per share

² in USD cents per share

Distribution tables (continued)

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

Group 1: shares purchased prior to 1 December 2018

Group 2: shares purchased on or after 1 December 2018

	Distribution per share	Equalisation	Total distribution per share 30/04/19	Total distribution per share 30/04/18
Class A accumulation				
Group 1	2.1852	-	2.1852	1.5697
Group 2	1.9246	0.2606	2.1852	1.5697
Class A income				
Group 1	0.3671	-	0.3671	0.2722
Group 2	0.1832	0.1839	0.3671	0.2722
Class G accumulation				
Group 1	0.9287	-	0.9287	0.6790
Group 2	0.9287	-	0.9287	0.6790
Class G income				
Group 1	0.8387	-	0.8387	0.6339
Group 2	0.4655	0.3732	0.8387	0.6339
Class I accumulation				
Group 1	0.9975	-	0.9975	0.7270
Group 2	0.5970	0.4005	0.9975	0.7270
Class I income				
Group 1	0.8298	-	0.8298	0.6249
Group 2	0.3911	0.4387	0.8298	0.6249
Class S income				
Group 1	0.8641	-	0.8641	0.6484
Group 2	0.5549	0.3092	0.8641	0.6484
Class A Euro accumulation¹				
Group 1	0.4810	-	0.4810	0.3369
Group 2	0.1413	0.3397	0.4810	0.3369
Class A Euro income¹				
Group 1	0.4024	-	0.4024	0.2905
Group 2	0.2116	0.1908	0.4024	0.2905
Class A US Dollar accumulation²				
Group 1	3.8103	-	3.8103	2.8528
Group 2	3.8103	-	3.8103	2.8528
Class A US Dollar income²				
Group 1	0.3485	-	0.3485	0.2694
Group 2	0.3485	-	0.3485	0.2694
Class I Euro accumulation¹				
Group 1	0.6953	-	0.6953	0.4821
Group 2	0.6953	-	0.6953	0.4821
Class I US Dollar income²				
Group 1	0.7579	-	0.7579	0.5911
Group 2	0.4025	0.3554	0.7579	0.5911

¹ in Euro cents per share

² in USD cents per share

Distribution tables (continued)

Interim dividend distribution (accounting date 31 May 2019, paid on 31 July 2019)

Group 1: shares purchased prior to 1 March 2019

Group 2: shares purchased on or after 1 March 2019

	Distribution per share	Equalisation	Total distribution per share 31/07/19	Total distribution per share 31/07/18
Class A accumulation				
Group 1	6.6621	-	6.6621	5.6615
Group 2	2.4331	4.2290	6.6621	5.6615
Class A income				
Group 1	1.1123	-	1.1123	0.9776
Group 2	0.5702	0.5421	1.1123	0.9776
Class G accumulation				
Group 1	2.7240	-	2.7240	2.2991
Group 2	1.9618	0.7622	2.7240	2.2991
Class G income				
Group 1	2.4439	-	2.4439	2.1488
Group 2	1.5808	0.8631	2.4439	2.1488
Class I accumulation				
Group 1	2.9455	-	2.9455	2.4859
Group 2	2.0091	0.9364	2.9455	2.4859
Class I income				
Group 1	2.4344	-	2.4344	2.1284
Group 2	1.3540	1.0804	2.4344	2.1284
Class S income				
Group 1	2.5220	-	2.5220	2.1906
Group 2	1.3368	1.1852	2.5220	2.1906
Class A Euro accumulation¹				
Group 1	1.4113	-	1.4113	1.2091
Group 2	0.6373	0.7740	1.4113	1.2091
Class A Euro income¹				
Group 1	1.1706	-	1.1706	1.0375
Group 2	0.7814	0.3892	1.1706	1.0375
Class A US Dollar accumulation²				
Group 1	10.9143	-	10.9143	9.7962
Group 2	10.9143	-	10.9143	9.7962
Class A US Dollar income²				
Group 1	0.9917	-	0.9917	0.9207
Group 2	0.9917	-	0.9917	0.9207
Class I Euro accumulation¹				
Group 1	1.9598	-	1.9598	1.6862
Group 2	1.9598	-	1.9598	1.6862
Class I US Dollar income²				
Group 1	2.1066	-	2.1066	1.9445
Group 2	1.0884	1.0182	2.1066	1.9445

¹ in Euro cents per share

² in USD cents per share

Distribution tables (continued)

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

Group 1: shares purchased prior to 1 June 2019

Group 2: shares purchased on or after 1 June 2019

	Distribution per share	Equalisation	Total distribution per share 31/10/19	Total distribution per share 31/10/18
Class A accumulation				
Group 1	2.3347	-	2.3347	2.1957
Group 2	1.1610	1.1737	2.3347	2.1957
Class A income				
Group 1	0.3826	-	0.3826	0.3730
Group 2	0.1812	0.2014	0.3826	0.3730
Class E accumulation¹				
Group 1	2.3357	-	2.3357	n/a
Group 2	1.1744	1.1613	2.3357	n/a
Class E income¹				
Group 1	0.3828	-	0.3828	n/a
Group 2	0.1881	0.1947	0.3828	n/a
Class G accumulation				
Group 1	1.0000	-	1.0000	0.9293
Group 2	-	1.0000	1.0000	0.9293
Class G income				
Group 1	0.8801	-	0.8801	0.8394
Group 2	0.5191	0.3610	0.8801	0.8394
Class I accumulation				
Group 1	1.0730	-	1.0730	1.0029
Group 2	0.5313	0.5417	1.0730	1.0029
Class I income				
Group 1	0.8699	-	0.8699	0.8437
Group 2	0.4536	0.4163	0.8699	0.8437
Class S income				
Group 1	0.9097	-	0.9097	0.8759
Group 2	0.4119	0.4978	0.9097	0.8759
Class A Euro accumulation²				
Group 1	0.4886	-	0.4886	0.4628
Group 2	0.1742	0.3144	0.4886	0.4628
Class A Euro income²				
Group 1	0.3973	-	0.3973	0.3919
Group 2	0.0735	0.3238	0.3973	0.3919
Class A US Dollar accumulation³				
Group 1	3.7334	-	3.7334	3.7572
Group 2	3.7334	-	3.7334	3.7572

Distribution tables (continued)

	Distribution per share	Equalisation	Total distribution per share 31/10/19	Total distribution per share 31/10/18
Class A US Dollar income³				
Group 1	0.3325	-	0.3325	0.3463
Group 2	0.3325	-	0.3325	0.3463
Class I Euro accumulation²				
Group 1	0.7188	-	0.7188	0.6160
Group 2	0.7188	-	0.7188	0.6160
Class I US Dollar income³				
Group 1	0.7278	-	0.7278	0.7526
Group 2	0.3950	0.3328	0.7278	0.7526

¹ Class E accumulation and Class E income launched on 24 June 2019.

² in Euro cents per share

³ in USD cents per share

Janus Henderson UK Alpha Fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

Neil Hermon and Indriatti van Hien

Investment objective and policy

To achieve capital growth through a relatively concentrated portfolio.

The fund will invest principally in the securities of UK companies. The fund may also invest in fixed interest securities, preference shares, debt securities convertible into ordinary stock, money-market instruments and deposits. The fund may also invest outside of the UK if the investment manager believes that it is in the interest of the fund.

Performance summary

	31 Aug 18 - 31 Aug 19	31 Aug 17 - 31 Aug 18	31 Aug 16 - 31 Aug 17	31 Aug 15 - 31 Aug 16	31 Aug 14 - 31 Aug 15
	%	%	%	%	%
Class I accumulation	(9.6)	8.5	19.0	10.5	8.1
FTSE All Share Index	0.4	4.7	14.3	11.7	(2.3)
IA UK All Companies Equity	(3.1)	6.6	13.8	9.0	1.4

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

Index: FTSE All Share Index

Index Usage: Comparator

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

Peer group benchmark: IA UK All Companies Equity

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 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 August 2019

Largest purchases	£000	Largest sales	£000
Just	4,621	NMC Health	9,221
GBG	4,031	John Laing	6,259
Spectris	3,928	Barclays	5,524
Renishaw	3,330	Equiniti	5,336
Dechra Pharmaceuticals	3,245	Spectris	5,246
Savills	3,208	Glencore	4,456
Sanne	2,990	Accesso	3,717
Beazley	2,818	NCC	3,630
Premier Oil	2,599	Shire	3,326
Grafton	2,484	Spire Healthcare	3,310
Total purchases	64,386	Total sales	88,922

Investment review

The fund fell 9.6% based on Class I accumulation over the year under review, compared with the FTSE All Share Index which rose by 0.4% and the IA UK All Companies Equity peer group benchmark which fell by 3.1%.

The year to August 2019 was a volatile but ultimately flat period for UK equities markets. Contributing factors included stalling trade negotiations between the US and China, deteriorating global economic data and flattening yield curves. This all culminated in increased recessionary fears towards the period's end. Following original concerns around the speed of monetary tightening in the US, the US Federal Reserve cut base rates in what was deemed a 'mid-cycle adjustment to policy'. This had the effect of dampening investors' hopes of a more aggressive cycle of monetary easing. In the UK, Prime Minister Theresa May resigned and after a short Conservative Party leadership contest was replaced by Boris Johnson. Despite an extension to Article 50 to 31 October, the UK Parliament remained at an impasse with regards to exiting the European Union (EU); the prime minister is seemingly willing to leave the EU without a deal despite the fact that there is no majority in Parliament for such a move. As a consequence, sterling depreciated over the year. During this period, large-cap stocks significantly outperformed mid-cap stocks.

The fund's best performing positions included Aveva, Intermediate Capital, John Laing and Oxford Instruments. Aveva, a provider of engineering software, rallied following the announcement of a positive set of full year results, which highlighted strong sales execution and margin improvement driven by faster growth of software sales. Intermediate Capital, an alternative finance provider and asset manager, saw strong share price performance following the announcement of robust results throughout the year that highlighted better than expected momentum in fund inflows. John Laing, a specialist investor in greenfield infrastructure projects, rallied following a large uplift in net asset value as a result of the sale of their stake in the Intercity Express Program (which supplies rolling stock for the Great Western Franchise). Shares in Oxford Instruments, a specialist provider of nanotechnology and advanced instrumentation equipment, rallied as a result of their business improvement programme (Project Horizon) starting to bear fruit, strong order book growth and earnings momentum beginning to inflect.

The Fund's worst performing positions included Burford Capital, Hunting, NMC Health and Cineworld. Burford Capital, a provider of investment capital and risk solutions for litigation, suffered from a short attack. The report alleged the company was insolvent, facing potential liquidity issues and undertaking aggressive accounting. The management team provided a robust rebuttal to the allegations levied and purchased a material amount of stock. We do not believe the company to be insolvent; the market was already aware of the liquidity issues the company faced and management have committed to providing increased disclosure to allay fears about their inherently opaque accounting practices. Hunting, an energy services provider to upstream oil and gas companies, suffered from negative sentiment towards the sector as a result of the falling oil price and subsequent budgetary pressures being felt by their clients. Shares in NMC Health, a healthcare operation based in the Middle East, suffered following concerns around the company's growing receivables balance and delays to the closure of their Saudi Arabian joint venture. Cineworld, an operator of Cinemas in the US, UK and Eastern Europe, suffered from a weak set of interim results that highlighted a material loss in market share in the US. The management team are adamant that they will regain market share following their refurbishment programme and the launch of their 'unlimited' subscription service.

During the year, we initiated positions in Beazley, Future, Trainline and Watches of Switzerland.

Beazley is a Lloyd's of London insurer. We initiated a position as we believe the company is well placed to take advantage of structural growth in cyber insurance in the long term and better industry pricing following two years of higher claims experiences in the shorter term. Future is a tech-enabled global platform for specialised media that targets both consumer and B2B brands. In essence, the company creates specialised content to attract high value audiences, which it can then monetise. Following a short attack and share price weakness, we took the opportunity to initiate a position. Trainline currently operates the leading online train and coach booking website in the UK, and the company is launching similar sites across Europe. Our investment gives us exposure to the ongoing shift of ticket procurement from offline to online and a company with strong cash generation properties. Watches of Switzerland is a luxury watch retailer with leading market shares in the UK and US. Our investment thesis is premised on the fact that the company provides exposure to what we consider to be one of the best brands globally (Rolex, which accounts for 50% of sales) and has the potential for marked growth; the company seeks to expand and take shares in the growing US market.

During the year, we sold our holdings in Accesso, Equiniti, NCC and Victoria. We exited our position in Accesso following a strong run, as we believed the valuation fully reflected the growth opportunities available. We exited our position in Equiniti, having lost confidence in management's guidance regarding the integration of their US acquisition. We disposed of our position in NCC, as the deterioration of growth in the escrow business caused us to materially lower the multiple applied to earnings when valuing the business. We disposed of our position in Victoria on concerns about underlying trading conditions in conjunction with the high level of financial leverage in the business.

The debate around global interest rate rises has been put on hold as central banks account for slowing economic growth. In the UK, Brexit negotiations are coming to a head and markets should get further clarity on the UK's trading relationship with Europe. It is our view that equities represent good value as compared with history and versus other asset classes. Corporate balance sheets appear strong, and we continue to see plenty of opportunities to invest in quality growth companies.

Comparative tables for the year ended 31 August 2019

	Class A accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	155.10	145.34	122.35
Return before operating charges*	(13.32)	12.32	25.23
Operating charges	(2.42)	(2.56)	(2.24)
Return after operating charges*	(15.74)	9.76	22.99
Distributions on accumulation shares	(2.71)	(2.24)	(2.77)
Retained distributions on accumulation shares	2.71	2.24	2.77
Closing net asset value per share	139.36	155.10	145.34
* after direct transaction costs of:	0.09	0.14	0.25
Performance			
Return after charges	(10.15%)	6.72%	18.79%
Other information			
Closing net asset value (£000s)	176,140	341,871	354,618
Closing number of shares	126,394,750	220,423,143	243,984,541
Operating charges	1.69%	1.69%	1.69%
Direct transaction costs	0.06%	0.10%	0.19%
Prices			
Highest share price (pence)	155.80	162.19	146.50
Lowest share price (pence)	127.80	142.30	118.60
	Class C accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	896.18	830.35	691.12
Return before operating charges*	(77.11)	70.72	143.42
Operating charges	(4.65)	(4.89)	(4.19)
Return after operating charges*	(81.76)	65.83	139.23
Distributions on accumulation shares	(22.43)	(15.65)	(29.87)
Retained distributions on accumulation shares	22.43	15.65	29.87
Closing net asset value per share	814.42	896.18	830.35
* after direct transaction costs of:	0.52	0.83	1.41
Performance			
Return after charges	(9.12%)	7.93%	20.15%
Other information			
Closing net asset value (£000s)	600	649	386
Closing number of shares	73,714	72,424	46,530
Operating charges	0.56%	0.56%	0.56%
Direct transaction costs	0.06%	0.10%	0.19%
Prices			
Highest share price (pence)	901.00	934.22	836.20
Lowest share price (pence)	741.00	818.40	671.40

Comparative tables (continued)

	Class E accumulation 08/07/19 - 31/08/19 (pence per share)
Change in net assets per share	
Opening net asset value per share	149.27 ¹
Return before operating charges*	(9.57)
Operating charges	(0.24)
Return after operating charges*	(9.81)
Distributions on accumulation shares	(2.82)
Retained distributions on accumulation shares	2.82
Closing net asset value per share	139.46
* after direct transaction costs of:	0.09
Performance	
Return after charges	(6.57%)
Other information	
Closing net asset value (£000s)	108,500
Closing number of shares	77,800,198
Operating charges	1.20%
Direct transaction costs	0.06%
Prices	
Highest share price (pence)	149.80
Lowest share price (pence)	134.40

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

	Class I accumulation		
	2019 (pence per share)	2018 (pence per share)	2017 (pence per share)
Change in net assets per share			
Opening net asset value per share	351.64	326.72	272.70
Return before operating charges*	(30.24)	27.79	56.51
Operating charges	(2.74)	(2.87)	(2.49)
Return after operating charges*	(32.98)	24.92	54.02
Distributions on accumulation shares	(9.03)	(7.76)	(8.30)
Retained distributions on accumulation shares	9.03	7.76	8.30
Closing net asset value per share	318.66	351.64	326.72
* after direct transaction costs of:	0.20	0.33	0.56
Performance			
Return after charges	(9.38%)	7.63%	19.81%
Other information			
Closing net asset value (£000s)	97,836	116,862	100,883
Closing number of shares	30,702,454	33,233,332	30,876,968
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.06%	0.10%	0.19%
Prices			
Highest share price (pence)	353.40	366.86	329.10
Lowest share price (pence)	290.50	321.50	264.80

Comparative tables (continued)

	Class Z accumulation		
	2019	2018	2017
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	207.25	191.10	158.11
Return before operating charges*	(17.83)	16.27	33.10
Operating charges	(0.12)	(0.12)	(0.11)
Return after operating charges*	(17.95)	16.15	32.99
Distributions on accumulation shares	(7.17)	(4.79)	(3.59)
Retained distributions on accumulation shares	7.17	4.79	3.59
Closing net asset value per share	189.30	207.25	191.10
* after direct transaction costs of:	0.12	0.19	0.34
Performance			
Return after charges	(8.66%)	8.45%	20.87%
Other information			
Closing net asset value (£000s)	116	131	29
Closing number of shares	61,100	63,349	15,381
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.06%	0.10%	0.19%
Prices			
Highest share price (pence)	208.40	215.76	192.40
Lowest share price (pence)	171.60	188.40	153.90

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

Operating charges

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

Share class launches and closures

The following share class launched in the year:

Share class	Launch date
Class E accumulation	8 July 2019

There were no share classes closed in the year.

Ongoing charge figure

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

	2019	2018	Projected OCF from 8 July 2019¹
	%	%	%
Class A	1.69	1.69	n/a
Class C	0.56	0.56	n/a
Class E²	1.20	n/a	1.19
Class I	0.84	0.84	n/a
Class Z	0.06	0.06	n/a

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

¹ The projected ongoing charge is based on the annual fee rates on launch date as at 8 July 2019

² Class E accumulation launched on 8 July 2019.

Risk and reward profile

The fund currently has 5 types of share in issue; A accumulation, C accumulation, E accumulation, I accumulation and Z accumulation.

The risk and reward profile is the same for each type of share class and 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 lowest category does not mean risk free.

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

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

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

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

* Class E accumulation was launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

Portfolio statement as at 31 August 2019

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 96.22% (2018: 97.61%)		
	Australia 0.62% (2018: 0.68%)		
	Basic Materials 0.62% (2018: 0.68%)		
1,616,228	South32	2,374	0.62
	Oil & Gas 0.00% (2018: 0.00%)		
28,370,334	International Petroleum ¹	-	-
	Canada 0.00% (2018: 0.00%)		
	Consumer Services 0.00% (2018: 0.00%)		
	Industrials 0.00% (2018: 0.00%)		
	Ireland 0.00% (2018: 0.80%)		
	Consumer Services 0.00% (2018: 0.80%)		
	Netherlands 8.80% (2018: 8.23%)		
	Oil & Gas 8.80% (2018: 8.23%)		
1,487,935	Royal Dutch Shell 'B'	33,702	8.80
	Switzerland 1.87% (2018: 2.65%)		
	Basic Materials 0.00% (2018: 1.35%)		
	Consumer Goods 1.87% (2018: 1.30%)		
262,827	Coca-Cola HBC	7,175	1.87
	United Arab Emirates 1.72% (2018: 4.78%)		
	Health Care 1.72% (2018: 4.78%)		
264,039	NMC Health	6,606	1.72
	United Kingdom 82.04% (2018: 78.51%)		
	Basic Materials 6.49% (2018: 7.34%)		
231,200	Rio Tinto	9,593	2.50
1,549,439	Scapa	3,548	0.93
1,375,000	Synthomer	4,252	1.11
360,000	Victrex	7,481	1.95
		24,874	6.49
	Consumer Goods 4.68% (2018: 4.85%)		
340,000	Bellway	9,863	2.58
1,860,681	Countryside Properties	5,567	1.45
863,155	Watches Of Switzerland	2,486	0.65
		17,916	4.68
	Consumer Services 11.14% (2018: 9.15%)		
1,155,173	Ascential	4,373	1.14
5,000,000	Cineworld	10,921	2.85
1,526,089	DFS Furniture	3,312	0.86
534,264	Euromoney Institutional Investor	7,266	1.90
236,717	Future	2,807	0.73
89,659	Moneysupermarket.Com	335	0.09
480,354	RELX	9,446	2.47

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Consumer Services (continued)			
353,241	Rightmove	1,892	0.49
492,809	Trainline	2,343	0.61
		<u>42,695</u>	<u>11.14</u>
Financials 26.80% (2018: 27.26%)			
2,194,313	Aviva	7,770	2.03
500,000	Beazley	2,848	0.74
253,932	Burford Capital	1,776	0.46
1,861,294	HSBC	11,008	2.87
1,301,416	IntegraFin	5,030	1.31
1,175,701	Intermediate Capital	15,708	4.11
4,315,832	John Laing	15,269	3.99
741,884	Jupiter Fund Management	2,535	0.66
6,338,879	Just	2,832	0.74
10,409,995	Lloyds Banking	5,187	1.35
1,375,797	OneSavings Bank	4,427	1.16
2,176,126	Paragon Banking	9,492	2.48
779,245	Prudential	10,660	2.78
378,388	Savills	3,129	0.82
3,758	Thomas Murray Network Management ¹	-	-
585,000	Workspace REIT	4,973	1.30
		<u>102,644</u>	<u>26.80</u>
Health Care 4.26% (2018: 3.96%)			
1,084,713	Clinigen	9,600	2.51
223,875	Dechra Pharmaceuticals	6,716	1.75
		<u>16,316</u>	<u>4.26</u>
Industrials 22.32% (2018: 19.15%)			
3,150,000	Balfour Beatty	6,791	1.77
1,099,880	DS Smith	3,740	0.98
319,433	Grafton	2,404	0.63
2,562,000	Ibstock	5,493	1.43
66	Keronite ¹	-	-
6,100,000	Learning Technologies	7,515	1.96
5,908,461	Melrose Industries	10,692	2.78
500,000	Oxford Instruments	6,560	1.71
90,197	Renishaw	3,202	0.84
1,126,156	Rentokil Initial	5,070	1.32
1,058,282	RWS	6,381	1.67
1,376,710	Sanne	7,200	1.88
4,296,626	SIG	5,418	1.41
557,003	Smart Metering Systems	2,522	0.66
170,000	Spectris	3,929	1.03
358	Thomas Murray Systems ¹	-	-
238,151	Ultra Electronics	5,187	1.35
736,702	Vesuvius	3,430	0.90
		<u>85,534</u>	<u>22.32</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Oil & Gas 2.81% (2018: 2.62%)		
2,070,673	Cairn Energy	3,458	0.90
1,115,000	Hunting	5,096	1.33
2,749,306	Premier Oil	2,220	0.58
		<u>10,774</u>	<u>2.81</u>
	Technology 3.54% (2018: 4.18%)		
209,786	Aveva	7,762	2.02
1,008,979	GBG	5,822	1.52
		<u>13,584</u>	<u>3.54</u>
	United States 1.17% (2018: 1.96%)		
	Consumer Goods 1.17% (2018: 1.25%)		
2,712,350	TI Fluid Systems	4,497	1.17
	Financials 0.00% (2018: 0.00%)		
1,116,667	Xshares Income Preference 'A' Shares ¹	-	-
	Health Care 0.00% (2018: 0.71%)		
	Investment assets	<u>368,691</u>	<u>96.22</u>
	Other net assets	14,501	3.78
	Total net assets	<u>383,192</u>	<u>100.00</u>

¹ Suspended or delisted securities

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

Statement of total return for the year ended 31 August 2019

		2019		2018	
	Note	£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(53,351)		23,361
Revenue	3	14,355		14,350	
Expenses	4	(5,939)		(6,809)	
Interest payable and similar charges	5	-		(4)	
Net revenue before taxation		8,416		7,537	
Taxation	6	-		-	
Net revenue after taxation			8,416		7,537
Total return before distributions			(44,935)		30,898
Distributions	7		(8,416)		(7,537)
Change in net assets attributable to shareholders from investment activities			(53,351)		23,361

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

		2019		2018	
		£000	£000	£000	£000
Opening net assets attributable to shareholders			459,513		455,916
Amounts receivable on issue of shares		4,030		14,154	
Amounts payable on cancellation of shares		(35,416)		(41,455)	
			(31,386)		(27,301)
Change in net assets attributable to shareholders from investment activities			(53,351)		23,361
Retained distributions on accumulation shares			8,416		7,537
Closing net assets attributable to shareholders			383,192		459,513

Balance sheet as at 31 August 2019

	Note	2019 £000	2018 £000
Assets:			
Investments		368,691	448,523
Current assets:			
Debtors	8	2,342	2,343
Cash and bank balances	9	13,455	10,059
Total assets		384,488	460,925
Liabilities:			
Creditors:			
Other creditors	10	1,296	1,412
Total liabilities		1,296	1,412
Net assets attributable to shareholders		383,192	459,513

Notes to the financial statements for the year ended 31 August 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 (losses)/gains

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

	2019 £000	2018 £000
Non-derivative securities	(53,338)	23,370
Other currency losses	(10)	-
Transaction costs	(3)	(9)
Net capital (losses)/gains	(53,351)	23,361

3 Revenue

	2019 £000	2018 £000
Bank interest	66	9
Overseas dividends	1,024	883
Stock lending revenue	78	71
UK dividends	12,975	13,168
UK REIT revenue - PID	190	80
Underwriting commission	22	139
Total revenue	14,355	14,350

4 Expenses

	2019 £000	2018 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	5,263	6,051
GAC*	626	709
	<u>5,889</u>	<u>6,760</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	33	37
Safe custody fees	17	12
	<u>50</u>	<u>49</u>
Total expenses	5,939	6,809

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £7,912 (2018: £7,681).

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
Total interest payable and similar charges	-	4

6 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2018: nil).

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	8,416	7,537
Corporation tax at 20% (2018: 20%)	1,683	1,507
Effects of:		
Overseas dividends	(205)	(177)
UK dividends*	(2,595)	(2,633)
Unused management expenses	1,117	1,303
Tax charge for the year (note 6a)	-	-

* 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 £16,720,850 (2018: £15,604,324) 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.

7 Distributions

	2019 £000	2018 £000
Final accumulation	8,416	7,537
Total distributions	8,416	7,537

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

8 Debtors

	2019 £000	2018 £000
Accrued revenue	2,130	1,968
Amounts receivable for issue of shares	-	23
Income tax receivable	26	-
Sales awaiting settlement	186	352
Total debtors	2,342	2,343

Notes to the financial statements (continued)

9 Cash and bank balances

	2019	2018
	£000	£000
Cash and bank balances	13,455	10,059
Total cash and bank balances	13,455	10,059

10 Other creditors

	2019	2018
	£000	£000
Accrued annual management charge	382	511
Accrued Depositary's fee	3	4
Accrued other expenses	53	68
Amounts payable for cancellation of shares	735	621
Purchases awaiting settlement	123	208
Total other creditors	1,296	1,412

11 Contingent liabilities and commitments

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

12 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 85 and 86 and notes 4, 8 and 10 on pages 87 to 89 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

There were no material shareholders at the year end (2018: nil).

13 Shareholders' funds

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

	2019	2018
	%	%
Class A	1.50	1.50
Class C	0.50	0.50
Class E ¹	1.00	n/a
Class I	0.75	0.75
Class Z*	0.00	0.00

¹ Class E accumulation launched on 8 July 2019.

* Charges for managing Class Z 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 77 to 79. The distribution per share class is given in the Distribution table on page 94. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 31 August 2019

	Class A accumulation	Class C accumulation	Class E accumulation
Opening number of shares	220,423,143	72,424	-
Issues during the year	183,168	1,150	6,556
Cancellations during the year	(13,644,495)	(20,267)	(1,076,699)
Shares converted during the year	(80,567,066)	20,407	78,870,341
Closing shares in issue	126,394,750	73,714	77,800,198

	Class I accumulation	Class Z accumulation
Opening number of shares	33,233,332	63,349
Issues during the year	1,141,071	10,870
Cancellations during the year	(4,364,594)	(13,119)
Shares converted during the year	692,645	-
Closing shares in issue	30,702,454	61,100

14 Stock lending

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

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

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

2019 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
ABN Amro	3,142	3,530	Equity
Bank of Nova Scotia	3,192	3,549	Equity
Citigroup	1,568	1,743	Equity
Credit Suisse	7,764	8,657	Equity
Deutsche Bank	4,973	6,668	Equity
JP Morgan	137	152	Equity
Natixis	20,983	23,315	Equity
	41,759	47,614	

Notes to the financial statements (continued)

14 Stock lending (continued)

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	92	14	78
2018 Counterparty		Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of Nova Scotia		640	711	Equity
Citigroup		1,655	1,839	Equity
Credit Suisse		1,025	1,156	Equity
Deutsche Bank		6,719	7,548	Equity
JP Morgan		1,461	1,657	Equity
Natixis		19,441	21,676	Equity
		30,941	34,587	
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	84	13	71

15 Risk

Currency risk

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

Interest rate risk

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

Leverage

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

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Other creditors	-	1,296	-	-
Total	-	1,296	-	-

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2018				
Other creditors	-	1,412	-	-
Total	-	1,412	-	-

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2019		2018	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	368,691	-	448,523	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	368,691	-	448,523	-

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2019 £000	2018 £000	2019 £000	2018 £000
Trades in the year				
Equities	64,115	122,902	88,965	152,780
Trades in the year before transaction costs	64,115	122,902	88,965	152,780
Transaction costs				
Commissions				
Equities	26	46	43	84
Total commissions	26	46	43	84
Taxes				
Equities	245	307	-	-
Total taxes	245	307	-	-
Other expenses				
Equities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	271	353	43	84
Total net trades in the year after transaction costs	64,386	123,255	88,922	152,696

	Purchases		Sales	
	2019 %	2018 %	2019 %	2018 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.04	0.05	0.05
Taxes				
Equities	0.38	0.25	-	-
Other expenses				
Equities	-	-	-	-
	2019 %	2018 %		

Total transaction costs expressed as a percentage of net asset value

Commissions	0.01	0.03
Taxes	0.05	0.07
Other expenses	-	-
Total costs	0.06	0.10

There were no in specie transfers during the year (2018: nil). There were corporate actions during the year of £1,452,514 (2018: £2,619,716).

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

The portfolio dealing spread as at 31 August 2019 was 0.14% (2018: 0.17%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

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

Distribution table for the year ended 31 August 2019 (in pence per share)

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

Group 1 : shares purchased prior to 1 September 2018

Group 2 : shares purchased on or after 1 September 2018

	Distribution per share	Total distribution per share 31/10/19	Total distribution per share 31/10/18
Class A accumulation			
Group 1	2.7122	2.7122	2.2434
Group 2	2.7122	2.7122	2.2434
Class C accumulation			
Group 1	22.4323	22.4323	15.6489
Group 2	22.4323	22.4323	15.6489
Class E accumulation¹			
Group 1	2.8215	2.8215	n/a
Group 2	2.8215	2.8215	n/a
Class I accumulation			
Group 1	9.0271	9.0271	7.7575
Group 2	9.0271	9.0271	7.7575
Class Z accumulation			
Group 1	7.1700	7.1700	4.7885
Group 2	7.1700	7.1700	4.7885

¹ Class E accumulation launched on 8 July 2019.

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 August 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 August 2019:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson Global Equity Income Fund	24,025	3.16%	3.15%
Janus Henderson UK Alpha Fund	41,759	11.33%	10.90%

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 August 2019:

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
Janus Henderson Global Equity Income Fund		Janus Henderson UK Alpha Fund	
Banco Bilbao Vizcaya Argentaria	1,972	Banco Santander Central Hispano	3,136
Banco Santander Central Hispano	1,965	Banco Bilbao Vizcaya Argentaria	2,362
Banco de Sabadell	1,044	Assicurazioni Generali	1,765
Bankia	1,044	Altran Technologies	1,671
Atlantia	1,035	Iberdrola	1,669
JD Sports Fashion	1,028	Ferrari	1,596
Burberry	974	Inmarsat Ventures	1,545
RTL	859	Telefonica	1,268
China CITIC Bank International	841	Deutsche Post	1,140
Uniper	826	Bureau Veritas	933

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 August 2019:

Counterparty	Market value of securities on loan £000	Settlement basis	Counterparty	Market value of securities on loan £000	Settlement basis
Janus Henderson Global Equity Income Fund			Janus Henderson UK Alpha Fund		
HSBC	9,392	Triparty	Natixis	20,983	Triparty
Macquarie Bank	7,621	Triparty	Credit Suisse	7,764	Triparty
ABN Amro	3,397	Triparty	Deutsche Bank	4,973	Triparty
Bank of Nova Scotia	2,886	Triparty	Bank of Nova Scotia	3,192	Triparty
Natixis	729	Triparty	ABN Amro	3,142	Triparty
	24,025		Citigroup	1,568	Triparty
			JP Morgan	137	Triparty
				41,759	

All counterparties have been included.

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 August 2019:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Janus Henderson Global Equity Income Fund							
ABN Amro	Netherlands	Equity	Main market listing	CHF	Triparty	BNP Paribas	20
ABN Amro	Netherlands	Equity	Main market listing	EUR	Triparty	BNP Paribas	1,263
ABN Amro	Netherlands	Equity	Main market listing	GBP	Triparty	BNP Paribas	2,103
ABN Amro	Netherlands	Equity	Main market listing	SEK	Triparty	BNP Paribas	1
ABN Amro	Netherlands	Equity	Main market listing	USD	Triparty	BNP Paribas	433
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	235
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	2,600
Bank of Nova Scotia	Canada	Equity	Main market listing	HKD	Triparty	BNP Paribas	25
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	347
HSBC	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	7,491
HSBC	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	2,259
HSBC	United Kingdom	Equity	Main market listing	USD	Triparty	BNP Paribas	689
Macquarie Bank	United Kingdom	Equity	Main market listing	AUD	Triparty	BNP Paribas	529
Macquarie Bank	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	3,674
Macquarie Bank	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	61
Macquarie Bank	United Kingdom	Equity	Main market listing	HKD	Triparty	BNP Paribas	3,047
Macquarie Bank	United Kingdom	Equity	Main market listing	JPY	Triparty	BNP Paribas	303
Macquarie Bank	United Kingdom	Equity	Main market listing	USD	Triparty	BNP Paribas	859
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	14
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	601
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	100
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	50
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	47
							26,751
Janus Henderson UK Alpha Fund							
ABN Amro	Netherlands	Equity	Main market listing	CHF	Triparty	BNP Paribas	17
ABN Amro	Netherlands	Equity	Main market listing	EUR	Triparty	BNP Paribas	1,168
ABN Amro	Netherlands	Equity	Main market listing	GBP	Triparty	BNP Paribas	1,945
ABN Amro	Netherlands	Equity	Main market listing	USD	Triparty	BNP Paribas	400
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	260
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	2,876
Bank of Nova Scotia	Canada	Equity	Main market listing	HKD	Triparty	BNP Paribas	27
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	386
Citigroup	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	1,242
Citigroup	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	407
Citigroup	United States	Equity	Main market listing	JPY	Triparty	BNP Paribas	25
Citigroup	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	69
Credit Suisse	Switzerland	Equity	Main market listing	CHF	Triparty	BNP Paribas	319
Credit Suisse	Switzerland	Equity	Main market listing	EUR	Triparty	BNP Paribas	4,166
Credit Suisse	Switzerland	Equity	Main market listing	GBP	Triparty	BNP Paribas	674
Credit Suisse	Switzerland	Equity	Main market listing	HKD	Triparty	BNP Paribas	549
Credit Suisse	Switzerland	Equity	Main market listing	USD	Triparty	BNP Paribas	2,949
Deutsche Bank	Germany	Equity	Main market listing	EUR	Triparty	BNP Paribas	6,011
Deutsche Bank	Germany	Equity	Main market listing	GBP	Triparty	BNP Paribas	400
Deutsche Bank	Germany	Equity	Main market listing	HKD	Triparty	BNP Paribas	226
Deutsche Bank	Germany	Equity	Main market listing	JPY	Triparty	BNP Paribas	31

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
Janus Henderson UK Alpha Fund (continued)							
JP Morgan	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	5
JP Morgan	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	14
JP Morgan	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	1
JP Morgan	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	132
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	251
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	17,442
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	2,867
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	1,413
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	1,342
							47,614

All collateral is held in segregated accounts.

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

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 ending 31 August 2019:

Fund	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return of the securities lending agent	% return of the fund
Janus Henderson European Growth Fund	151	23	128	15%	85%
Janus Henderson Global Equity Income Fund	51	8	43	15%	85%
Janus Henderson UK Alpha Fund	92	14	78	15%	85%

Remuneration policy

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

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

Janus Henderson Investment Fund OEIC 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 consistent with risk profiles, rules or instruments of incorporation of each ACD and the funds they manage. This policy applies to HIFL and Janus Henderson Investment Fund OEIC.

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

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

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson European Growth Fund	1,949	2,150
of which		
Fixed Remuneration	1,949	805
Variable Remuneration	1,936	1,345
Janus Henderson European Growth Fund Remuneration Code Staff	121	1,431
of which		
Senior Management (4)	34	161
Other Code Staff (5)	87	1,270
Janus Henderson Global Equity Income Fund	1,949	1,438
of which		
Fixed Remuneration	1,949	599
Variable Remuneration	1,936	839
Janus Henderson Global Equity Income Fund Remuneration Code Staff	121	915
of which		
Senior Management (4)	34	117
Other Code Staff (5)	87	798
Janus Henderson UK Alpha Fund	1,949	979
of which		
Fixed Remuneration	1,949	297
Variable Remuneration	1,936	682
Janus Henderson UK Alpha Fund Remuneration Code Staff	121	700
of which		
Senior Management (4)	34	63
Other Code Staff (5)	87	637

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

Further information

Shareholder enquiries

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

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

The following line is also available:

Client Services: **0800 832 832**

or you can contact us via e-mail at **support@janushenderson.com**

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

Important Information

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

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

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