



# ANNUAL REPORT & ACCOUNTS

For the year ended  
31 August 2018

Janus Henderson  
— INVESTORS —

**Janus Henderson Investment Fund OEIC**  
(formerly Henderson Investment Fund OEIC)



# Who are Janus Henderson Investors?

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

Formed in 2017 from the merger between Janus Capital Group and Henderson Group, we are committed to adding value through active management. For us, active is more than our investment approach – it is the way we translate ideas into action, how we communicate our views and the partnerships we build in order to create the best outcomes for clients.

We are proud to offer a highly diversified range of products, harnessing the intellectual capital of some of the industry's most innovative and formative thinkers. Our expertise encompasses the major asset classes, we have investment teams situated around the world and we serve intermediary, institutional and individual investors globally. As at 30 September 2018, we had approximately US\$378bn in assets under management, more than 2,000 employees and offices in 28 cities 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.

At Janus Henderson, we believe in the sharing of expert insight for better investment and business decisions. We call this ethos *Knowledge. Shared. Knowledge. Shared* is reflected both in how our investment teams interact and in our commitment to empowering clients in their decision-making. In our view, knowledge is powerful when it is shared.

# Contents

Authorised Corporate Director's (ACD) report	Page 1
Director's statement	Page 1
Market review	Page 3
Statement of Authorised Corporate Director's responsibilities	Page 4
Statement of Depositary's responsibilities and report of the Depositary to the shareholders of Janus Henderson Investment Fund OEIC	Page 5
Independent auditors' report to the shareholders of Janus Henderson Investment Fund OEIC	Page 6
Aggregated notes to the financial statements	Page 8
<b>Financial statements</b>	
Janus Henderson European Growth Fund	Page 13
Janus Henderson Global Equity Income Fund	Page 36
Janus Henderson UK Alpha Fund	Page 73
<b>Appendix - additional information (unaudited)</b>	
Securities financing transactions	Page 92
Remuneration policy	Page 96
Further information	Page 99

## Authorised Corporate Director's (ACD) report for the year ended 31 August 2018

We are pleased to present the Annual Report and Accounts for Janus Henderson Investment Fund OEIC (formerly Henderson Investment Fund OEIC) (the 'Company') for the year ended 31 August 2018.

### Authorised status

The Company is an open ended investment company (OEIC) with variable capital authorised, under regulation 12 (Authorisation) of the OEIC regulations, by the Financial Conduct Authority on 11 June 2002.

It is a UCITS Scheme structured as an umbrella company, comprising 3 sub-funds ('funds'). Each fund is operated as a distinct fund with its own portfolio of investments.

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.

### Other information

On 15 December 2017, the Company changed its name from Henderson Investment Fund OEIC to Janus Henderson Investment Fund OEIC. The following funds also changed their names:

- Henderson European Growth Fund to Janus Henderson European Growth Fund,
- Henderson Global Equity Income Fund to Janus Henderson Global Equity Income Fund, and
- Henderson UK Alpha Fund to Janus Henderson UK Alpha Fund.

## Director's statement

In accordance with the requirements of the Collective Investment Schemes Sourcebook, as issued and amended by the Financial Conduct Authority, I hereby certify the investment report and financial statements on behalf of the Directors of Henderson Investment Funds Limited.



G Foggin  
(Director)

14 November 2018

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

### Service providers

	Name	Address	Regulator
<b>Authorised Corporate Director (ACD)</b>	<b>Henderson Investment Funds Limited</b> Member of the Investment Association  The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531. Telephone – 020 7818 1818 Dealing – 0845 608 8703 Enquiries – 0800 832 832	Authorised and regulated by the Financial Conduct Authority
<b>Directors of the ACD</b>	C Chaloner (to 28.09.18) R Chaudhuri (from 27.09.17) A Crooke (from 08.06.18) G Foggin H J de Sausmarez G Kitchen (to 31.03.18) P Wagstaff (to 26.09.18)		
<b>Investment Manager</b>	<b>Henderson Global Investors Limited</b> The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
<b>Shareholder Administrator</b>	<b>DST Financial Services International Limited and DST Financial Services Europe Limited</b>	DST House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	<b>NatWest Trustee and Depository Services Limited</b> The ultimate holding company is the Royal Bank of Scotland Group plc	250 Bishopsgate London EC2M 4AA	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
<b>Independent Auditor</b>	<b>PricewaterhouseCoopers LLP</b>	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
<b>Legal Adviser</b>	<b>Eversheds Sutherland (International) LLP</b>	One Wood Street London EC2V 7WS	The Law Society

Global equity markets rose over the year to 31 August 2018 (MSCI World Index +12.7% in sterling, 13.7% in US dollars), which was characterised by global sell-offs, trade tensions and Italian political instability.

In the UK, the FTSE All-Share Index rose (+4.7%) over the year. The UK's forthcoming exit from the European Union (EU) (Brexit) affected markets, with fears of a no-deal Brexit causing sterling to fall in August. The annual gross domestic product (GDP) growth rate fell to 1.2% in the first quarter of 2018, below expectations and the lowest rate in almost six years. Increasing modestly to 1.3% in the second quarter of 2018, the growth rate was still well below recent levels. Rising inflation was a key reason influencing the Bank of England's (BoE) 0.25% rate rise in November, which brought the benchmark rate to 0.5% and marked the first interest rate increase in a decade. In August, the BoE raised the rate to 0.75% on a stronger economic outlook. Inflation declined throughout most of the review year but rose slightly in July.

European equities were also up (FTSE World Europe ex UK 1.4% in sterling, 5.5% in euros). Equities sold off in May during the Italian political crisis but gained in July on robust corporate earnings and improving trade relations between the US and EU. However, they sank in August amid concerns that instability in Turkey would seep into European markets. The eurozone economy grew at an annual rate of 2.8% in the fourth quarter of 2017 but slowed to 2.2% in the second quarter of 2018. Inflation rose in the latter half of the review year, reaching a five and a half year high of 2.1% in July, before dropping to 2% in August, below market expectations. In June, the European Central Bank scheduled the end of its bond-buying programme for late 2018 and announced its expectation that interest rates would remain unchanged for at least another year.

US equities were strong during the 12 months (S&P 500 +18.6% in sterling, +19.7% in US dollars). Stocks tumbled in February's sell-off, but the S&P 500 Index reached a record high in August and entered its longest-ever bull run, owing to strong corporate earnings and recent tax cuts. President Donald Trump waged a trade war with China and other nations throughout 2018. In August, a new trade deal with Mexico was largely finalised to replace the North America Free Trade Agreement, putting pressure on Canada to come to the negotiating table. The GDP annual growth rate slowed throughout the review year, before increasing to a near four-year high of 4.2% in the second quarter of 2018, above expectations. However, the US Federal Reserve (Fed) warned of a likely near-term slowdown in growth as a direct result of trade tensions. Inflation rose throughout the year, reaching 2.9% in June – a more than six-year high – on increasing oil prices. The Fed raised interest rates in December, March and June, and hinted at an imminent hike at the Jackson Hole symposium in August.

Asia-Pacific ex Japan equities gained over the year (MSCI AC Asia Pacific ex Japan +2.5% in sterling, +3.3% in US dollars), despite significant volatility. Markets plunged during the sell-off in February and were vulnerable to ongoing trade disputes. Asian equities sank to a one-year low in August as investors worried over China's slowing economy and currency weakness in Turkey. Chinese GDP slowed to an annual rate of 6.7% in the second quarter of 2018 after three quarters of 6.8% growth. Meanwhile, India's GDP annual growth rate rose over the year, reaching 8.2% in the second quarter of 2018 – the strongest rate in over two years and above forecasts. Indian equities were relatively strong throughout 2018 and hit a record high in August, while the rupee fell to its lowest-ever level against the US dollar as oil prices rose. South Korean equities were favourably influenced by the improvement in relations between North Korea and the US, gaining in April on optimism ahead of the meeting between the two leaders. However, equities were weak in summer as foreign investors sold out on trade concerns. Australian stocks touched 10-year highs in November and during the final few months of the review year, despite falling in early 2018.

Japanese equities were strong during the year (TOPIX +7.8% in sterling and +9.6% in yen). Prime Minister Shinzo Abe strengthened his position in October's snap election but a series of scandals later hurt his popularity. Meanwhile, President Trump opposed re-joining the Trans-Pacific Partnership and did not exempt the country from steel tariffs. The economy shrank by an annualised 0.6% in the first quarter of 2018 – the first economic contraction since 2015 and worse than predicted. However, it rebounded in the second quarter and beat expectations as domestic demand increased. The Bank of Japan kept interest rates unchanged but reduced the amount of its monthly bond purchases through 2018. However, in July, policymakers agreed to keep short- and long-term interest rates extremely low, reconfirming their commitment to stimulating the economy.

Emerging markets were weak during the review year (MSCI Emerging Markets -1.2% in sterling, -0.3% in US dollars) on US dollar strength and ongoing trade wars, and sold off in August on currency weakness in Argentina and Turkey. In June, Brazilian equities plunged as the real fell against the US dollar. Uncertainty over the upcoming election in October, as well as a recent truckers' strike, subdued economic growth; the annual GDP rate dropped to a one-year low of 1.0% in the second quarter of 2018, below market expectations. Inflation surged to a 16-month high in July on rising food and transport costs, as well as currency weakness. Preliminary estimates showed that Russia's economy expanded at an annual rate of 1.8% in the second quarter of 2018, up from 1.3% in the first quarter; the central bank suggested the football World Cup contributed to the improved performance.

Within fixed income, government bond yields in the US and UK rose but were almost flat in Germany (prices move inversely to yields). Yields on 10-year US Treasuries rose on strong employment data and trade tensions, while demand at auction touched a record high during the biggest-ever sale of the 10-year government bonds in August. UK 10-year gilt yields spiked in late 2017 and early 2018 on Brexit concerns and expectations of a BoE rate rise, as well as on news at the end of the review year that Mark Carney may extend his tenure as BoE governor still further. German 10-year bund yields climbed in early 2018 but crashed in May during the Italian political crisis, alongside their US and UK counterparts. Corporate bond issuance reached record highs in late 2017 and yields remained relatively stable during February's equity sell-off. US convertible debt outperformed investment grade and high yield bonds throughout 2018, owing to increasing share prices and interest rate rises.

Commodity markets were also mixed during the review year. The price of Brent Crude rose on a production deal between the Organization of the Petroleum Exporting Countries and other major producers, and later in the period, over the prospect of a US-led trade embargo on Iranian oil exports. Ongoing US dollar strength caused investors to dismiss gold as a 'safe-haven' asset amid trade wars and emerging market weakness, and the precious metal fell to a 19-month low in August. Copper also fell over the year. Although it reached a one-year high in June, it slipped to a 13-month low in August on US dollar strength and emerging-market turmoil.

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

for the year ended 31 August 2018

The Financial Conduct Authority's Collective Investment Schemes Sourcebook requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view, 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), of the Company and its revenue/expenditure for the year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the Financial Statements, as prepared by Henderson Investment Funds Limited, comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; 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 OEIC 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 2018

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 Fund Manager ('the AFM') 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 AFM:

- (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  
14 November 2018

# Independent auditors' report to the shareholders of Janus Henderson Investment Fund OEIC (the 'Company') for the year ended 31 August 2018

## Report on the audit of the financial statements

### Opinion

In our opinion, Janus Henderson Investment Fund OEIC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 August 2018 and of the net revenue and the net capital gains on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson 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 2018; 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.

### 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.

### 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 4, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

### Use of this report

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

## Other required reporting

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

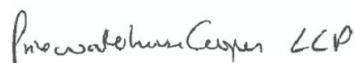
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

### Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
14 November 2018

## 1 Accounting policies

### (a) Basis of preparation

The financial statements of Janus Henderson Investment Fund OEIC (formerly 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 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (IMA) in May 2014 (the 'SORP'), the Financial Reporting Standard 102 ('FRS 102'), the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') and the Company's Instrument of Incorporation. The financial statements have been prepared on a going concern basis.

### (b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last valuation day of the accounting year (31 August 2018) in accordance with the provisions of the scheme particulars.

Investments in collective investment schemes (CIS) have been valued at bid prices. For those CIS funds that are not dual priced, single prices are used.

Suspended, defaulted, delisted, unquoted or manually priced securities are valued by the Authorised Corporate Director (ACD) taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

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

### (c) Revenue recognition

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

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 property, calculated as a percentage of the relevant value of the property of each class of each fund. The AMC is accrued on a daily basis by reference to the net asset value of each share class on that dealing day and the amount due for each month is payable on the last working day of the month.

## Aggregated notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### Annual Management Charge (AMC) (continued)

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.

#### General Administration Charge

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

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

With the exception of the AMC, 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 funds pay dividend distributions.

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

Marginal tax relief 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 only.

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

### 3 Risk

In pursuing 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, FinAnalytica and Barra Aegis for market risk measurement; and
- Bloomberg for market data and price checking.

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

## Aggregated notes to the financial statements (continued)

### 3 Risk (continued)

#### (a) Market risk

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

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

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 is 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 price risk

Other price risk is the risk that the value of the funds' investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. The risk arises mainly from uncertainty about future prices of financial instruments the funds might hold. It represents the potential loss the funds might suffer through holding market positions in the face of price movements. The funds' investment portfolios are exposed to market price fluctuations, which are monitored by the Authorised Corporate Director in pursuance of the investment objectives and policies as set out in the Prospectus.

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.

### 4 Cross-holdings

There are no cross-holdings within any of the funds of Janus Henderson Investment Fund OEIC at the year end (2017: nil).



# Janus Henderson European Growth Fund (formerly Henderson European Growth Fund)

**Authorised Corporate Director's (ACD) report** for the year ended 31 August 2018

## Investment Fund Managers

Simon Rowe and Marc Scharz

Please note as of the 1 December 2017, Marc Scharz also managed this fund.

## Investment objective and policy

To achieve long-term capital growth.

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 17 - 31 Aug 18	31 Aug 16 - 31 Aug 17	31 Aug 15 - 31 Aug 16	31 Aug 14 - 31 Aug 15	31 Aug 13 - 31 Aug 14
	%	%	%	%	%
<b>Janus Henderson European Growth Fund</b>	1.3	21.1	22.1	8.4	5.4
<b>FTSE World Europe ex UK Index</b>	1.4	26.0	15.4	1.3	10.4

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

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 2018

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
KBC Bank	27,544	ING	39,151
Merck	24,551	Rockwool International 'B'	24,221
Schouw	23,272	RELX	21,908
Bayer	20,690	UBS	19,797
Ryanair	19,937	Brenntag	17,322
Thales	19,307	Atlas Copco 'A'	15,101
SAP	17,846	Sanofi	14,970
Prysmian	16,620	Pfeiffer Vacuum Technology	14,729
Andritz	16,325	Ontex	14,559
Nokian Renkaat	15,926	Vinci	13,649
<b>Total purchases</b>	<b>424,650</b>	<b>Total sales</b>	<b>416,539</b>

### Investment review

Equities performed strongly in the second half of 2017 and the start of 2018, encouraged by improving economic performance in the US, Europe and emerging markets, with further stimulus provided by US President Donald Trump's tax cuts. The positive trend in equities was accompanied by a rise in commodity prices, including oil, which hit its highest level since 2015. Furthermore, the US 10-year bond yield moved up from below 2.2% to nearly 3% (prices move inversely to yields). However, equities sold off in February and then entered a more volatile period (meaning prices fluctuated more sharply) as forecasters started to price in higher US interest rates and the reversal of the US bond buying programme. Observers also worried that the European Central Bank might wind down its programme of bond buying faster than previously indicated and start to increase rates. Whereas US equity markets regained their poise after the February squall, equities outside US were unsettled by the ratcheting up of a tit-for-tat trade war between the US and other major counterparties, especially China; a slow-down in European economic performance (as well as a short-term Italian political crisis); and rapid currency devaluations in a number of emerging markets, notably Turkey and Argentina. The main concern was that these economies, and other emerging economies, would be negatively affected by the flow of capital back to the US, attracted by higher interest rates, a firming currency and an economy less likely to be negatively affected by trade issues.

In this more volatile context, the fund gained 1.3% underperforming its index, which gained 1.4%. The fund benefited from strong contributions from a number of stocks, particularly insulation group Rockwool (which rose 75%); professional publisher Wolters Kluwer (up 49% on faster growth and exposure to the stronger US dollar); Pulp group UPM (up 52% on higher prices); and Royal Unibrew (up 61%), which benefited from a good Nordic summer and some small deals. Defence group Thales, which we purchased during the year under review, performed well and deployed its strong balance sheet. Other positive contributors included Sika, Royal Dutch Shell, Viscofan and Koninklijke Philips. The fund also benefited from its underweight positions in financials and telecommunications, which were relatively weak sectors.

These gains were offset by losses on a number of stocks, including Elior, which fell back after it reduced its profit targets under new management. Services group Spie also fell back sharply after confusing investors with its financial guidance, which turned out to be incorrect. In both cases, we gave back much of the gain on our original investment. Flooring group Tarkett disappointed (after initial good performance) because of input costs. Two of our banking investments, Nordea and Danske, were weak in a dull sector, with Danske hitting legal problems. Our investments in the tyre industry – Michelin and Continental – were disappointing, with Continental struggling to control the scope of its enlarged activities (and delivering two warnings). Outdoor equipment group Husqvarna was hurt by the hot weather and restructuring, which we believe should eventually leave it a stronger company.

In terms of portfolio changes, we took profits in a number of successful holdings, such as Cembra Money Bank, Eurotunnel, Duerr and Givaudan, Pfeiffer Vacuum Technology, Atlas Copco, Vinci, Roche Holdings and Sanofi. We also trimmed a number of other strong performers such as Fuchs Petrolub Non-Voting Preference Shares, Huhtamaki, Rockwool International and IMCD. We swapped the holding in ING for Benelux rival KBC Bank, which we see as having stronger capital and dividend-paying capacity. Another recent acquisition is oil services group SBM Offshore, which we believe is poised to resolve its long-standing legal problems in Brazil (confirmed in September 2018). The valuation is largely covered by its installed lease fleet, leaving plenty of potential upside from any recovery in new orders now that the oil price has recovered. Other new holdings include the dominant German outdoor advertising group Stroer Media and our first telecommunications investment for many years: Com Hem and Tele2, which are merging to form a stronger multi-channel player in Sweden. Other new positions include Andritz, Ryanair, Merck, Bayer and Subsea 7.

Equities remain volatile, with investors uncertain how to respond to President Trump's trade initiatives. On the one hand his statements can be seen as negotiating tactics: he reset US trade relations with Mexico relatively harmlessly; that may also be the outcome of the dispute with the European Union over car duties. On the other hand, China could turn out to be a tougher counterparty than he realises: we believe there is a risk that the Chinese will call his bluff in a tit-for-tat war and decide not to be bullied. The other cloud on the horizon is a weakening in the European business outlook, reflected in softer GDP numbers. Italian problems could also re-emerge. Although we continue to track changes in the economic environment, our focus remains on the individual holdings in the fund and their prospects. We believe many of our holdings offer a combination of defensive and self-help characteristics, combined with strong pricing power. Two of the holdings in the fund were the subject of bids at significant premiums in early September.

## Comparative tables for the year ended 31 August 2018

	Class A accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	241.28	198.37	163.17
Return before operating charges*	5.50	46.57	38.13
Operating charges	(4.07)	(3.66)	(2.93)
Return after operating charges*	1.43	42.91	35.20
Distributions on accumulation shares	(1.79)	(1.99)	(2.13)
Retained distributions on accumulation shares	1.79	1.99	2.13
Closing net asset value per share	242.71	241.28	198.37
* after direct transaction costs of:	0.14	0.19	0.09

### Performance

Return after charges	0.59%	21.63%	21.57%
----------------------	-------	--------	--------

### Other information

Closing net asset value (£000s)	516,610	554,738	494,966
Closing number of shares	212,848,610	229,913,165	249,511,767
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.06%	0.09%	0.05%

### Prices

Highest share price (pence)	249.00	242.00	202.70
Lowest share price (pence)	224.20	187.60	154.80

	Class I accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	540.16	440.32	359.08
Return before operating charges*	12.39	103.88	84.51
Operating charges	(4.52)	(4.04)	(3.27)
Return after operating charges*	7.87	99.84	81.24
Distributions on accumulation shares	(9.16)	(7.63)	(8.78)
Retained distributions on accumulation shares	9.16	7.63	8.78
Closing net asset value per share	548.03	540.16	440.32
* after direct transaction costs of:	0.32	0.42	0.19

### Performance

Return after charges	1.46%	22.67%	22.62%
----------------------	-------	--------	--------

### Other information

Closing net asset value (£000s)	674,712	631,479	485,020
Closing number of shares	123,116,676	116,905,981	110,151,757
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.06%	0.09%	0.05%

### Prices

Highest share price (pence)	559.30	541.70	449.80
Lowest share price (pence)	504.50	417.40	340.80

## Comparative tables (continued)

	Class S income		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	318.50	263.53	218.71
Return before operating charges*	7.40	62.42	51.70
Operating charges	(0.19)	(0.17)	(0.16)
Return after operating charges*	7.21	62.25	51.54
Distributions on income shares	(7.78)	(7.28)	(6.72)
Closing net asset value per share	317.93	318.50	263.53
* after direct transaction costs of:	0.19	0.25	0.12
<b>Performance</b>			
Return after charges	2.26%	23.62%	23.57%
<b>Other information</b>			
Closing net asset value (£000s)	40,391	39,088	31,351
Closing number of shares	12,704,235	12,272,579	11,896,824
Operating charges	0.06%	0.06%	0.07%
Direct transaction costs	0.06%	0.09%	0.05%
<b>Prices</b>			
Highest share price (pence)	330.90	326.70	276.00
Lowest share price (pence)	298.90	250.30	207.70
	Class Z accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	261.66	211.64	171.25
Return before operating charges*	6.05	50.16	40.52
Operating charges	(0.16)	(0.14)	(0.13)
Return after operating charges*	5.89	50.02	40.39
Distributions on accumulation shares	(6.14)	(7.51)	(5.74)
Retained distributions on accumulation shares	6.14	7.51	5.74
Closing net asset value per share	267.55	261.66	211.64
* after direct transaction costs of:	0.16	0.20	0.09
<b>Performance</b>			
Return after charges	2.25%	23.63%	23.59%
<b>Other information</b>			
Closing net asset value (£000s)	342	266	349
Closing number of shares	127,925	101,640	164,808
Operating charges	0.06%	0.06%	0.07%
Direct transaction costs	0.06%	0.09%	0.05%
<b>Prices</b>			
Highest share price (pence)	271.90	262.40	216.10
Lowest share price (pence)	245.50	201.00	162.60

## Comparative tables (continued)

	<b>Class I Euro accumulation 2018 (pence per share)</b>
<b>Change in net assets per share</b>	
Opening net asset value per share	89.40 <sup>1</sup>
Return before operating charges*	1.52
Operating charges	(0.52)
Return after operating charges*	1.00
Distributions on accumulation shares	(1.51)
Retained distributions on accumulation shares	1.51
Closing net asset value per share	90.40
* after direct transaction costs of:	0.05
<b>Performance</b>	
Return after charges	1.12%
<b>Other information</b>	
Closing net asset value (£000s)	189
Closing number of shares	209,494
Operating charges	0.84%
Direct transaction costs	0.06%
<b>Prices</b>	
Highest share price (Euro cents)	104.40
Lowest share price (Euro cents)	95.11

<sup>1</sup> Class I Euro accumulation launched on 15 December 2017 and this is the first published price.

Performance values are at close of business and may differ from the performance summary.

### Operating charges

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

### Share class launches and closures

The following share class launched in the year:

Share class	Launch date
Class I EUR accumulation	15 December 2017

There were no share class closures in the year.

## Ongoing charge figure

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

	<b>2018</b> %	<b>2017</b> %
<b>Class A</b>	1.70	1.70
<b>Class I</b>	0.84	0.84
<b>Class S</b>	0.06	0.06
<b>Class Z</b>	0.06	0.06
<b>Class I Euro</b>	0.84	n/a <sup>1</sup>

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

<sup>1</sup> Class I Euro accumulation launched on 15 December 2017.

## Risk and reward profile

The fund currently has 5 types of share in issue: A accumulation, I accumulation, I Euro accumulation, S income and Z accumulation.

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



The Synthetic Risk and Reward Indicator (SRRI) is calculated based on historical volatility over a rolling 5 year period<sup>1</sup>, 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 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 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 have been no changes to the risk ratings in the year.

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

<sup>1</sup> As Class I Euro accumulation 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 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 97.09% (2017: 97.31%)</b>		
	<b>Austria 1.42% (2017: 0.53%)</b>		
	<b>Basic Materials 0.00% (2017: 0.53%)</b>		
	<b>Industrials 1.42% (2017: 0.00%)</b>		
384,728	Andritz	17,478	1.42
	<b>Belgium 1.91% (2017: 1.52%)</b>		
	<b>Consumer Goods 0.00% (2017: 1.28%)</b>		
	<b>Consumer Services 0.00% (2017: 0.24%)</b>		
	<b>Financials 1.91% (2017: 0.00%)</b>		
429,743	KBC Bank	23,505	1.91
	<b>Denmark 15.28% (2017: 12.18%)</b>		
	<b>Consumer Goods 5.70% (2017: 4.58%)</b>		
377,494	Carlsberg	35,591	2.89
302,230	Royal Unibrew	20,104	1.63
1,152,323	Scandinavian Tobacco	14,597	1.18
		70,292	5.70
	<b>Financials 1.96% (2017: 2.13%)</b>		
1,069,048	Danske Bank	24,203	1.96
	<b>Health Care 1.42% (2017: 1.36%)</b>		
462,475	Novo Nordisk 'B'	17,553	1.42
	<b>Industrials 6.20% (2017: 4.11%)</b>		
351,818	DFDS	14,312	1.16
266,130	Nilfisk	9,922	0.81
95,551	Rockwool International 'B'	31,849	2.59
333,194	Schouw	20,204	1.64
		76,287	6.20
	<b>Finland 11.44% (2017: 10.12%)</b>		
	<b>Basic Materials 2.63% (2017: 1.59%)</b>		
1,092,440	UPM-Kymmene	32,457	2.63
	<b>Consumer Goods 2.81% (2017: 1.21%)</b>		
690,534	Amer Sports	17,920	1.46
525,147	Nokian Renkaat	16,679	1.35
		34,599	2.81
	<b>Financials 3.34% (2017: 3.61%)</b>		
1,042,463	Sampo	41,107	3.34
	<b>Industrials 2.66% (2017: 3.71%)</b>		
333,599	Cargotec 'B'	12,471	1.01
735,123	Huhtamaki	20,301	1.65
		32,772	2.66



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>France 17.44% (2017: 20.39%)</b>		
	<b>Consumer Goods 2.56% (2017: 2.11%)</b>		
345,201	Michelin	31,504	2.56
	<b>Consumer Services 2.70% (2017: 3.87%)</b>		
1,726,753	Elior	20,837	1.69
192,007	Fnac Darty	12,487	1.01
		33,324	2.70
	<b>Financials 2.29% (2017: 1.81%)</b>		
903,321	SCOR	28,221	2.29
	<b>Health Care 0.00% (2017: 1.55%)</b>		
	<b>Industrials 9.89% (2017: 11.05%)</b>		
8,645	Dassault Aviation	12,405	1.01
334,416	Eiffage	29,021	2.35
283,617	Schneider Electric	17,833	1.45
1,602,578	SPIE	23,412	1.90
574,311	Tarkett	12,894	1.05
241,676	Thales	26,243	2.13
		121,808	9.89
	<b>Germany 9.51% (2017: 8.30%)</b>		
	<b>Basic Materials 1.51% (2017: 3.63%)</b>		
412,226	Fuchs Petrolub Non-Voting Preference Shares	18,617	1.51
	<b>Consumer Goods 2.07% (2017: 2.52%)</b>		
180,546	Continental	25,528	2.07
	<b>Consumer Services 1.03% (2017: 0.00%)</b>		
277,768	Ströer Media	12,681	1.03
	<b>Health Care 3.37% (2017: 0.00%)</b>		
240,968	Bayer	17,369	1.41
299,706	Merck	24,216	1.96
		41,585	3.37
	<b>Industrials 0.00% (2017: 2.15%)</b>		
	<b>Technology 1.53% (2017: 0.00%)</b>		
203,087	SAP	18,816	1.53
	<b>Ireland 1.46% (2017: 0.00%)</b>		
	<b>Consumer Services 1.46% (2017: 0.00%)</b>		
1,422,346	Ryanair	18,004	1.46

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Netherlands 11.30% (2017: 12.36%)</b>		
	<b>Basic Materials 2.68% (2017: 2.99%)</b>		
287,567	Akzo Nobel	20,722	1.69
212,513	IMCD	12,242	0.99
		<u>32,964</u>	<u>2.68</u>
	<b>Consumer Services 2.85% (2017: 2.24%)</b>		
718,645	Wolters Kluwer	<u>35,112</u>	<u>2.85</u>
	<b>Financials 0.00% (2017: 3.34%)</b>		
	<b>Health Care 2.75% (2017: 1.90%)</b>		
982,435	Koninklijke Philips	<u>33,837</u>	<u>2.75</u>
	<b>Oil &amp; Gas 3.02% (2017: 1.89%)</b>		
1,199,843	Royal Dutch Shell 'B'	30,482	2.47
549,214	SBM Offshore	6,834	0.55
		<u>37,316</u>	<u>3.02</u>
	<b>Slovakia 0.00% (2017: 0.00%)</b>		
	<b>Financials 0.00% (2017: 0.00%)</b>		
22,600	VUB Kupon <sup>1</sup>	-	-
	<b>Spain 2.16% (2017: 1.50%)</b>		
	<b>Consumer Goods 2.16% (2017: 1.50%)</b>		
473,089	Viscofan	<u>26,574</u>	<u>2.16</u>
	<b>Sweden 8.13% (2017: 10.08%)</b>		
	<b>Consumer Goods 2.32% (2017: 2.65%)</b>		
1,913,163	Dometic	14,008	1.14
2,377,970	Husqvarna 'B'	14,606	1.18
		<u>28,614</u>	<u>2.32</u>
	<b>Financials 2.88% (2017: 3.49%)</b>		
4,264,314	Nordea Bank	<u>35,415</u>	<u>2.88</u>
	<b>Industrials 1.32% (2017: 3.94%)</b>		
1,083,654	Trelleborg 'B'	<u>16,316</u>	<u>1.32</u>
	<b>Telecommunications 1.61% (2017: 0.00%)</b>		
703,926	Com Hem	9,093	0.74
1,135,293	Tele2 'B'	10,803	0.87
		<u>19,896</u>	<u>1.61</u>
	<b>Switzerland 9.70% (2017: 12.04%)</b>		
	<b>Basic Materials 0.00% (2017: 0.96%)</b>		
	<b>Consumer Goods 1.26% (2017: 0.00%)</b>		
12,164	Forbo Holdings	<u>15,483</u>	<u>1.26</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Financials 0.00% (2017: 2.27%)</b>		
	<b>Health Care 1.39% (2017: 2.47%)</b>		
267,150	Novartis	17,082	1.39
	<b>Industrials 7.05% (2017: 6.34%)</b>		
60,141	Bucher Industries	16,219	1.32
1,090,639	OC Oerlikon	12,251	0.99
67,969	Rieter	8,365	0.68
259,060	Sika	29,593	2.39
213,318	Sulzer	20,567	1.67
		<u>86,995</u>	<u>7.05</u>
	<b>United Kingdom 7.34% (2017: 8.29%)</b>		
	<b>Consumer Services 1.96% (2017: 3.53%)</b>		
1,415,828	RELX	24,157	1.96
	<b>Industrials 4.19% (2017: 4.76%)</b>		
1,202,536	CNH Industrial	11,082	0.90
459,904	DCC	31,986	2.59
1,124,216	Grafton	8,634	0.70
		<u>51,702</u>	<u>4.19</u>
	<b>Oil &amp; Gas 1.19% (2017: 0.00%)</b>		
1,394,822	Subsea 7	14,636	1.19
	<b>Investment assets</b>	<b>1,196,440</b>	<b>97.09</b>
	Other net assets	35,804	2.91
	<b>Total net assets</b>	<b><u>1,232,244</u></b>	<b><u>100.00</u></b>

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

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

## Statement of total return for the year ended 31 August 2018

	Note	2018		2017	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(4,457)		198,602
Revenue	3	35,430		28,324	
Expenses	4	(14,938)		(13,061)	
Interest payable and similar charges	5	(2)		(2)	
Net revenue before taxation		20,490		15,261	
Taxation	6	(4,410)		(867)	
Net revenue after taxation			16,080		14,394
Total return before distributions			11,623		212,996
Distributions	7		(16,080)		(14,394)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(4,457)</b>		<b>198,602</b>

## Statement of change in net assets attributable to shareholders for the year ended 31 August 2018

	2018		2017	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>1,225,571</b>		<b>1,011,686</b>
Amounts receivable on issue of shares	180,241		98,728	
Amounts payable on cancellation of shares	(184,203)		(96,945)	
		(3,962)		1,783
Change in net assets attributable to shareholders from investment activities		(4,457)		198,602
Retained distributions on accumulation shares		15,092		13,500
<b>Closing net assets attributable to shareholders</b>		<b>1,232,244</b>		<b>1,225,571</b>

## Balance sheet as at 31 August 2018

	Note	2018 £000	2017 £000
<b>Assets:</b>			
Investments		1,196,440	1,192,650
Current assets:			
Debtors	8	27,394	7,910
Cash and bank balances	9	18,175	30,979
<b>Total assets</b>		<b>1,242,009</b>	<b>1,231,539</b>
<b>Liabilities:</b>			
Creditors:			
Distributions payable		988	894
Other creditors	10	8,777	5,074
<b>Total liabilities</b>		<b>9,765</b>	<b>5,968</b>
<b>Net assets attributable to shareholders</b>		<b>1,232,244</b>	<b>1,225,571</b>

## Notes to the financial statements for the year ended 31 August 2018

### 1 Accounting policies

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

### 2 Net capital (losses)/gains

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

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Forward currency contracts	91	165
Non-derivative securities	(4,318)	198,982
Other currency losses	(215)	(534)
Transaction costs	(15)	(11)
<b>Net capital (losses)/gains</b>	<b>(4,457)</b>	<b>198,602</b>

### 3 Revenue

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Bank interest	82	187
Overseas dividends	33,285	26,874
Stock lending revenue	145	119
UK dividends	1,918	1,144
<b>Total revenue</b>	<b>35,430</b>	<b>28,324</b>

### 4 Expenses

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	13,254	11,528
GAC*	1,505	1,321
	<u>14,759</u>	<u>12,849</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	70	78
Safe custody fees	109	89
	<u>179</u>	<u>167</u>
<b>Other expenses:</b>		
Legal fees	-	45
	<u>-</u>	<u>45</u>
<b>Total expenses</b>	<b>14,938</b>	<b>13,061</b>

Irrecoverable VAT is included in the above expenses where relevant.

\*The current audit fee, which is levied through the GAC, is £10,017 (2017: £9,725).

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2018 £000	2017 £000
Interest payable	2	2
<b>Total interest payable and similar charges</b>	<b>2</b>	<b>2</b>

### 6 Taxation

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

The tax charge comprises:

	2018 £000	2017 £000
<b>Current tax</b>		
Overseas withholding tax	4,410	867
<b>Total tax (note 6b)</b>	<b>4,410</b>	<b>867</b>

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

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2017: 20%). The differences are explained below:

	2018 £000	2017 £000
Net revenue before taxation	20,490	15,261
Corporation tax at 20% (2017: 20%)	4,098	3,052
Effects of:		
Irrecoverable overseas tax	4,410	867
Overseas dividends*	(6,657)	(5,375)
UK dividends**	(383)	(228)
Unused management expenses	2,942	2,551
<b>Tax charge for the year (note 6a)</b>	<b>4,410</b>	<b>867</b>

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

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

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

#### c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2017: 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 £22,583,337 (2017: £19,640,874) 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

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Final income	988	894
Final accumulation	15,092	13,500
<b>Total distributions</b>	<b>16,080</b>	<b>14,394</b>

Details of the distribution per share are set out in the distribution table on page 35.

### 8 Debtors

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Accrued revenue	704	509
Amounts receivable for issue of shares	18,631	916
Currency transactions awaiting settlement	3,818	1,378
Overseas withholding tax reclaimable	2,283	5,107
Sales awaiting settlement	1,958	-
<b>Total debtors</b>	<b>27,394</b>	<b>7,910</b>

### 9 Cash and bank balances

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Cash and bank balances	18,175	30,979
<b>Total cash and bank balances</b>	<b>18,175</b>	<b>30,979</b>

### 10 Other creditors

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Accrued annual management charge	1,091	1,092
Accrued Depositary's fee	6	6
Accrued other expenses	176	144
Amounts payable for cancellation of shares	1,531	777
Corporation tax payable	298	297
Currency transactions awaiting settlement	3,817	1,380
Purchases awaiting settlement	1,858	1,378
<b>Total other creditors</b>	<b>8,777</b>	<b>5,074</b>

### 11 Contingent assets, liabilities and commitments

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

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



## Notes to the financial statements (continued)

### 12 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party because it provides key management personnel services to the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 24 and 25 and notes 4, 8 and 10 on pages 26 to 28 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 (2017: nil).

### 13 Shareholders' funds

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

	2018	2017
	%	%
Class A	1.50	1.50
Class I	0.75	0.75
Class S*	0.00	0.00
Class Z*	0.00	0.00
Class I Euro	0.75	n/a

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the comparative tables on pages 15 to 17. The distribution per share class is given in the distribution table on page 35. All share classes have the same rights on winding up.

### Shares reconciliation as at 31 August 2018

	Class A accumulation	Class I accumulation	Class S income	Class Z accumulation	Class I Euro accumulation
Opening number of shares	229,913,165	116,905,981	12,272,579	101,640	-
Issues during the year	1,753,670	31,195,138	2,039,242	44,722	209,718
Cancellations during the year	(16,967,062)	(25,808,742)	(1,607,586)	(18,437)	(224)
Shares converted during the year	(1,851,163)	824,299	-	-	-
<b>Closing shares in issue</b>	<b>212,848,610</b>	<b>123,116,676</b>	<b>12,704,235</b>	<b>127,925</b>	<b>209,494</b>

### 14 Financial derivatives

The fund is permitted to use financial derivatives for 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 2018 (2017: nil).

The fund had no exposure to derivatives as at 31 August 2018 (2017: 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 income.

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.

2018 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral
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
Merrill Lynch	7,877	8,753	Equity
Morgan Stanley	6,320	6,654	Government Bond
Natixis	30,072	33,531	Equity
	<b>188,889</b>	<b>210,766</b>	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	171	26	145

## Notes to the financial statements (continued)

### 15 Stock lending (continued)

2017 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral
Abbey National	12,179	13,533	Equity
ABN Amro	233	259	Equity
Citigroup	16,184	17,983	Equity
Deutsche Bank	24,690	27,616	Equity
Merrill Lynch	14,788	16,432	Equity
Natixis	140	157	Equity
Société Générale	19,701	21,893	Equity
<b>Total</b>	<b>87,915</b>	<b>97,873</b>	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	140	21	119

### 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 £000	Total net assets £000
<b>2018</b>			
<b>Currency</b>			
Danish krone	188,335	1,009	189,345
Euro	702,567	1,510	704,076
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
<b>Total</b>	<b>1,196,441</b>	<b>35,803</b>	<b>1,232,244</b>

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Currency risk (continued)

	Investment assets £000	Other net assets £000	Total net assets £000
<b>2017</b>			
<b>Currency</b>			
Danish krone	149,223	484	149,707
Euro	708,175	2,367	710,542
Swedish krona	123,596	10	123,606
Swiss franc	147,613	2,370	149,983
UK sterling	64,043	27,687	91,730
US dollar	-	3	3
<b>Total</b>	<b>1,192,650</b>	<b>32,921</b>	<b>1,225,571</b>

#### Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £1,128,000 (2017: £1,133,841). 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 2018 and the net assets as at 31 August 2018 by £112,800 (2017: £113,384). 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 2018 and the net assets as at 31 August 2018 by £112,800 (2017: £113,384).

#### Interest rate risk

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

#### Other price risk

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

#### Leverage

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

#### Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2018</b>				
Distribution payable	-	988	-	-
Other creditors	-	8,777	-	-
<b>Total</b>	<b>-</b>	<b>9,765</b>	<b>-</b>	<b>-</b>

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2017</b>				
Distribution payable	-	894	-	-
Other creditors	-	5,074	-	-
<b>Total</b>	<b>-</b>	<b>5,968</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements (continued)

### 17 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,196,440	-	1,192,650	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	<u>1,196,440</u>	<u>-</u>	<u>1,192,650</u>	<u>-</u>

## Notes to the financial statements (continued)

### 18 Direct transaction costs

	Purchases		Sales	
	2018	2017	2018	2017
	£000	£000	£000	£000
<b>Trades in the year</b>				
Equities	424,069	365,369	416,717	362,089
<b>Trades in the year before transaction costs</b>	<b>424,069</b>	<b>365,369</b>	<b>416,717</b>	<b>362,089</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Equities	176	268	178	285
<b>Total commissions</b>	<b>176</b>	<b>268</b>	<b>178</b>	<b>285</b>
<b>Taxes</b>				
Equities	233	136	-	-
<b>Total taxes</b>	<b>233</b>	<b>136</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Equities	172	232	-	-
<b>Total other expenses</b>	<b>172</b>	<b>232</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>581</b>	<b>636</b>	<b>178</b>	<b>285</b>
<b>Total net trades in the year after transaction costs</b>	<b>424,650</b>	<b>366,005</b>	<b>416,539</b>	<b>361,804</b>

	Purchases		Sales	
	2018	2017	2018	2017
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.07	0.04	0.08
<b>Taxes</b>				
Equities	0.05	0.04	-	-
<b>Other expenses</b>				
Equities	0.04	0.06	-	-
	<b>2018</b>	<b>2017</b>		
	<b>%</b>	<b>%</b>		

### Total transaction costs expressed as a percentage of net asset value

Commissions	0.03	0.06
Taxes	0.02	0.01
Other expenses	0.01	0.02
<b>Total costs</b>	<b>0.06</b>	<b>0.09</b>

There were no specie transfers during the year (2017: nil). There were no corporate actions during the year (2017: £18,997,790).

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 2018 was 0.08% (2017: 0.07%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

### 19 Events after the Balance sheet date

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

## Distribution table for the year ended 31 August 2018 (in pence per share)

### Final dividend distribution (accounting date 31 August 2018, paid on 31 October 2018)

Group 1: shares purchased prior to 1 September 2017

Group 2: shares purchased on or after 1 September 2017

	Distribution per share	Total distribution per share 31/10/18	Total distribution per share 31/10/17
<b>Class A accumulation</b>	1.7889	1.7889	1.9882
Group 1	1.7889	1.7889	1.9882
Group 2			
<b>Class I accumulation</b>	9.1568	9.1568	7.6315
Group 1	9.1568	9.1568	7.6315
Group 2			
<b>Class S income</b>	7.7786	7.7786	7.2826
Group 1	7.7786	7.7786	7.2826
Group 2			
<b>Class Z accumulation</b>	6.1410	6.1410	7.5136
Group 1	6.1410	6.1410	7.5136
Group 2			
<b>Class I Euro accumulation<sup>1,2</sup></b>	1.6914	1.6914	n/a
Group 1	1.6914	1.6914	n/a
Group 2			

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

<sup>2</sup> Class I Euro accumulation launched on 15 December 2017.

# Janus Henderson Global Equity Income Fund (formerly Henderson Global Equity Income Fund)

**Authorised Corporate Director's (ACD) report** for the year ended 31 August 2018

## 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 17 - 31 Aug 18	31 Aug 16 - 31 Aug 17	31 Aug 15 - 31 Aug 16	31 Aug 14 - 31 Aug 15	31 Aug 13 - 31 Aug 14
	%	%	%	%	%
<b>Janus Henderson Global Equity Income Fund</b>	4.4	14.4	22.2	3.4	9.2
<b>MSCI World Index</b>	12.7	18.8	26.0	4.1	13.4

Source: Morningstar, bid to bid and net of fees as at 12 noon valuation point, based on performance of Class A income. Benchmark values are in USD terms and as at close of business.

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 2018

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Swedbank 'A'	15,270	Wells Fargo	14,072
BASF	14,489	Bayer	13,367
Standard Chartered	13,187	GKN	12,904
Carnival	12,544	ITV	11,737
Occidental Petroleum	12,353	Standard Life Aberdeen	11,226
Medtronic	10,925	Deutsche Boerse	11,106
Tele2 'B'	10,651	United Parcel Service	11,078
UPM-Kymmene	9,844	Nielsen	10,739
BAWAG	9,520	NOS	10,113
Tenaris	8,733	Telenor	9,673
<b>Total purchases</b>	<b>215,790</b>	<b>Total sales</b>	<b>245,070</b>



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

### Investment review

The fund's total return over the year was 4.4%, compared with the total return of the MSCI World Index of 12.7% over the same period.

The US market continued to outperform during the year, with taxation reform aiding both corporates and the consumer. Although the US imposed tariffs on a number of imports, the effect on trade was relatively muted and economic data remained strong. The markets were very sensitive about tariff news flow, however, and this was reflected through more subdued performance from industrials and financials towards the end of the review year. European equities were lacklustre over the year, primarily as a result of Italian political uncertainty. This was despite a gradual recovery in the broader European economy. Over the year, the information technology and energy sectors contributed the most to performance.

The fund underperformed the benchmark during the year. This was largely as a result of country allocation, with the fund having an underweight position in the US market, as a result of its relatively low dividend yield, and an overweight position in Europe. The best performing holdings during the year were technology companies, including Microsoft, Cisco Systems and Maxim Integrated Products, and oil companies such as BP, Tenaris and Occidental Petroleum. The fund also benefited from its position in GKN, which was taken over by Melrose Industries at an attractive premium.

With Europe underperforming the MSCI World Index, the fund's overweight position in European financials was detrimental to performance. Companies such as ING, Nordea Bank and Natixis Banques Populaire all fell during the year. Following the share price weakness these companies trade at very attractive price to book multiples and offer attractive yields and as a result the positions were maintained. The fund's position in Bayer also detracted from returns during the year. Having completed the takeover of Monsanto, the company was subject to a large penalty in the US following a court case involving Monsanto's glyphosate product. Owing to the protracted legal issues and uncertainty that the company now faces, the decision was taken to exit the position.

We added positions in cruising company Carnival, oil group Occidental Petroleum and Nordic bank Swedbank. Carnival has a leading position in the consolidated cruising industry, which has very attractive long term demand drivers as a result of an ageing population and a well invested, attractive holiday offering. From time to time, the market focuses excessively on the short term effects of the oil price and capacity additions. This allowed us to purchase the company's shares when they were valued at 12x forward earnings with a 3.5% dividend yield and a strong balance sheet.

Occidental is largely an upstream oil company with a strong balance sheet and asset base, including a leading position in the Permian basin. The company is highly committed to its dividend and believes it can generate 5–8% production growth at current oil prices. Swedbank meanwhile has leading market positions, earns a high return on equity, has a very strong capital position and at the date of purchase was yielding more than 6%.

We funded these positions by exiting the positions in Iron Mountain, HP and Standard Life Aberdeen. Iron Mountain and HP both performed well and reached the valuation targets set. A reappraisal of the holding in Standard Life Aberdeen was carried out post the completion of the merger and as the outlook looked more challenging than the market was expecting, we decided to sell our position.

The global economy saw strong gross domestic product (GDP) growth over the past year, resulting in good earnings, cash flow and dividend growth. Despite the imposition of tariffs and continued political uncertainty in some European countries, we still expect that GDP growth will remain robust. Against this backdrop, we will continue to execute our existing strategy of identifying companies that pay an attractive and sustainable dividend and which have the capacity to grow over the medium to long term.

## Comparative tables for the year ended 31 August 2018

	Class A accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	356.58	310.52	253.41
Return before operating charges*	19.21	51.83	61.85
Operating charges	(6.18)	(5.77)	(4.74)
Return after operating charges*	13.03	46.06	57.11
Distributions on accumulation shares	(11.23)	(11.36)	(10.19)
Retained distributions on accumulation shares	11.23	11.36	10.19
Closing net asset value per share	369.61	356.58	310.52
* after direct transaction costs of:	0.20	0.20	0.18
<b>Performance</b>			
Return after charges	3.65%	14.83%	22.54%
<b>Other information</b>			
Closing net asset value (£000s)	164,208	169,609	158,617
Closing number of shares	44,426,889	47,565,303	51,080,346
Operating charges	1.73%	1.73%	1.74%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (pence)	377.10	356.80	317.40
Lowest share price (pence)	330.10	304.00	246.00
	Class A income		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	62.15	55.96	47.36
Return before operating charges*	3.29	9.24	11.36
Operating charges	(1.07)	(1.03)	(0.88)
Return after operating charges*	2.22	8.21	10.48
Distributions on income shares	(1.94)	(2.02)	(1.88)
Closing net asset value per share	62.43	62.15	55.96
* after direct transaction costs of:	0.03	0.04	0.03
<b>Performance</b>			
Return after charges	3.57%	14.67%	22.13%
<b>Other information</b>			
Closing net asset value (£000s)	431,503	446,672	455,401
Closing number of shares	691,180,203	718,680,004	813,810,325
Operating charges	1.73%	1.73%	1.74%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (pence)	64.10	62.70	57.67
Lowest share price (pence)	57.00	54.79	45.77

## Comparative tables (continued)

	Class G accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	140.22	120.91	100.90 <sup>1</sup>
Return before operating charges*	7.60	20.28	20.87
Operating charges	(1.04)	(0.97)	(0.86)
Return after operating charges*	6.56	19.31	20.01
Distributions on accumulation shares	(4.68)	(4.64)	(3.27)
Retained distributions on accumulation shares	4.68	4.64	3.27
Closing net asset value per share	146.78	140.22	120.91
* after direct transaction costs of:	0.08	0.08	0.08
<b>Performance</b>			
Return after charges	4.68%	15.97%	19.83%
<b>Other information</b>			
Closing net asset value (£000s)	6,191	6,588	4,181
Closing number of shares	4,218,186	4,698,530	3,458,012
Operating charges	0.74%	0.74%	0.75%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (pence)	149.70	140.20	123.50
Lowest share price (pence)	130.50	118.40	95.51

<sup>1</sup> Class G accumulation launched on 26 February 2016 and this is the first published price.

	Class G income		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	131.64	117.52	100.90 <sup>2</sup>
Return before operating charges*	7.00	19.50	20.70
Operating charges	(0.97)	(0.93)	(0.84)
Return after operating charges*	6.03	18.57	19.86
Distributions on income shares	(4.35)	(4.45)	(3.24)
Closing net asset value per share	133.32	131.64	117.52
* after direct transaction costs of:	0.07	0.08	0.08
<b>Performance</b>			
Return after charges	4.58%	15.80%	19.68%
<b>Other information</b>			
Closing net asset value (£000s)	16,229	31,220	19,537
Closing number of shares	12,172,252	23,716,745	16,625,034
Operating charges	0.74%	0.74%	0.75%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (pence)	136.80	132.70	121.10
Lowest share price (pence)	121.30	115.10	95.51

<sup>2</sup> Class G income launched on 26 February 2016 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	152.49	131.63	106.46 <sup>2</sup>
Return before operating charges*	8.26	22.06	26.16
Operating charges	(1.29)	(1.20)	(0.99)
Return after operating charges*	6.97	20.86	25.17
Distributions on accumulation shares	(5.04)	(5.01)	(4.46)
Retained distributions on accumulation shares	5.04	5.01	4.46
Closing net asset value per share	159.46	152.49	131.63
* after direct transaction costs of:	0.09	0.09	0.08
<b>Performance</b>			
Return after charges	4.57%	15.85%	23.64%
<b>Other information</b>			
Closing net asset value (£000s)	57,750	47,973	38,583
Closing number of shares	36,215,377	31,459,326	29,312,184
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (pence)	162.60	152.40	134.50
Lowest share price (pence)	141.90	128.90	103.40
	Class I income		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	131.83	117.79	98.94
Return before operating charges*	6.99	19.53	23.84
Operating charges	(1.10)	(1.06)	(0.90)
Return after operating charges*	5.89	18.47	22.94
Distributions on income shares	(4.31)	(4.43)	(4.09)
Closing net asset value per share	133.41	131.83	117.79
* after direct transaction costs of:	0.07	0.08	0.07
<b>Performance</b>			
Return after charges	4.47%	15.68%	23.19%
<b>Other information</b>			
Closing net asset value (£000s)	138,325	132,514	126,512
Closing number of shares	103,686,103	100,519,852	107,403,754
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (pence)	136.90	132.90	121.40
Lowest share price (pence)	121.40	115.40	95.96

## Comparative tables (continued)

	Class S income		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	134.35	119.17	99.34
Return before operating charges*	7.18	19.82	24.06
Operating charges	(0.08)	(0.08)	(0.07)
Return after operating charges*	7.10	19.74	23.99
Distributions on income shares	(4.45)	(4.56)	(4.16)
Closing net asset value per share	137.00	134.35	119.17
* after direct transaction costs of:	0.08	0.08	0.07
<b>Performance</b>			
Return after charges	5.28%	16.56%	24.15%
<b>Other information</b>			
Closing net asset value (£000s)	2,426	2,714	2,427
Closing number of shares	1,770,672	2,020,321	2,036,586
Operating charges	0.06%	0.06%	0.07%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (pence)	140.50	135.40	122.80
Lowest share price (pence)	124.30	116.70	96.54
	Class A Euro accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	66.42	57.83	46.85
Return before operating charges*	3.58	9.65	11.84
Operating charges	(1.13)	(1.06)	(0.86)
Return after operating charges*	2.45	8.59	10.98
Distributions on accumulation shares	(2.12)	(2.13)	(1.92)
Retained distributions on accumulation shares	2.12	2.13	1.92
Closing net asset value per share	68.87	66.42	57.83
* after direct transaction costs of:	0.04	0.04	0.03
<b>Performance</b>			
Return after charges	3.69%	14.85%	23.44%
<b>Other information</b>			
Closing net asset value (£000s)	890	849	1
Closing number of shares	1,292,884	1,278,241	2,000
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (Euro cents)	78.34	75.61	70.97
Lowest share price (Euro cents)	70.54	65.24	58.61

## Comparative tables (continued)

	Class A Euro income		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	57.55	51.81	43.85
Return before operating charges*	3.03	8.56	10.52
Operating charges	(0.97)	(0.94)	(0.80)
Return after operating charges*	2.06	7.62	9.72
Distributions on income shares	(1.81)	(1.88)	(1.76)
Closing net asset value per share	57.80	57.55	51.81
* after direct transaction costs of:	0.03	0.03	0.03
<b>Performance</b>			
Return after charges	3.58%	14.71%	22.17%
<b>Other information</b>			
Closing net asset value (£000s)	1,487	1,454	788
Closing number of shares	2,571,772	2,526,718	1,521,046
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (Euro cents)	67.52	66.99	65.60
Lowest share price (Euro cents)	60.53	58.47	54.12
	Class A US Dollar accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	461.15	401.40	325.33
Return before operating charges*	24.73	67.10	82.72
Operating charges	(7.85)	(7.35)	(6.65)
Return after operating charges*	16.88	59.75	76.07
Distributions on accumulation shares	(14.70)	(14.81)	(13.26)
Retained distributions on accumulation shares	14.70	14.81	13.26
Closing net asset value per share	478.03	461.15	401.40
* after direct transaction costs of:	0.26	0.26	0.27
<b>Performance</b>			
Return after charges	3.66%	14.89%	23.38%
<b>Other information</b>			
Closing net asset value (£000s)	103	102	85
Closing number of shares	21,460	22,138	21,127
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (USD cents)	670.69	598.84	531.44
Lowest share price (USD cents)	591.68	500.79	461.54

## Comparative tables (continued)

	Class A US Dollar income		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	43.77	39.40	33.36
Return before operating charges*	2.30	6.52	7.98
Operating charges	(0.74)	(0.71)	(0.61)
Return after operating charges*	1.56	5.81	7.37
Distributions on income shares	(1.38)	(1.44)	(1.33)
Closing net asset value per share	43.95	43.77	39.40
* after direct transaction costs of:	0.02	0.03	0.02
<b>Performance</b>			
Return after charges	3.56%	14.75%	22.09%
<b>Other information</b>			
Closing net asset value (£000s)	477	864	697
Closing number of shares	1,085,736	1,973,842	1,769,149
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (USD cents)	63.33	57.30	53.90
Lowest share price (USD cents)	55.95	48.86	46.68

	Class I Euro accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	88.49 <sup>5</sup>	118.16	96.05
Return before operating charges*	4.73	17.35	22.99
Operating charges	(0.68)	(0.93)	(0.88)
Return after operating charges*	4.05	16.42	22.11
Distributions on accumulation shares	(2.78)	(3.38)	(4.04)
Retained distributions on accumulation shares	2.78	3.38	4.04
Final cancellation price per share	-	(134.58) <sup>3</sup>	-
Closing net asset value per share	92.54	-	118.16
* after direct transaction costs of:	0.05	0.08	0.07
<b>Performance</b>			
Return after charges	4.58%	13.90%	23.02%
<b>Other information</b>			
Closing net asset value (£000s)	1	-	77
Closing number of shares	1,000	-	64,809
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (Euro cents)	104.70	156.20 <sup>4</sup>	144.90
Lowest share price (Euro cents)	94.45	134.20 <sup>4</sup>	119.80

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

<sup>4</sup> to 14 July 2017

<sup>5</sup> 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)	2016 (pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	105.52	89.70
Return before operating charges*	15.70	20.32
Operating charges	(0.85)	(0.81)
Return after operating charges*	14.85	19.51
Distributions on income shares	(2.99)	(3.69)
Final cancellation price per share	(117.38) <sup>6</sup>	-
Closing net asset value per share	-	105.52
* after direct transaction costs of:	0.07	0.06
<b>Performance</b>		
Return after charges	14.07%	21.75%
<b>Other information</b>		
Closing net asset value (£000s)	-	1
Closing number of shares	-	1,000
Operating charges	0.84%	0.85%
Direct transaction costs	0.06%	0.07%
<b>Prices</b>		
Highest share price (Euro cents)	137.90 <sup>7</sup>	133.50
Lowest share price (Euro cents)	119.90 <sup>7</sup>	110.40

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

<sup>7</sup> to 25 July 2017

	Class I US Dollar accumulation	
	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	90.60	73.25
Return before operating charges*	12.73	18.02
Operating charges	(0.68)	(0.67)
Return after operating charges*	12.05	17.35
Distributions on accumulation shares	(2.58)	(3.07)
Retained distributions on accumulation shares	2.58	3.07
Final cancellation price per share	(102.65) <sup>8</sup>	-
Closing net asset value per share	-	90.60
* after direct transaction costs of:	0.06	0.05
<b>Performance</b>		
Return after charges	13.30%	23.69%
<b>Other information</b>		
Closing net asset value (£000s)	-	23
Closing number of shares	-	25,572
Operating charges	0.84%	0.85%
Direct transaction costs	0.06%	0.07%
<b>Prices</b>		
Highest share price (USD cents)	113.30 <sup>9</sup>	119.90
Lowest share price (USD cents)	113.30 <sup>9</sup>	103.60

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

<sup>9</sup> to 14 July 2017



## Comparative tables (continued)

	Class I US Dollar income		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	90.50	80.87	68.40
Return before operating charges*	4.81	13.39	15.90
Operating charges	(0.76)	(0.73)	(0.62)
Return after operating charges*	4.05	12.66	15.28
Distributions on income shares	(2.96)	(3.03)	(2.81)
Closing net asset value per share	91.59	90.50	80.87
* after direct transaction costs of:	0.05	0.05	0.05
<b>Performance</b>			
Return after charges	4.48%	15.65%	22.34%
<b>Other information</b>			
Closing net asset value (£000s)	205	201	33
Closing number of shares	223,903	222,492	40,293
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.06%	0.06%	0.07%
<b>Prices</b>			
Highest share price (USD cents)	131.40	118.40	110.00
Lowest share price (USD cents)	116.20	100.50	95.40

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

Performance values are at close of business and may differ from the performance summary.

### Operating charges

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

### Share class launches and closures

The following share class relaunched in the year:

Share class	Relaunch date
Class I Euro accumulation	3 October 2017

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.

	<b>2018</b> %	<b>2017</b> %
<b>Class A</b>	1.73	1.73
<b>Class G</b>	0.74	0.74
<b>Class I</b>	0.84	0.84
<b>Class S</b>	0.06	0.06
<b>Class A Euro</b>	1.70	1.70
<b>Class A US Dollar</b>	1.70	1.70
<b>Class I Euro</b> <sup>1,2</sup>	0.84	n/a
<b>Class I US Dollar</b> <sup>3</sup>	0.84	0.84

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

<sup>1</sup> Class I Euro accumulation closed on 14 July 2017; and relaunched on 4 October 2017.

<sup>2</sup> Class I Euro income closed on 25 July 2017.

<sup>3</sup> Class I US Dollar accumulation closed on 14 July 2017.

## Risk and reward profile

The fund currently has 13 types of share class in issue; A accumulation, A income, I accumulation, I income, G accumulation, G 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 Synthetic Risk and Reward Indicator (SRRI) is calculated based on historical volatility over a rolling 5<sup>1</sup> 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 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 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 have been no changes to the risk ratings in the year.

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

<sup>1</sup> Class G launched on 20 February 2016, 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 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 99.86% (2017: 99.01%)</b>		
	<b>Australia 1.02% (2017: 0.00%)</b>		
	<b>Materials 1.02% (2017: 0.00%)</b>		
507,269	BHP Billiton	8,338	1.02
	<b>Austria 0.98% (2017: 0.00%)</b>		
	<b>Financials 0.98% (2017: 0.00%)</b>		
223,018	BAWAG	7,998	0.98
	<b>Canada 1.90% (2017: 0.85%)</b>		
	<b>Financials 0.78% (2017: 0.00%)</b>		
456,663	Manulife Financial	6,432	0.78
	<b>Materials 1.12% (2017: 0.85%)</b>		
210,072	Nutrien	9,119	1.12
	<b>China 0.87% (2017: 1.00%)</b>		
	<b>Financials 0.87% (2017: 1.00%)</b>		
20,584,000	Bank of China	7,123	0.87
	<b>Denmark 2.64% (2017: 1.93%)</b>		
	<b>Consumer Discretionary 0.49% (2017: 0.00%)</b>		
87,903	Pandora	4,036	0.49
	<b>Consumer Staples 1.26% (2017: 0.90%)</b>		
108,965	Carlsberg	10,273	1.26
	<b>Health Care 0.89% (2017: 1.03%)</b>		
192,356	Novo Nordisk 'B'	7,301	0.89
	<b>Finland 1.78% (2017: 0.00%)</b>		
	<b>Materials 1.78% (2017: 0.00%)</b>		
491,283	UPM-Kymmene	14,596	1.78
	<b>France 6.81% (2017: 8.25%)</b>		
	<b>Energy 1.66% (2017: 1.35%)</b>		
282,351	Total	13,616	1.66
	<b>Financials 2.63% (2017: 3.10%)</b>		
391,665	AXA	7,624	0.93
1,506,040	Natixis Banques Populaire	7,749	0.94
197,481	Société Générale	6,228	0.76
		21,601	2.63
	<b>Real Estate 0.88% (2017: 2.12%)</b>		
153,044	Nexity	7,199	0.88
	<b>Telecommunication Services 1.64% (2017: 1.68%)</b>		
1,074,144	Orange	13,409	1.64

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Germany 6.90% (2017: 8.39%)</b>		
	<b>Financials 0.00% (2017: 1.36%)</b>		
	<b>Health Care 0.00% (2017: 1.96%)</b>		
	<b>Industrials 4.02% (2017: 3.60%)</b>		
583,571	Deutsche Post	16,351	1.99
165,672	Siemens	16,578	2.03
		<u>32,929</u>	<u>4.02</u>
	<b>Materials 1.65% (2017: 0.00%)</b>		
190,501	BASF	<u>13,566</u>	<u>1.65</u>
	<b>Telecommunication Services 1.23% (2017: 1.47%)</b>		
810,589	Deutsche Telekom	<u>10,082</u>	<u>1.23</u>
	<b>Hong Kong 0.00% (2017: 1.36%)</b>		
	<b>Industrials 0.00% (2017: 1.36%)</b>		
	<b>Israel 0.00% (2017: 0.51%)</b>		
	<b>Telecommunication Services 0.00% (2017: 0.51%)</b>		
	<b>Italy 1.38% (2017: 1.66%)</b>		
	<b>Utilities 1.38% (2017: 1.66%)</b>		
2,977,299	Enel	<u>11,348</u>	<u>1.38</u>
	<b>Japan 1.26% (2017: 3.47%)</b>		
	<b>Consumer Discretionary 0.00% (2017: 0.96%)</b>		
	<b>Consumer Staples 0.00% (2017: 1.26%)</b>		
	<b>Financials 1.26% (2017: 1.25%)</b>		
2,212,800	Mitsubishi UFJ Financial	<u>10,298</u>	<u>1.26</u>
	<b>Luxembourg 0.91% (2017: 0.00%)</b>		
	<b>Energy 0.91% (2017: 0.00%)</b>		
578,260	Tenaris	<u>7,462</u>	<u>0.91</u>
	<b>Netherlands 4.05% (2017: 4.50%)</b>		
	<b>Energy 1.82% (2017: 1.51%)</b>		
595,640	Royal Dutch Shell 'A'	<u>14,925</u>	<u>1.82</u>
	<b>Financials 1.61% (2017: 2.17%)</b>		
1,263,068	ING	<u>13,215</u>	<u>1.61</u>
	<b>Real Estate 0.62% (2017: 0.82%)</b>		
170,162	Eurocommercial Properties	<u>5,060</u>	<u>0.62</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Norway 0.00% (2017: 1.13%)</b>		
	<b>Telecommunication Services 0.00% (2017: 1.13%)</b>		
	<b>Portugal 0.00% (2017: 1.31%)</b>		
	<b>Consumer Discretionary 0.00% (2017: 1.31%)</b>		
	<b>South Korea 1.46% (2017: 2.58%)</b>		
	<b>Information Technology 1.46% (2017: 1.52%)</b>		
436,650	Samsung Electronics Preference Shares	11,981	1.46
	<b>Telecommunication Services 0.00% (2017: 1.06%)</b>		
	<b>Spain 0.97% (2017: 1.22%)</b>		
	<b>Industrials 0.97% (2017: 1.22%)</b>		
4,457,091	Prosegur Cash	7,932	0.97
	<b>Sweden 4.28% (2017: 1.39%)</b>		
	<b>Financials 2.99% (2017: 1.39%)</b>		
1,121,353	Nordea Bank	9,313	1.14
848,160	Swedbank 'A'	15,185	1.85
		24,498	2.99
	<b>Telecommunication Services 1.29% (2017: 0.00%)</b>		
1,114,307	Tele2 'B'	10,603	1.29
	<b>Switzerland 5.18% (2017: 6.44%)</b>		
	<b>Consumer Staples 1.70% (2017: 2.05%)</b>		
215,857	Nestlé	13,971	1.70
	<b>Health Care 3.48% (2017: 4.39%)</b>		
256,228	Novartis	16,384	2.01
63,074	Roche Participation Certificates	12,080	1.47
		28,464	3.48
	<b>Taiwan 1.60% (2017: 1.89%)</b>		
	<b>Information Technology 1.60% (2017: 1.89%)</b>		
390,902	Taiwan Semiconductor Manufacturing ADS	13,113	1.60
	<b>United Kingdom 16.01% (2017: 18.18%)</b>		
	<b>Consumer Discretionary 0.00% (2017: 2.03%)</b>		
43,680	Specialist Investment Properties <sup>1</sup>	-	-
	<b>Consumer Staples 5.57% (2017: 7.32%)</b>		
95,726	British American Tobacco ADR	3,564	0.43
534,008	Diageo	14,389	1.76
570,018	Imperial Brands	15,640	1.90
274,420	Unilever	12,171	1.48
		45,764	5.57

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Energy 1.62% (2017: 1.28%)</b>		
2,423,141	BP	13,262	1.62
	<b>Financials 2.35% (2017: 1.97%)</b>		
511,359	Prudential	8,872	1.08
1,659,165	Standard Chartered	10,405	1.27
		19,277	2.35
	<b>Industrials 3.36% (2017: 3.58%)</b>		
1,385,745	BAE Systems	8,398	1.02
1,123,653	RELX	19,171	2.34
		27,569	3.36
	<b>Information Technology 0.42% (2017: 0.00%)</b>		
576,951	Sage	3,435	0.42
	<b>Materials 1.25% (2017: 1.25%)</b>		
149,417	Rio Tinto	6,036	0.73
115,712	Rio Tinto (UK Listing)	4,234	0.52
		10,270	1.25
	<b>Real Estate 0.87% (2017: 0.00%)</b>		
1,508,177	Hammerson REIT	7,105	0.87
	<b>Telecommunication Services 0.57% (2017: 0.75%)</b>		
2,839,249	Vodafone	4,671	0.57
	<b>United States 39.86% (2017: 32.95%)</b>		
	<b>Consumer Discretionary 6.48% (2017: 3.91%)</b>		
158,956	Best Buy	9,728	1.19
281,781	Carnival	13,328	1.62
301,758	General Motors	8,367	1.02
430,506	Hanesbrands	5,810	0.71
78,433	Hasbro	5,992	0.73
197,029	Las Vegas Sands	9,917	1.21
		53,142	6.48
	<b>Consumer Staples 2.11% (2017: 2.49%)</b>		
312,684	Coca-Cola	10,720	1.31
109,217	Philip Morris International	6,543	0.80
		17,263	2.11
	<b>Energy 4.32% (2017: 2.18%)</b>		
209,515	Chevron	19,097	2.33
265,959	Occidental Petroleum	16,341	1.99
		35,438	4.32

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Financials 3.56% (2017: 4.71%)</b>		
452,242	Blackstone	12,843	1.57
185,054	JPMorgan Chase	16,302	1.99
		<u>29,145</u>	<u>3.56</u>
	<b>Health Care 6.63% (2017: 4.03%)</b>		
80,070	CVS Health	4,633	0.57
79,824	Johnson & Johnson	8,265	1.01
181,753	Medtronic	13,480	1.64
878,368	Pfizer	28,052	3.41
		<u>54,430</u>	<u>6.63</u>
	<b>Industrials 0.83% (2017: 4.01%)</b>		
50,302	Watsco	6,772	0.83
	<b>Information Technology 10.62% (2017: 7.07%)</b>		
525,203	Cisco Systems	19,299	2.35
297,118	Maxim Integrated Products	13,823	1.69
544,328	Microsoft	47,040	5.73
345,735	Sabre	6,943	0.85
19	TCH Investments <sup>1</sup>	-	-
		<u>87,105</u>	<u>10.62</u>
	<b>Materials 1.67% (2017: 1.02%)</b>		
253,392	DowDuPont	13,666	1.67
	<b>Real Estate 2.39% (2017: 2.45%)</b>		
129,716	Crown Castle	11,379	1.39
160,185	CyrusOne	8,235	1.00
		<u>19,614</u>	<u>2.39</u>
	<b>Telecommunication Services 1.25% (2017: 1.08%)</b>		
245,013	Verizon Communications	10,247	1.25
	<b>Bonds 0.00% (2017: 0.00%)</b>		
	<b>Italy 0.00% (2017: 0.00%)</b>		
	<b>Fixed Rate Bond 0.00% (2017: 0.00%)</b>		
GBP 1,361,464	Parmalat Capital Finance 9.375% Perpetual <sup>2</sup>	-	-
	<b>United Kingdom 0.00% (2017: 0.00%)</b>		
	<b>Fixed Rate Bond 0.00% (2017: 0.00%)</b>		
GBP 139,071	Polestar 12.50% 30/06/2011 <sup>2</sup>	-	-
	<b>Investment assets</b>	<b>818,663</b>	<b>99.86</b>
	Other net assets	1,132	0.14
	<b>Total net assets</b>	<b>819,795</b>	<b>100.00</b>

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

<sup>2</sup> Defaulted

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 2018

	Note	2018		2017	
		£000	£000	£000	£000
Income					
Net capital gains	2		15,034		99,521
Revenue	3	31,869		32,365	
Expenses	4	(12,231)		(12,544)	
Interest payable and similar charges	5	(5)		(4)	
Net revenue before taxation		19,633		19,817	
Taxation	6	(4,192)		(2,354)	
Net revenue after taxation			15,441		17,463
Total return before distributions			30,475		116,984
Distributions	7		(26,086)		(28,316)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>4,389</b>		<b>88,668</b>

## Statement of change in net assets attributable to shareholders for the year ended 31 August 2018

	2018		2017	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>840,760</b>		<b>806,963</b>
Amounts receivable on issue of shares	45,420		42,985	
Amounts payable on cancellation of shares	(78,159)		(105,356)	
		(32,739)		(62,371)
Dilution adjustment		-		42
Change in net assets attributable to shareholders from investment activities		4,389		88,668
Retained distributions on accumulation shares		7,216		7,289
Unclaimed distributions		169		169
<b>Closing net assets attributable to shareholders</b>		<b>819,795</b>		<b>840,760</b>

**Balance sheet** as at 31 August 2018

	Note	2018 £000	2017 £000
<b>Assets:</b>			
Investments		818,663	832,411
Current assets:			
Debtors	8	4,533	7,503
Cash and bank balances	9	2,696	23,661
<b>Total assets</b>		<b>825,892</b>	<b>863,575</b>
<b>Liabilities:</b>			
Creditors:			
Distributions payable		3,584	4,986
Other creditors	10	2,513	17,829
<b>Total liabilities</b>		<b>6,097</b>	<b>22,815</b>
<b>Net assets attributable to shareholders</b>		<b>819,795</b>	<b>840,760</b>

## Notes to the financial statements for the year ended 31 August 2018

### 1 Accounting policies

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

### 2 Net capital gains

Net capital gains on investments during the year comprise:

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Forward currency contracts	(374)	(283)
Non-derivative securities	15,629	99,530
Other currency (losses)/gains	(206)	288
Transaction costs	(15)	(14)
<b>Net capital gains</b>	<b>15,034</b>	<b>99,521</b>

### 3 Revenue

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Bank interest	21	65
Overseas dividends	26,096	25,835
Overseas REIT revenue	721	803
Stock lending revenue	32	23
UK dividends	4,832	5,639
UK REIT revenue - PID	167	-
<b>Total revenue</b>	<b>31,869</b>	<b>32,365</b>

### 4 Expenses

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	10,644	10,900
GAC*	1,449	1,491
	<u>12,093</u>	<u>12,391</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	56	66
Safe custody fees	68	78
	<u>124</u>	<u>144</u>
<b>Other expenses:</b>		
Dividend collection charges	9	9
Professional fees	5	-
	<u>14</u>	<u>9</u>
<b>Total expenses</b>	<b>12,231</b>	<b>12,544</b>

Irrecoverable VAT is included in the above expenses where relevant.

\*The current audit fee, which is levied through the GAC, is £10,017 (2017: £9,725).

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2018 £000	2017 £000
Interest payable	5	4
<b>Total interest payable and similar charges</b>	<b>5</b>	<b>4</b>

### 6 Taxation

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

The tax charge comprises:

	2018 £000	2017 £000
<b>Current tax</b>		
Overseas withholding tax	4,192	2,354
<b>Total tax (note 6b)</b>	<b>4,192</b>	<b>2,354</b>

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

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2017: 20%). The differences are explained below:

	2018 £000	2017 £000
Net revenue before taxation	19,633	19,817
Corporation tax at 20% (2017: 20%)	3,927	3,963
Effects of:		
Irrecoverable overseas tax	4,192	2,354
Overseas dividends*	(5,043)	(4,971)
Tax effect of expensed double taxation relief	(6)	(45)
UK dividends**	(967)	(1,128)
Unused management expenses	2,089	2,181
<b>Tax charge for the year (note 6a)</b>	<b>4,192</b>	<b>2,354</b>

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

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

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

#### c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2017: 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 £26,166,547 (2017: £24,077,404) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

## Notes to the financial statements (continued)

### 7 Distributions

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

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Interim income	15,201	15,758
Interim accumulation	5,832	5,485
Final income	3,584	4,986
Final accumulation	1,384	1,804
	<u>26,001</u>	<u>28,033</u>
Amounts deducted on cancellation of shares	306	451
Amounts received on issue of shares	(221)	(168)
<b>Total distributions</b>	<b><u>26,086</u></b>	<b><u>28,316</u></b>
Net revenue after taxation	15,441	17,463
Annual management charge borne by the capital account	10,644	10,900
Equalisation on conversions	1	1
Tax relief on capital expenses	-	(48)
<b>Total distributions</b>	<b><u>26,086</u></b>	<b><u>28,316</u></b>

Details of the distribution per share are set out in the distribution tables on pages 65 to 72.

### 8 Debtors

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Accrued revenue	2,310	2,290
Amounts receivable for issue of shares	177	340
Amounts receivable on mergers	-	13
Currency transactions awaiting settlement	321	1,902
Overseas withholding tax reclaimable	1,404	2,958
Sales awaiting settlement	321	-
<b>Total debtors</b>	<b><u>4,533</u></b>	<b><u>7,503</u></b>

### 9 Cash and bank balances

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Cash and bank balances	2,696	23,661
<b>Total cash and bank balances</b>	<b><u>2,696</u></b>	<b><u>23,661</u></b>

## Notes to the financial statements (continued)

### 10 Other creditors

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Accrued annual management charge	914	924
Accrued Depositary's fee	5	5
Accrued other expenses	157	140
Amounts payable for cancellation of shares	1,116	991
Currency transactions awaiting settlement	321	1,898
Purchases awaiting settlement	-	13,871
<b>Total other creditors</b>	<b>2,513</b>	<b>17,829</b>

### 11 Contingent liabilities and commitments

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

### 12 Related party transactions

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

Transactions with the ACD are as follows:

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

"There were no material shareholders at the year end (2017: nil).

### 13 Shareholders' funds

The fund currently has 8 share classes available; Class A (Retail with front end charges), Class G (Institutional), Class I (Institutional), Class S, Class A Euro, Class A US Dollar, Class I Euro and Class I US Dollar. The annual management charge on each share class is as follows:

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Class A	1.50	1.50
Class G	0.675	0.675
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	n/a
Class I US Dollar	0.75	0.75

\* 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 38 to 45. The distribution per share class is given in the distribution tables on pages 65 to 72. 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 2018

	<b>Class A accumulation</b>	<b>Class A income</b>	<b>Class G accumulation</b>	<b>Class G income</b>
Opening number of shares	47,565,303	718,680,004	4,698,530	23,716,745
Issues during the year	2,793,333	18,078,896	716,670	3,575,410
Cancellations during the year	(5,126,734)	(43,292,994)	(1,197,014)	(13,447,153)
Shares converted during the year	(805,013)	(2,285,703)	-	(1,672,750)
	-	-	-	-
<b>Closing shares in issue</b>	<b>44,426,889</b>	<b>691,180,203</b>	<b>4,218,186</b>	<b>12,172,252</b>

	<b>Class I accumulation</b>	<b>Class I income</b>	<b>Class S income</b>	<b>Class A Euro accumulation</b>
Opening number of shares	31,459,326	100,519,852	2,020,321	1,278,241
Issues during the year	6,063,503	5,836,819	424,938	14,643
Cancellations during the year	(2,556,292)	(6,151,398)	(674,587)	-
Shares converted during the year	1,248,840	3,480,830	-	-
	-	-	-	-
<b>Closing shares in issue</b>	<b>36,215,377</b>	<b>103,686,103</b>	<b>1,770,672</b>	<b>1,292,884</b>

	<b>Class A Euro income</b>	<b>Class A US Dollar accumulation</b>	<b>Class A US Dollar income</b>	<b>Class I Euro accumulation</b>
Opening number of shares	2,526,718	22,138	1,973,842	-
Issues during the year	252,018	-	71,564	1,000
Cancellations during the year	(206,964)	(678)	(959,670)	-
Shares converted during the year	-	-	-	-
	-	-	-	-
<b>Closing shares in issue</b>	<b>2,571,772</b>	<b>21,460</b>	<b>1,085,736</b>	<b>1,000</b>

	<b>Class I US Dollar income</b>
Opening number of shares	222,492
Issues during the year	1,411
Cancellations during the year	-
Shares converted during the year	-
	-
<b>Closing shares in issue</b>	<b>223,903</b>

## Notes to the financial statements (continued)

### 14 Financial derivatives

The fund may use financial derivatives for 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 2018 (2017: nil).

#### 2018

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

#### 2017

At 31 August 2017 the underlying exposure for the derivatives held was as follows:

<b>Counterparty</b>	<b>Forward foreign exchange contracts £000</b>
BNP Paribas	11
	<hr/> <b>11</b> <hr/>

### 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 income.

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.

<b>2018 Counterparty</b>	<b>Total market value of stock on loan £000</b>	<b>Amount of collateral received £000</b>	<b>Type of collateral</b>	
Citigroup	1,130	1,256	Equity	
HSBC	788	875	Equity	
JP Morgan	5,542	6,294	Equity	
Natixis	9,278	10,343	Equity	
	<hr/> <b>16,738</b> <hr/>	<hr/> <b>18,768</b> <hr/>		
<b>Recipient</b>	<b>Relationship</b>	<b>Gross income £000</b>	<b>Direct and indirect expenses £000</b>	<b>Net income £000</b>
BNP Paribas	Stock lending agent	38	6	32



## Notes to the financial statements (continued)

### 15 Stock lending (continued)

2017 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral
JP Morgan	7,986	8,874	Equity
Natixis	1,551	1,724	Equity
	<b>9,537</b>	<b>10,598</b>	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	27	4	23

### 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.

2018 Currency	Investment assets £000	Other net assets/ (liabilities) £000	Total net assets £000
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
<b>Total</b>	<b>818,663</b>	<b>1,132</b>	<b>819,795</b>

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Currency risk (continued)

	Investment assets	Other net assets/ (liabilities)	Total net assets
2017	£000	£000	£000
<b>Currency</b>			
Australian dollar	6,162	284	6,446
Canadian dollar	-	154	154
Danish Krone	16,189	-	16,189
Euro	250,595	1,123	251,718
Hong Kong dollar	19,795	-	19,795
Israeli new shekel	4,265	157	4,422
Japanese yen	29,165	382	29,547
Korean won	12,826	131	12,957
Norwegian krone	9,530	292	9,822
Swedish krona	11,702	-	11,702
Swiss franc	54,124	1,378	55,502
UK sterling	92,174	14,121	106,295
US dollar	325,884	(9,673)	316,211
<b>Total</b>	<b>832,411</b>	<b>8,349</b>	<b>840,760</b>

#### Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £722,877,000 (2017: £734,465,000). A 10% increase in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing the return for the year ended 31 August 2018 and the net assets as at 31 August 2018 by £72,287,700 (2017: £73,446,500). 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 2018 and the net assets as at 31 August 2018 by £72,287,700 (2017: £73,446,500).

#### Interest rate risk

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

#### Other price risk

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

#### Leverage

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

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2018</b>				
Distribution payable	-	3,584	-	-
Other creditors	-	2,513	-	-
<b>Total</b>	<b>-</b>	<b>6,097</b>	<b>-</b>	<b>-</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2017</b>				
Distribution payable	-	4,986	-	-
Other creditors	-	17,829	-	-
<b>Total</b>	<b>-</b>	<b>22,815</b>	<b>-</b>	<b>-</b>

### 17 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	818,663	-	832,400	-
Level 2	-	-	11	-
Level 3	-	-	-	-
	<b>818,663</b>	<b>-</b>	<b>832,411</b>	<b>-</b>

## Notes to the financial statements (continued)

### 18 Direct transaction costs

	Purchases		Sales	
	2018 £000	2017 £000	2018 £000	2017 £000
<b>Trades in the year</b>				
Equities	215,468	216,316	245,210	289,142
<b>Trades in the year before transaction costs</b>	<b>215,468</b>	<b>216,316</b>	<b>245,210</b>	<b>289,142</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Equities	90	221	122	252
<b>Total commissions</b>	<b>90</b>	<b>221</b>	<b>122</b>	<b>252</b>
<b>Taxes</b>				
Equities	209	62	15	8
<b>Total taxes</b>	<b>209</b>	<b>62</b>	<b>15</b>	<b>8</b>
<b>Other expenses</b>				
Equities	23	1	3	4
<b>Total other expenses</b>	<b>23</b>	<b>1</b>	<b>3</b>	<b>4</b>
<b>Total transaction costs</b>	<b>322</b>	<b>284</b>	<b>140</b>	<b>264</b>
<b>Total net trades in the year after transaction costs</b>	<b>215,790</b>	<b>216,600</b>	<b>245,070</b>	<b>288,878</b>

	Purchases		Sales	
	2018 %	2017 %	2018 %	2017 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.10	0.05	0.09
<b>Taxes</b>				
Equities	0.10	0.03	0.01	-
<b>Other expenses</b>				
Equities	0.01	-	-	-
	<b>2018 %</b>	<b>2017 %</b>		
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.03	0.06		
Taxes	0.03	0.01		
Other expenses	-	-		
<b>Total costs</b>	<b>0.06</b>	<b>0.07</b>		

There were no in specie transfers during the year (2017: nil). There were corporate actions during the year of £69,716 (2017: £4,106,527).

There were no direct transaction costs associated with derivatives during the year (2017: 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 2018 was 0.04% (2017: 0.06%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

### 19 Events after the Balance sheet date

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

## Distribution tables for the year ended 31 August 2018 (in pence per share)

### Interim dividend distribution (accounting date 30 November 2017, paid on 31 January 2018)

Group 1: shares purchased prior to 1 September 2017

Group 2: shares purchased on or after 1 September 2017

	Distribution per share	Equalisation	Total distribution per share 31/01/18	Total distribution per share 31/01/17
<b>Class A accumulation</b>				
Group 1	1.8071	-	1.8071	1.8719
Group 2	0.2923	1.5148	1.8071	1.8719
<b>Class A income</b>				
Group 1	0.3150	-	0.3150	0.3373
Group 2	0.1720	0.1430	0.3150	0.3373
<b>Class G accumulation</b>				
Group 1	0.7712	-	0.7712	0.7714
Group 2	0.1287	0.6425	0.7712	0.7714
<b>Class G income</b>				
Group 1	0.7241	-	0.7241	0.7498
Group 2	0.3344	0.3897	0.7241	0.7498
<b>Class I accumulation</b>				
Group 1	0.8272	-	0.8272	0.8318
Group 2	0.4113	0.4159	0.8272	0.8318
<b>Class I income</b>				
Group 1	0.7151	-	0.7151	0.7444
Group 2	0.3498	0.3653	0.7151	0.7444
<b>Class S income</b>				
Group 1	0.7398	-	0.7398	0.7608
Group 2	0.5950	0.1448	0.7398	0.7608
<b>Class A Euro accumulation<sup>1</sup></b>				
Group 1	-	-	-	0.4149
Group 2	0.2468	0.1420	0.3888	0.4149
<b>Class A Euro income<sup>1</sup></b>				
Group 1	0.3368	-	0.3368	0.3718
Group 2	0.2409	0.0959	0.3368	0.3718
<b>Class A US Dollar accumulation<sup>2</sup></b>				
Group 1	3.2159	-	3.2159	3.0587
Group 2	3.2159	-	3.2159	3.0587
<b>Class A US Dollar income<sup>2</sup></b>				
Group 1	0.3051	-	0.3051	0.3002
Group 2	0.0425	0.2626	0.3051	0.3002
<b>Class I Euro accumulation<sup>1</sup></b>				
Group 1	0.3691	-	0.3691	0.8836
Group 2	0.3691	-	0.3691	0.8836

## Distribution tables (continued)

### Interim dividend distribution (accounting date 30 November 2017, paid on 31 January 2018) (continued)

Group 1: shares purchased prior to 1 September 2017

Group 2: shares purchased on or after 1 September 2017

	Distribution per share	Equalisation	Total distribution per share 31/01/18	Total distribution per share 31/01/17
<b>Class I Euro income<sup>1,3</sup></b>				
Group 1	n/a	n/a	n/a	0.7891
Group 2	n/a	n/a	n/a	0.7891
<b>Class I US Dollar accumulation<sup>2,4</sup></b>				
Group 1	n/a	n/a	n/a	0.7155
Group 2	n/s	n/a	n/a	0.7155
<b>Class I US Dollar income<sup>2</sup></b>				
Group 1	0.6645	-	0.6645	0.6387
Group 2	0.4044	0.2601	0.6645	0.6387

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

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

<sup>3</sup> Class I Euro income closed on 25 July 2017.

<sup>4</sup> Class I US Dollar accumulation closed on 14 July 2017.

## Distribution tables (continued)

### Interim dividend distribution (accounting date 28 February 2018, paid on 30 April 2018)

Group 1 : shares purchased prior to 1 December 2017

Group 2 : shares purchased on or after 1 December 2017

	Distribution per share	Equalisation	Total distribution per share 30/04/18	Total distribution per share 28/04/17
<b>Class A accumulation</b>				
Group 1	1.5697	-	1.5697	1.7290
Group 2	0.3430	1.2267	1.5697	1.7290
<b>Class A income</b>				
Group 1	0.2722	-	0.2722	0.3097
Group 2	0.1463	0.1259	0.2722	0.3097
<b>Class G accumulation</b>				
Group 1	0.6790	-	0.6790	0.7405
Group 2	0.5354	0.1436	0.6790	0.7405
<b>Class G income</b>				
Group 1	0.6339	-	0.6339	0.7150
Group 2	0.3230	0.3109	0.6339	0.7150
<b>Class I accumulation</b>				
Group 1	0.7270	-	0.7270	0.7934
Group 2	0.4464	0.2806	0.7270	0.7934
<b>Class I income</b>				
Group 1	0.6249	-	0.6249	0.7052
Group 2	0.3194	0.3055	0.6249	0.7052
<b>Class S income</b>				
Group 1	0.6484	-	0.6484	0.7270
Group 2	0.3898	0.2586	0.6484	0.7270
<b>Class A Euro accumulation<sup>1</sup></b>				
Group 1	0.3369	-	0.3369	0.3853
Group 2	0.1860	0.1509	0.3369	0.3853
<b>Class A Euro income<sup>1</sup></b>				
Group 1	0.2905	-	0.2905	0.3431
Group 2	0.1805	0.1100	0.2905	0.3431
<b>Class A US Dollar accumulation<sup>2</sup></b>				
Group 1	2.8528	-	2.8528	2.8366
Group 2	2.8528	-	2.8528	2.8366
<b>Class A US Dollar income<sup>2</sup></b>				
Group 1	0.2694	-	0.2694	0.2768
Group 2	0.1852	0.0842	0.2694	0.2768
<b>Class I Euro accumulation<sup>1</sup></b>				
Group 1	0.4821	-	0.4821	0.8378
Group 2	0.4821	-	0.4821	0.8378

## Distribution tables (continued)

### Interim dividend distribution (accounting date 28 February 2018, paid on 30 April 2018) (continued)

Group 1 : shares purchased prior to 1 December 2017

Group 2 : shares purchased on or after 1 December 2017

	Distribution per share	Equalisation	Total distribution per share 30/04/18	Total distribution per share 28/04/17
<b>Class I Euro income<sup>1,3</sup></b>				
Group 1	n/a	n/a	n/a	0.7435
Group 2	n/a	n/a	n/a	0.7435
<b>Class I US Dollar accumulation<sup>2,4</sup></b>				
Group 1	n/a	n/a	n/a	0.6789
Group 2	n/a	n/a	n/a	0.6789
<b>Class I US Dollar income<sup>2</sup></b>				
Group 1	0.5911	-	0.5911	0.6023
Group 2	0.3616	0.2295	0.5911	0.6023

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

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

<sup>3</sup> Class I Euro income closed on 25 July 2017.

<sup>4</sup> Class I US Dollar accumulation closed on 14 July 2017.



## Distribution tables (continued)

### Interim dividend distribution (accounting date 31 May 2018, paid on 31 July 2018)

Group 1: shares purchased prior to 1 March 2018

Group 2: shares purchased on or after 1 March 2018

	Distribution per share	Equalisation	Total distribution per share 31/07/18	Total distribution per share 31/07/17
<b>Class A accumulation</b>				
Group 1	5.6615	-	5.6615	4.9299
Group 2	0.4737	5.1878	5.6615	4.9299
<b>Class A income</b>				
Group 1	0.9776	-	0.9776	0.8783
Group 2	0.5045	0.4731	0.9776	0.8783
<b>Class G accumulation</b>				
Group 1	2.2991	-	2.2991	1.9593
Group 2	0.4775	1.8216	2.2991	1.9593
<b>Class G income</b>				
Group 1	2.1488	-	2.1488	1.8765
Group 2	1.1392	1.0096	2.1488	1.8765
<b>Class I accumulation</b>				
Group 1	2.4859	-	2.4859	2.1240
Group 2	1.4290	1.0569	2.4859	2.1240
<b>Class I income</b>				
Group 1	2.1284	-	2.1284	1.8797
Group 2	1.2169	0.9115	2.1284	1.8797
<b>Class S income</b>				
Group 1	2.1906	-	2.1906	1.9450
Group 2	1.1054	1.0852	2.1906	1.9450
<b>Class A Euro accumulation<sup>1</sup></b>				
Group 1	1.2091	-	1.2091	1.0563
Group 2	1.1402	0.0689	1.2091	1.0563
<b>Class A Euro income<sup>1</sup></b>				
Group 1	1.0375	-	1.0375	0.9358
Group 2	0.3465	0.6910	1.0375	0.9358
<b>Class A US Dollar accumulation<sup>2</sup></b>				
Group 1	9.7962	-	9.7962	8.2452
Group 2	9.7962	-	9.7962	8.2452
<b>Class A US Dollar income<sup>2</sup></b>				
Group 1	0.9207	-	0.9207	0.8001
Group 2	0.9207	-	0.9207	0.8001
<b>Class I Euro accumulation<sup>1</sup></b>				
Group 1	1.6862	-	1.6862	2.2019
Group 2	1.6862	-	1.6862	2.2019

## Distribution tables (continued)

### Interim dividend distribution (accounting date 31 May 2018, paid on 31 July 2018) (continued)

Group 1: shares purchased prior to 1 March 2018

Group 2: shares purchased on or after 1 March 2018

	Distribution per share	Equalisation	Total distribution per share 31/07/18	Total distribution per share 31/07/17
<b>Class I Euro income<sup>1,3</sup></b>				
Group 1	n/a	n/a	n/a	1.9433
Group 2	n/a	n/a	n/a	1.9433
<b>Class I US Dollar accumulation<sup>2,4</sup></b>				
Group 1	n/a	n/a	n/a	1.8878
Group 2	n/a	n/a	n/a	1.8878
<b>Class I US Dollar income<sup>2</sup></b>				
Group 1	1.9445	-	1.9445	1.6652
Group 2	1.0257	0.9188	1.9445	1.6652

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

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

<sup>3</sup> Class I Euro income closed on 25 July 2017.

<sup>4</sup> Class I US Dollar accumulation closed on 14 July 2017.

## Distribution tables (continued)

### Final dividend distribution (accounting date 31 August 2018, paid on 31 October 2018)

Group 1 : shares purchased prior to 1 June 2018

Group 2 : shares purchased on or after 1 June 2018

	Distribution per share	Equalisation	Total distribution per share 31/10/18	Total distribution per share 31/10/17
<b>Class A accumulation</b>				
Group 1	2.1957	-	2.1957	2.8303
Group 2	0.9593	1.2364	2.1957	2.8303
<b>Class A income</b>				
Group 1	0.3730	-	0.3730	0.4977
Group 2	0.2057	0.1673	0.3730	0.4977
<b>Class G accumulation</b>				
Group 1	0.9293	-	0.9293	1.1645
Group 2	0.2452	0.6841	0.9293	1.1645
<b>Class G income</b>				
Group 1	0.8394	-	0.8394	1.1038
Group 2	0.3930	0.4464	0.8394	1.1038
<b>Class I accumulation</b>				
Group 1	1.0029	-	1.0029	1.2584
Group 2	0.4956	0.5073	1.0029	1.2584
<b>Class I income</b>				
Group 1	0.8437	-	0.8437	1.0978
Group 2	0.4006	0.4431	0.8437	1.0978
<b>Class S income</b>				
Group 1	0.8759	-	0.8759	1.1307
Group 2	0.3370	0.5389	0.8759	1.1307
<b>Class A Euro accumulation<sup>1</sup></b>				
Group 1	0.4628	-	0.4628	0.5798
Group 2	0.4628	-	0.4628	0.5798
<b>Class A Euro income<sup>1</sup></b>				
Group 1	0.3919	-	0.3919	0.5065
Group 2	0.1708	0.2211	0.3919	0.5065
<b>Class A US Dollar accumulation<sup>2</sup></b>				
Group 1	3.7572	-	3.7572	4.7910
Group 2	3.7572	-	3.7572	4.7910
<b>Class A US Dollar income<sup>2</sup></b>				
Group 1	0.3463	-	0.3463	0.4583
Group 2	0.2266	0.1197	0.3463	0.4583
<b>Class I Euro accumulation<sup>1</sup></b>				
Group 1	0.6160	-	0.6160	n/a
Group 2	0.6160	-	0.6160	n/a

## Distribution tables (continued)

### Final dividend distribution (accounting date 31 August 2018, paid on 31 October 2018) (continued)

Group 1 : shares purchased prior to 1 June 2018

Group 2 : shares purchased on or after 1 June 2018

	Distribution per share	Equalisation	Total distribution per share 31/10/18	Total distribution per share 31/10/17
<b>Class I Euro income<sup>1,3</sup></b>				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
<b>Class I US Dollar accumulation<sup>2,4</sup></b>				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
<b>Class I US Dollar income<sup>2</sup></b>				
Group 1	0.7526	-	0.7526	0.9713
Group 2	0.4871	0.2655	0.7526	0.9713

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

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

<sup>3</sup> Class I Euro income closed on 25 July 2017.

<sup>4</sup> Class I US Dollar accumulation closed on 14 July 2017.

# Janus Henderson UK Alpha Fund (formerly 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 17 - 31 Aug 18	31 Aug 16 - 31 Aug 17	31 Aug 15 - 31 Aug 16	31 Aug 14 - 31 Aug 15	31 Aug 13 - 31 Aug 14
	%	%	%	%	%
<b>Janus Henderson UK Alpha Fund</b>	7.6	17.9	9.6	7.2	12.4
<b>FTSE All-Share Total Return Index</b>	4.7	14.3	11.7	(2.3)	10.3

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

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 2018

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Barclays Bank	7,113	Informa	9,848
Cineworld	6,550	NMC Health	9,675
Spire Healthcare	5,486	Imperial Brands	8,819
Victoria	5,468	St. Modwen Properties	7,955
OneSavings Bank	5,355	Playtech	7,093
Scapa	5,288	Rentokil Initial	6,155
TI Fluid Systems	5,090	Optimal Payments	5,896
Learning Technologies	4,479	John Wood	5,651
RWS	4,273	Micro Focus International	5,536
Workspace REIT	4,239	GVC	5,436
<b>Total purchases</b>	<b>123,255</b>	<b>Total sales</b>	<b>152,696</b>

### Investment review

Over the past year, UK equity prices fluctuated sharply but remained strong overall amid rising oil prices, the implementation of 'Trump Tariffs' and monetary tightening. Progress on negotiations for the UK's exit from the European Union (EU) (Brexit) ebbed and flowed during the year. While there was meaningful progress in negotiations with the divorce bill and transition deal seemingly agreed, there was increasing rhetoric around a 'no deal' Brexit which caused negative sentiment towards the UK at the end of the review year. The situation remains fluid but both parties seem committed to reaching a deal. Over the year, mid cap stocks outperformed large cap stocks. The fund rose 7.6%, while the FTSE All Share Total Return Index rose by 4.7% in sterling terms.

The fund's best performing positions included Aveva, Hunting, NMC Healthcare and Victrex. Shares in Aveva, a provider of engineering software, rallied following a strong set of annual results and the optimism about recent merger with Schneider's software division. Hunting, an energy services provider to upstream oil and gas companies, rallied following a series of strong trading updates, which signalled that earnings would exceed market expectations for the year. We believe the company continues to enable the fund to benefit from the rising oil price and increasing US shale production. NMC Healthcare, a healthcare operation based in the Middle East, performed strongly following the announcement of a series of earnings accretive acquisitions, namely CosmeSurge (an industry leader in the provision of cosmetic surgery in the UAE), Al Salam Medical Group (a Saudi based hospital group) and a minority stake of Fakhri IVF (NMC Healthcare already owned 51% of the UAE based IVF clinic). The shares continued to perform well following the announcement of the interim results, which highlighted strong organic growth and optionality around expansion in Saudi Arabia. Victrex, a specialist manufacturer of PEEK polymers, performed strongly as a result of a series of positive results and trading updates driven by the outperformance of its industrials business and favourable currency movements.

The fund's worst performing positions included The AA, Alfa Financial Software, Micro Focus International and Playtech. The AA, a provider of car breakdown services, suffered as a result of the announcement that it would cut the dividend and increase investment into systems and personnel. We subsequently sold our position on account of a lack of conviction around the timing and cost of management's turnaround plan. Alfa Financial Software, a software and services provider to the asset financing industry, suffered a profits warning caused by pipeline delays and one of its largest customers pausing an implementation. Given its inflexible cost base, short-term profitability was hurt by falling revenues. We sold our entire position as we did not think the valuation was fully discounting the risks around slowing pipeline conversion. Micro Focus, a provider of software platforms, suffered following a profits warnings related to deal integration issues and the unexpected departure of its CEO. We sold our entire holding around concerns that recent company issues were not limited to purely the integration of HPE. This, in conjunction with a deterioration of earnings visibility and numerous management changes, undermined our conviction in the stock. Playtech, a provider of software to the online gaming industry, suffered a profits warning in its Asian gaming business. The sharp decline in guidance was a cause of concern and we were unable to get comfort that the remaining Asian revenues were protected from heightened competitive pressures. For this reason, we disposed of the entire position in the fund.

During the year, we initiated positions in DS Smith, Cairn Energy, IntegraFin and Workspace REIT. DS Smith is a leading European producer of paper-based packaging. We believe our investment in this company should provide investors with an opportunity to benefit from strong growth in e-commerce, strong growth in European industrial production and a management team with ambitions to further consolidate this industry. Cairn Energy is an oil producer and exploration company with operations in Senegal, UK, Norway and Mexico. The company is waiting on the final hearing on an Indian tax dispute, which, if successful, would result in a US\$1.2bn cash injection to the business, which is significant given the current market capitalisation of the company. We believe the asset allows the fund to benefit from the oil price and the current valuation provides investors with optionality around the outcome of the Indian tax arbitration case. IntegraFin operates an investment platform, Transact, which is designed for independent financial advisers to use for their clients. The platform operates as a low cost investment wrapper that specialises in providing a portal for UK investment products including SIPPs and ISAs. The high-quality customer service and active account management acts as a differentiator against competition and the business has experienced good growth in funds under management since inception in 2000. With the company requiring little capital to grow, it is a high returns business that we believe should be able to consistently return cash to shareholders. Workspace is a provider of flexible office space in London. Increasing demand for more flexible leases is a well-established and growing trend. Workspace owns the freeholds of all its properties and has proven itself to operate well throughout the business cycle. Our investment in this company should enable investors to benefit from strong rental and net asset value (NAV) growth. We purchased the shares when they were trading at a discount to NAV, which we believe provided us with an attractive entry point.

We sold our holdings in GVC, Informa, St Modwen Properties and Wood Group. After a successful period of ownership of GVC, we disposed of our position as we questioned its ability to re-rate (company reassessment by the market) as structural and regulatory pressures weighed on its UK retail business. Following a strong run, we disposed of our position in Informa to make way for new investment ideas. Similarly following a strong run and closing of the discount to NAV, we exited our position in St Modwen Properties. Finally, we sold out of Wood Group on concerns that the valuation was discounting faster growth and deleveraging than the company is able to deliver.

Markets are waiting further clarity on the UK's trading relationship with Europe as Brexit negotiations progress. We are encouraged that the government has largely agreed transitional arrangements following the UK's exit from the EU. In our view, equities represent good value versus history and good value versus other asset classes. Corporate balance sheets are strong and we continue to see plenty of opportunities to invest in quality growth companies.

## Comparative tables for the year ended 31 August 2018

	Class A accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	145.34	122.35	113.37
Return before operating charges*	12.32	25.23	10.90
Operating charges	(2.56)	(2.24)	(1.92)
Return after operating charges*	9.76	22.99	8.98
Distributions on accumulation shares	(2.24)	(2.77)	(1.57)
Retained distributions on accumulation shares	2.24	2.77	1.57
Closing net asset value per share	155.10	145.34	122.35
* after direct transaction costs of:	0.14	0.25	0.31

### Performance

Return after charges	6.72%	18.79%	7.92%
----------------------	-------	--------	-------

### Other information

Closing net asset value (£000s)	341,871	354,618	326,160
Closing number of shares	220,423,143	243,984,541	266,571,219
Operating charges	1.69%	1.69%	1.70%
Direct transaction costs	0.10%	0.19%	0.28%

### Prices

Highest share price (pence)	162.19	146.50	122.90
Lowest share price (pence)	142.30	118.60	100.80

	Class C accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	830.35	691.12	633.20
Return before operating charges*	70.72	143.42	61.47
Operating charges	(4.89)	(4.19)	(3.55)
Return after operating charges*	65.83	139.23	57.92
Distributions on accumulation shares	(15.65)	(29.87)	(16.42)
Retained distributions on accumulation shares	15.65	29.87	16.42
Closing net asset value per share	896.18	830.35	691.12
* after direct transaction costs of:	0.83	1.41	1.77

### Performance

Return after charges	7.93%	20.15%	9.15%
----------------------	-------	--------	-------

### Other information

Closing net asset value (£000s)	649	386	446
Closing number of shares	72,424	46,530	64,479
Operating charges	0.56%	0.56%	0.56%
Direct transaction costs	0.10%	0.19%	0.28%

### Prices

Highest share price (pence)	934.22	836.20	694.40
Lowest share price (pence)	818.40	671.40	565.80

## Comparative tables (continued)

	Class I accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	326.72	272.70	250.57
Return before operating charges*	27.79	56.51	24.23
Operating charges	(2.87)	(2.49)	(2.10)
Return after operating charges*	24.92	54.02	22.13
Distributions on accumulation shares	(7.76)	(8.30)	(5.15)
Retained distributions on accumulation shares	7.76	8.30	5.15
Closing net asset value per share	351.64	326.72	272.70
* after direct transaction costs of:	0.33	0.56	0.70
<b>Performance</b>			
Return after charges	7.63%	19.81%	8.83%
<b>Other information</b>			
Closing net asset value (£000s)	116,862	100,883	83,840
Closing number of shares	33,233,332	30,876,968	30,744,494
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.10%	0.19%	0.28%
<b>Prices</b>			
Highest share price (pence)	366.86	329.10	274.00
Lowest share price (pence)	321.50	264.80	223.60

	Class Z accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	191.10	158.11	144.30
Return before operating charges*	16.27	33.10	13.90
Operating charges	(0.12)	(0.11)	(0.09)
Return after operating charges*	16.15	32.99	13.81
Distributions on accumulation shares	(4.79)	(3.59)	(1,752.69)
Retained distributions on accumulation shares	4.79	3.59	1,752.69
Closing net asset value per share	207.25	191.10	158.11
* after direct transaction costs of:	0.19	0.34	0.40
<b>Performance</b>			
Return after charges	8.45%	20.87%	9.57%
<b>Other information</b>			
Closing net asset value (£000s)	131	29	2
Closing number of shares	63,349	15,381	1,500
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.10%	0.19%	0.28%
<b>Prices</b>			
Highest share price (pence)	215.76	192.40	159.00
Lowest share price (pence)	188.40	153.90	129.20

Performance values are at close of business and may differ from the performance summary.

### Operating charges

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

### Share class launches and closures

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



## Ongoing charge figure

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

	<b>2018</b> %	<b>2017</b> %
<b>Class A</b>	1.69	1.69
<b>Class C</b>	0.56	0.56
<b>Class I</b>	0.84	0.84
<b>Class Z</b>	0.06	0.06

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

## Risk and reward profile

The fund currently has 4 types of share in issue; A accumulation, C 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 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 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 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 have been no changes to the risk ratings in the year.

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

**Portfolio statement** as at 31 August 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 97.61% (2017: 100.38%)</b>		
	<b>Australia 0.68% (2017: 0.00%)</b>		
	<b>Basic Materials 0.68% (2017: 0.00%)</b>		
1,616,228	South32	3,132	0.68
	<b>Oil &amp; Gas 0.00% (2017: 0.00%)</b>		
28,370,334	International Petroleum <sup>1</sup>	-	-
	<b>Canada 0.00% (2017: 0.00%)</b>		
	<b>Consumer Services 0.00% (2017: 0.00%)</b>		
1,250,000	AirSea Lines International (Canada) <sup>1</sup>	-	-
	<b>Industrials 0.00% (2017: 0.00%)</b>		
525,000	Turbo Power Systems (Warrants) <sup>1</sup>	-	-
	<b>Ireland 0.80% (2017: 1.05%)</b>		
	<b>Consumer Services 0.80% (2017: 1.05%)</b>		
290,022	Ryanair	3,663	0.80
	<b>Netherlands 8.23% (2017: 7.05%)</b>		
	<b>Oil &amp; Gas 8.23% (2017: 7.05%)</b>		
1,487,935	Royal Dutch Shell 'B'	37,801	8.23
	<b>Switzerland 2.65% (2017: 3.41%)</b>		
	<b>Basic Materials 1.35% (2017: 2.22%)</b>		
1,977,896	Glencore Xstrata	6,201	1.35
	<b>Consumer Goods 1.30% (2017: 1.19%)</b>		
226,327	Coca-Cola HBC	5,971	1.30
	<b>United Arab Emirates 4.78% (2017: 5.09%)</b>		
	<b>Health Care 4.78% (2017: 5.09%)</b>		
560,181	NMC Health	21,982	4.78
	<b>United Kingdom 78.51% (2017: 82.26%)</b>		
	<b>Basic Materials 7.34% (2017: 6.02%)</b>		
231,200	Rio Tinto	8,460	1.84
1,250,000	Scapa	5,348	1.16
400,867	Victrex	12,699	2.76
1,276,949	Yule Catto	7,240	1.58
		<u>33,747</u>	<u>7.34</u>
	<b>Consumer Goods 4.85% (2017: 6.03%)</b>		
350,000	Bellway	10,214	2.23
1,860,681	Countryside Properties	6,259	1.36
691,706	Victoria	5,810	1.26
		<u>22,283</u>	<u>4.85</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Consumer Services 9.15% (2017: 14.33%)</b>			
1,155,173	Ascential	4,976	1.08
5,000,000	Cineworld	15,511	3.37
380,000	DCD Media <sup>1</sup>	-	-
1,526,089	DFS Furniture	3,357	0.73
534,264	Euromoney Institutional Investor	6,881	1.50
474,354	RELX	8,112	1.77
464,516	SSP	3,225	0.70
		<u>42,062</u>	<u>9.15</u>
<b>Financials 27.26% (2017: 25.91%)</b>			
1,644,313	Aviva	7,975	1.74
3,379,083	Barclays Bank	5,937	1.29
459,704	Burford Capital	9,185	2.00
2,031,294	HSBC Holdings	13,587	2.96
1,301,416	IntegraFin	4,685	1.02
1,212,026	Intermediate Capital	12,714	2.77
6,029,981	John Laing	19,007	4.13
1,160,000	Jupiter Fund Management	4,863	1.06
13,858,002	Lloyds Banking	8,218	1.79
1,300,000	OneSavings Bank	5,400	1.18
2,176,126	Paragon	10,128	2.20
779,245	Prudential	13,520	2.94
1,730,468	Standard Life Aberdeen	5,484	1.19
3,758	Thomas Murray Network <sup>1</sup>	-	-
429,076	Workspace REIT	4,565	0.99
		<u>125,268</u>	<u>27.26</u>
<b>Health Care 3.96% (2017: 2.82%)</b>			
1,084,713	Clinigen	10,820	2.36
102,000	Dechra Pharmaceuticals	3,182	0.69
2,422,966	Spire Healthcare	4,175	0.91
		<u>18,177</u>	<u>3.96</u>
<b>Industrials 19.15% (2017: 19.95%)</b>			
3,035,252	Balfour Beatty	8,793	1.91
1,049,880	DS Smith	5,186	1.13
2,752,681	Equiniti	6,097	1.33
2,562,000	Ibstock	6,292	1.37
66	Keronite <sup>1</sup>	-	-
4,565,822	Learning Technologies	5,342	1.16
5,908,461	Melrose Industries	13,169	2.87
487,815	Oxford Instruments	4,727	1.03
1,213,710	Rentokil Initial	3,945	0.86
1,058,282	RWS	4,921	1.07
847,000	Sanne	5,209	1.13
4,095,216	SIG	5,324	1.16
529,003	Smart Metering Systems	3,185	0.69
250,000	Spectris	5,885	1.28
358	Thomas Murray Network <sup>1</sup>	-	-

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Industrials (continued)</b>		
400,000	Ultra Electronics Holdings	6,420	1.40
561,702	Vesuvius	3,483	0.76
		<u>87,978</u>	<u>19.15</u>
	<b>Oil &amp; Gas 2.62% (2017: 1.74%)</b>		
1,630,000	Cairn Energy	3,896	0.85
975,000	Hunting	8,131	1.77
		<u>12,027</u>	<u>2.62</u>
	<b>Technology 4.18% (2017: 5.46%)</b>		
169,850	Accesso	4,637	1.01
270,000	Aveva	7,668	1.67
223,322	GBG	1,398	0.30
2,500,000	NCC	5,500	1.20
		<u>19,203</u>	<u>4.18</u>
	<b>United States 1.96% (2017: 1.52%)</b>		
	<b>Consumer Goods 1.25% (2017: 0.00%)</b>		
2,000,000	TI Fluid Systems	5,760	1.25
	<b>Financials 0.00% (2017: 0.00%)</b>		
203	Directo <sup>1</sup>	-	-
1,116,667	Xshares Income Preference 'A' Shares <sup>1</sup>	-	-
		<u>-</u>	<u>-</u>
	<b>Health Care 0.71% (2017: 1.52%)</b>		
72,647	Shire	3,268	0.71
		<u>3,268</u>	<u>0.71</u>
	<b>Investment assets</b>	<b>448,523</b>	<b>97.61</b>
	Other net assets	10,990	2.39
	<b>Total net assets</b>	<b>459,513</b>	<b>100.00</b>

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

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

## Statement of total return for the year ended 31 August 2018

	Note	2018		2017	
		£000	£000	£000	£000
Income					
Net capital gains	2		23,361		65,323
Revenue	3	14,350		15,809	
Expenses	4	(6,809)		(6,463)	
Interest payable and similar charges	5	(4)		(4)	
Net revenue before taxation		7,537		9,342	
Taxation	6	-		-	
Net revenue after taxation			7,537		9,342
Total return before distributions			30,898		74,665
Distributions	7		(7,537)		(9,342)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>23,361</b>		<b>65,323</b>

## Statement of change in net assets attributable to shareholders for the year ended 31 August 2018

	2018		2017	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>455,916</b>		<b>410,448</b>
Amounts receivable on issue of shares	14,154		7,858	
Amounts payable on cancellation of shares	(41,455)		(37,055)	
		(27,301)		(29,197)
Change in net assets attributable to shareholders from investment activities		23,361		65,323
Retained distributions on accumulation shares		7,537		9,342
<b>Closing net assets attributable to shareholders</b>		<b>459,513</b>		<b>455,916</b>

**Balance sheet** as at 31 August 2018

	Note	2018 £000	2017 £000
<b>Assets:</b>			
Investments		448,523	457,635
Current assets:			
Debtors	8	2,343	2,558
Cash and bank balances	9	10,059	8,113
<b>Total assets</b>		<b>460,925</b>	<b>468,306</b>
<b>Liabilities:</b>			
Creditors:			
Bank overdrafts		-	10,998
Other creditors	10	1,412	1,392
<b>Total liabilities</b>		<b>1,412</b>	<b>12,390</b>
<b>Net assets attributable to shareholders</b>		<b>459,513</b>	<b>455,916</b>

## Notes to the financial statements for the year ended 31 August 2018

### 1 Accounting policies

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

### 2 Net capital gains

Net capital gains on investments during the year comprise:

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Non-derivative securities	23,370	65,318
Other currency gains	-	13
Transaction costs	(9)	(8)
<b>Net capital gains</b>	<b>23,361</b>	<b>65,323</b>

### 3 Revenue

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Bank interest	9	1
Overseas dividends	883	1,540
Stock lending revenue	71	34
UK dividends	13,168	14,036
UK REIT revenue - PID	80	-
Underwriting commission	139	198
<b>Total revenue</b>	<b>14,350</b>	<b>15,809</b>

### 4 Expenses

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	6,051	5,739
GAC*	709	675
	<u>6,760</u>	<u>6,414</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	37	37
Safe custody fees	12	12
	<u>49</u>	<u>49</u>
<b>Total expenses</b>	<b>6,809</b>	<b>6,463</b>

Irrecoverable VAT is included in the above expenses where relevant.

\*The current audit fee, which is levied through the GAC, is £7,681 (2017: £7,458).



## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2018 £000	2017 £000
Interest payable	4	4
<b>Total interest payable and similar charges</b>	<b>4</b>	<b>4</b>

### 6 Taxation

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

There is no tax charge for the current year (2017: 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% (2017: 20%). The differences are explained below:

	2018 £000	2017 £000
Net revenue before taxation	7,537	9,342
Corporation tax at 20% (2017: 20%)	1,507	1,868
Effects of:		
Overseas dividends*	(177)	(308)
UK dividends**	(2,633)	(2,807)
Unused management expenses	1,303	1,247
<b>Tax charge for the year (note 6a)</b>	<b>-</b>	<b>-</b>

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

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

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

#### c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2017: 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 £15,604,324 (2017: £14,301,658) 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

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Final accumulation	7,537	9,342
<b>Total distributions</b>	<b>7,537</b>	<b>9,342</b>

Details of the distribution per share are set out in the distribution table on page 91.

### 8 Debtors

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Accrued revenue	1,968	1,801
Amounts receivable for issue of shares	23	83
Overseas withholding tax reclaimable	-	10
Sales awaiting settlement	352	664
<b>Total debtors</b>	<b>2,343</b>	<b>2,558</b>

### 9 Cash and bank balances

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Cash and bank balances	10,059	8,113
<b>Total cash and bank balances</b>	<b>10,059</b>	<b>8,113</b>

### 10 Other creditors

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Accrued annual management charge	511	516
Accrued Depositary's fee	4	3
Accrued other expenses	68	64
Amounts payable for cancellation of shares	621	531
Purchases awaiting settlement	208	278
<b>Total other creditors</b>	<b>1,412</b>	<b>1,392</b>

## Notes to the financial statements (continued)

### 11 Contingent assets, liabilities and commitments

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

### 12 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party because it provides key management personnel services to the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 82 and 83 and notes 4, 8 and 10 on pages 84 to 86 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

There were no material shareholders at the year end (2017: nil).

### 13 Shareholder funds

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

	2018	2017
	%	%
Class A	1.50	1.50
Class C	0.50	0.50
Class I	0.75	0.75
Class Z*	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the comparative tables on pages 75 to 76. The distribution per share class is given in the distribution table on page 91. All share classes have the same rights on winding up.

### Shares reconciliation as at 31 August 2018

	Class A accumulation	Class C accumulation	Class I accumulation	Class Z accumulation
Opening number of shares	243,984,541	46,530	30,876,968	15,381
Issues during the year	326,847	-	3,973,574	51,401
Cancellations during the year	(22,599,864)	(19,625)	(2,072,548)	(3,433)
Shares converted during the year	(1,288,381)	45,519	455,338	-
<b>Closing shares in issue</b>	<b>220,423,143</b>	<b>72,424</b>	<b>33,233,332</b>	<b>63,349</b>

### 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 income.

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

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

## Notes to the financial statements (continued)

### 14 Stock lending (continued)

2018 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral
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
	<b>30,941</b>	<b>34,587</b>	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	84	13	71

2017 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral
ABN Amro	228	254	Equity
Citigroup	178	198	Equity
Deutsche Bank	950	1,058	Equity
Natixis	3,589	3,987	Equity
	<b>4,945</b>	<b>5,497</b>	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	40	6	34

### 15 Risk

#### Currency risk

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

#### Interest rate risk

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

#### Other price risk

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

## Notes to the financial statements (continued)

### 15 Risk (continued)

#### 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
<b>2018</b>				
Other creditors	-	1,412	-	-
<b>Total</b>	<b>-</b>	<b>1,412</b>	<b>-</b>	<b>-</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2017</b>				
Bank overdrafts	10,998	-	-	-
Other creditors	-	1,392	-	-
<b>Total</b>	<b>10,998</b>	<b>1,392</b>	<b>-</b>	<b>-</b>

### 16 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	448,523	-	457,635	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	<b>448,523</b>	<b>-</b>	<b>457,635</b>	<b>-</b>

## Notes to the financial statements (continued)

### 17 Direct transaction costs

	Purchases		Sales	
	2018 £000	2017 £000	2018 £000	2017 £000
<b>Trades in the year</b>				
Equities	122,902	143,855	152,780	142,923
<b>Trades in the year before transaction costs</b>	<b>122,902</b>	<b>143,855</b>	<b>152,780</b>	<b>142,923</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Equities	46	130	84	143
<b>Total commissions</b>	<b>46</b>	<b>130</b>	<b>84</b>	<b>143</b>
<b>Taxes</b>				
Equities	307	530	-	-
<b>Total taxes</b>	<b>307</b>	<b>530</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Equities	-	-	-	-
<b>Total other expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>353</b>	<b>660</b>	<b>84</b>	<b>143</b>
<b>Total net trades in the year after transaction costs</b>	<b>123,255</b>	<b>144,515</b>	<b>152,696</b>	<b>142,780</b>

	Purchases		Sales	
	2018 %	2017 %	2018 %	2017 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.09	0.05	0.10
<b>Taxes</b>				
Equities	0.25	0.37	-	-
<b>Other expenses</b>				
Equities	-	-	-	-
	<b>2018 %</b>	<b>2017 %</b>		

### Total transaction costs expressed as a percentage of net asset value

Commissions	0.03	0.07
Taxes	0.07	0.12
Other expenses	-	-
<b>Total costs</b>	<b>0.10</b>	<b>0.19</b>

There were no in specie transfers during the year (2017: nil). There were corporate actions during the year of £2,619,716 (2017: £14,799,017).

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 2018 was 0.17% (2017: 0.12%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

### 18 Events after the Balance sheet date

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

## Distribution table for the year ended 31 August 2018 (in pence per share)

### Final dividend distribution (accounting date 31 August 2018, paid on 31 October 2018)

Group 1 : shares purchased prior to 1 September 2017

Group 2 : shares purchased on or after 1 September 2017

	Distribution per share	Total distribution per share 31/10/18	Total distribution per share 31/10/17
<b>Class A accumulation</b>			
Group 1	2.2434	2.2434	2.7725
Group 2	2.2434	2.2434	2.7725
<b>Class C accumulation</b>			
Group 1	15.6489	15.6489	29.8655
Group 2	15.6489	15.6489	29.8655
<b>Class I accumulation</b>			
Group 1	7.7575	7.7575	8.3009
Group 2	7.7575	7.7575	8.3009
<b>Class Z accumulation</b>			
Group 1	4.7885	4.7885	3.5917
Group 2	4.7885	4.7885	3.5917

## 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 2018 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 2018:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson European Growth Fund	188,889	15.79%	15.33%
Janus Henderson Global Equity Income Fund	16,738	2.04%	2.04%
Janus Henderson UK Alpha Fund	30,941	6.90%	6.73%

### 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 2018:

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
<b>Janus Henderson European Growth Fund</b>		<b>Janus Henderson Global Equity Income Fund</b>	
Intuitive Surgical	7,716	Banco Santander Central Hispano	1,087
Waste Management	7,700	Apple	845
Humana	7,389	Intesa Sanpaolo	658
Ingersoll-Rand	6,918	Assicurazioni Generali	631
Government of Japan	6,654	Deutsche Post	601
CNOOC	5,385	Eni	582
Banco Santander Central Hispano	5,243	Alphabet	554
China Minsheng Banking	4,455	Alliant Energy	512
Siemens	4,285	China Minsheng Banking	512
Koninklijke Philips	3,886	Akzo Nobel	468
<b>Janus Henderson UK Alpha Fund</b>			
Banco Santander Central Hispano	2,198		
Apple	1,592		
Deutsche Post	1,244		
Alphabet	1,191		
Alliant Energy	1,074		
Akzo Nobel	1,063		
NTT Docomo	916		
Anheuser-Busch InBev	805		
Waste Management	630		
Intuitive Surgical	625		



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

### Securities financing transactions (continued)

#### Concentration data (continued)

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for each fund as at 31 August 2018:

Counterparty	Market value of securities on loan £000	Settlement basis	Counterparty	Market value of securities on loan £000	Settlement basis
<b>Janus Henderson European Growth Fund</b>			<b>Janus Henderson Global Equity Income Fund</b>		
Deutsche Bank	83,443	Triparty	Natixis	9,278	Triparty
Natixis	30,072	Triparty	JP Morgan	5,542	Triparty
Citigroup	19,142	Triparty	Citigroup	1,130	Triparty
JP Morgan	14,212	Triparty	HSBC	788	Triparty
Credit Suisse	13,987	Triparty		<b>16,738</b>	
HSBC	8,392	Triparty			
Merrill Lynch	7,877	Triparty			
Morgan Stanley	6,320	Triparty			
Bank of Nova Scotia	5,444	Triparty			
	<b>188,889</b>				
<b>Janus Henderson UK Alpha Fund</b>					
Natixis	19,441	Triparty			
Deutsche Bank	6,719	Triparty			
Citigroup	1,655	Triparty			
JP Morgan	1,461	Triparty			
Credit Suisse	1,025	Triparty			
Bank of Nova Scotia	640	Triparty			
	<b>30,941</b>				

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 2018:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
<b>Janus Henderson European Growth Fund</b>							
Bank of Nova Scotia	Canada	Equity	Main market listing	AUD	Triparty	BNP Paribas	217
Bank of Nova Scotia	Canada	Equity	Main market listing	CAD	Triparty	BNP Paribas	2,908
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	77
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	1,720
Bank of Nova Scotia	Canada	Equity	Main market listing	HKD	Triparty	BNP Paribas	557
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	587
Citigroup	United States	Equity	Main market listing	DKK	Triparty	BNP Paribas	1,998
Citigroup	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	11,535
Citigroup	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	4,323
Citigroup	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	2,645
Citigroup	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	769
Credit Suisse	Switzerland	Equity	Main market listing	CAD	Triparty	BNP Paribas	38
Credit Suisse	Switzerland	Equity	Main market listing	CHF	Triparty	BNP Paribas	429
Credit Suisse	Switzerland	Equity	Main market listing	DKK	Triparty	BNP Paribas	866
Credit Suisse	Switzerland	Equity	Main market listing	EUR	Triparty	BNP Paribas	6,119
Credit Suisse	Switzerland	Equity	Main market listing	GBP	Triparty	BNP Paribas	1,935
Credit Suisse	Switzerland	Equity	Main market listing	HKD	Triparty	BNP Paribas	2,475
Credit Suisse	Switzerland	Equity	Main market listing	JPY	Triparty	BNP Paribas	1,832
Credit Suisse	Switzerland	Equity	Main market listing	NOK	Triparty	BNP Paribas	460
Credit Suisse	Switzerland	Equity	Main market listing	SEK	Triparty	BNP Paribas	223
Credit Suisse	Switzerland	Equity	Main market listing	SGD	Triparty	BNP Paribas	616
Credit Suisse	Switzerland	Equity	Main market listing	USD	Triparty	BNP Paribas	786
Deutsche Bank	Germany	Equity	Main market listing	CHF	Triparty	BNP Paribas	8,457
Deutsche Bank	Germany	Equity	Main market listing	EUR	Triparty	BNP Paribas	36,972
Deutsche Bank	Germany	Equity	Main market listing	GBP	Triparty	BNP Paribas	7,286
Deutsche Bank	Germany	Equity	Main market listing	HKD	Triparty	BNP Paribas	8,451
Deutsche Bank	Germany	Equity	Main market listing	JPY	Triparty	BNP Paribas	174
Deutsche Bank	Germany	Equity	Main market listing	SEK	Triparty	BNP Paribas	1,011
Deutsche Bank	Germany	Equity	Main market listing	USD	Triparty	BNP Paribas	30,877
HSBC	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	2,752
HSBC	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	1,541
HSBC	United Kingdom	Equity	Main market listing	JPY	Triparty	BNP Paribas	9
HSBC	United Kingdom	Equity	Main market listing	NOK	Triparty	BNP Paribas	70
HSBC	United Kingdom	Equity	Main market listing	USD	Triparty	BNP Paribas	4,963
JP Morgan	United States	Equity	Main market listing	AUD	Triparty	BNP Paribas	74
JP Morgan	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	1,142
JP Morgan	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	7,404
JP Morgan	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	7,530
Merrill Lynch	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	5,423
Merrill Lynch	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	2,972
Merrill Lynch	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	358
Morgan Stanley	United States	Government Bond	Investment grade	JPY	Triparty	BNP Paribas	6,654
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	91
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	18,776
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	2,103
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	3,787
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	8,774
							<b>210,766</b>

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

### Securities financing transactions (continued)

#### Aggregate transaction data (continued)

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
<b>Janus Henderson Global Equity Income Fund</b>							
Citigroup	United States	Equity	Main market listing	DKK	Triparty	BNP Paribas	118
Citigroup	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	682
Citigroup	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	255
Citigroup	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	156
Citigroup	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	45
HSBC	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	258
HSBC	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	145
HSBC	United Kingdom	Equity	Main market listing	JPY	Triparty	BNP Paribas	1
HSBC	United Kingdom	Equity	Main market listing	NOK	Triparty	BNP Paribas	6
HSBC	United Kingdom	Equity	Main market listing	USD	Triparty	BNP Paribas	465
JP Morgan	United States	Equity	Main market listing	AUD	Triparty	BNP Paribas	29
JP Morgan	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	442
JP Morgan	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	2,887
JP Morgan	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	2,936
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	28
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	5,792
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	649
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	1,168
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	2,706
							<b>18,768</b>
<b>Janus Henderson UK Alpha Fund</b>							
Bank of Nova Scotia	Canada	Equity	Main market listing	AUD	Triparty	BNP Paribas	25
Bank of Nova Scotia	Canada	Equity	Main market listing	CAD	Triparty	BNP Paribas	342
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	9
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	202
Bank of Nova Scotia	Canada	Equity	Main market listing	HKD	Triparty	BNP Paribas	65
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	68
Citigroup	United States	Equity	Main market listing	DKK	Triparty	BNP Paribas	173
Citigroup	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	997
Citigroup	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	374
Citigroup	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	229
Citigroup	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	66
Credit Suisse	Switzerland	Equity	Main market listing	CAD	Triparty	BNP Paribas	3
Credit Suisse	Switzerland	Equity	Main market listing	CHF	Triparty	BNP Paribas	31
Credit Suisse	Switzerland	Equity	Main market listing	DKK	Triparty	BNP Paribas	64
Credit Suisse	Switzerland	Equity	Main market listing	EUR	Triparty	BNP Paribas	448
Credit Suisse	Switzerland	Equity	Main market listing	GBP	Triparty	BNP Paribas	142
Credit Suisse	Switzerland	Equity	Main market listing	HKD	Triparty	BNP Paribas	181
Credit Suisse	Switzerland	Equity	Main market listing	JPY	Triparty	BNP Paribas	134
Credit Suisse	Switzerland	Equity	Main market listing	NOK	Triparty	BNP Paribas	34
Credit Suisse	Switzerland	Equity	Main market listing	SEK	Triparty	BNP Paribas	16
Credit Suisse	Switzerland	Equity	Main market listing	SGD	Triparty	BNP Paribas	45
Credit Suisse	Switzerland	Equity	Main market listing	USD	Triparty	BNP Paribas	58
Deutsche Bank	Germany	Equity	Main market listing	CHF	Triparty	BNP Paribas	708
Deutsche Bank	Germany	Equity	Main market listing	EUR	Triparty	BNP Paribas	2,979
Deutsche Bank	Germany	Equity	Main market listing	GBP	Triparty	BNP Paribas	586
Deutsche Bank	Germany	Equity	Main market listing	HKD	Triparty	BNP Paribas	680
Deutsche Bank	Germany	Equity	Main market listing	JPY	Triparty	BNP Paribas	14

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

### Securities financing transactions (continued)

#### Aggregate transaction data (continued)

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
<b>Janus Henderson UK Alpha Fund (continued)</b>							
Deutsche Bank	Germany	Equity	Main market listing	SEK	Triparty	BNP Paribas	81
Deutsche Bank	Germany	Equity	Main market listing	USD	Triparty	BNP Paribas	2,500
JP Morgan	United States	Equity	Main market listing	AUD	Triparty	BNP Paribas	8
JP Morgan	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	114
JP Morgan	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	761
JP Morgan	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	774
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	58
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	12,139
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	1,359
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	2,448
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	5,672
							<b>34,587</b>

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 2018:

Fund	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	% return of the securities lending agent	Net stock lending revenue retained by the fund £000	% return of the fund
Janus Henderson European Growth Fund	171	26	15%	145	85%
Janus Henderson Global Equity Income Fund	38	6	15%	32	85%
Janus Henderson UK Alpha Fund	84	13	15%	71	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 Remuneration Committee of Janus Henderson Group plc in its oversight of Janus Henderson Investment Funds Limited (HIFL) must make relevant remuneration disclosures in the first full performance year following the implementation date.

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 Remuneration 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 Remuneration 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 AFM 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 2017.

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson European Growth Fund</b>	1,943	2,098
<b>of which</b>		
Fixed Remuneration	1,943	900
Variable Remuneration	1,933	1,198
Carried Interest	n/a	-
<b>Janus Henderson European Growth Fund Remuneration Code Staff</b>	174	1,874
<b>of which</b>		
Senior Management (4)	27	188
Other Code Staff (5)	147	1,686
<b>Janus Henderson Global Equity Income Fund</b>	1,943	1,004
<b>of which</b>		
Fixed Remuneration	1,943	530
Variable Remuneration	1,933	474
Carried Interest	n/a	-
<b>Janus Henderson Global Equity Income Fund Remuneration Code Staff</b>	175	861
<b>of which</b>		
Senior Management (4)	27	121
Other Code Staff (5)	148	740
<b>Janus Henderson UK Alpha Fund</b>	1,943	921
<b>of which</b>		
Fixed Remuneration	1,943	344
Variable Remuneration	1,933	577
Carried Interest	n/a	-
<b>Janus Henderson UK Alpha Fund Remuneration Code Staff</b>	175	841
<b>of which</b>		
Senior Management (4)	27	68
Other Code Staff (5)	148	773

- 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.

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

### Remuneration policy (continued)

- 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](mailto:support@janushenderson.com)**

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

## Important Information

Janus Henderson Investors is the name under which 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 incorporated and registered in England and Wales with registered office at 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Conduct Authority to provide investment products and services. Henderson Management S.A. (reg no. B22848) is incorporated and registered in Luxembourg with registered office at 2 Rue de Bitbourg, L-1273 Luxembourg and authorised 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.

Unless otherwise stated, all data is sourced by Janus Henderson Investors.

© 2018, Janus Henderson Investors. The name Janus Henderson Investors includes HGI Group Limited, Henderson Global Investors (Brand Management) Sarl and Janus International Holding LLC.