



ANNUAL SHORT REPORT

For the year ended
31 May 2017

Janus Henderson
— INVESTORS —

Henderson Institutional Cash Fund

Henderson Institutional Cash Fund

Short Report

For the year ended 31 May 2017

Investment Fund Manager

Angus Teatherton

Investment objective and policy

The investment objective of Henderson Institutional Cash Fund is to aim to provide a level of income in line with money market rates, commensurate with security of capital, through investment primarily in short term deposits, money market instruments and, at the Manager's discretion, fixed interest securities.

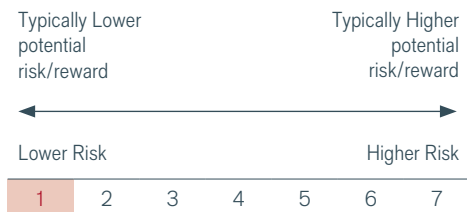
Other information

Henderson Group plc and Janus Capital Group merged on 30 May 2017 to form Janus Henderson Group plc.

Risk and reward profile

The fund currently has 9 types of unit class in issue: Retail class accumulation, Corporate class accumulation, Intermediate class accumulation, Retail class gross accumulation, Corporate class gross accumulation, Intermediate class gross accumulation, Institutional class gross accumulation and Financial class gross accumulation.

Each type of unit class has the same risk and reward profile which is as follows:



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

The value of an investment in the fund can go up or down. When you sell your units they may be worth less than you paid for them.

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

The share classes appear at 1 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. Under normal market conditions the following risks may apply:

Active management risk Active management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

Counterparty risk The fund could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the fund.

Credit risk The value of a bond or money market security may fall if the financial health of the issuer weakens, or the market believes it may weaken. This risk is greater the lower the credit quality of the bond.

Derivatives risk Derivatives use exposes the fund to risks different from, and potentially greater than, the risks associated with investing directly in securities and may therefore result in additional loss, which could be significantly greater than the cost of the derivative.

Hedging risk Measures designed to reduce the impact of certain risks may not be available or may be ineffective.

Interest rate risk When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise. This risk is generally greater the longer the maturity of a bond investment.

Liquidity risk Any security could become hard to value or to sell at a desired time and price, increasing the risk of investment losses.

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

There have been no changes to the risk rating in the year.

The SRR1 conforms to the ESMA guidelines for the calculation of the SRR1.

Financial class accumulation has not been in existence for a five year period as it launched on 19 June 2015, therefore the SRR1 is estimated.

Investment review

Following the UK vote to leave the European Union (EU), the Bank of England (BoE) eased monetary policy, exceeding market expectations. The package included cutting the bank rate to 0.25%, an expansion of the asset purchase programme by £60bn, a new £10bn corporate bond purchase scheme and a Term Funding Scheme for banks. The accompanying inflation report saw the Monetary Policy Committee (MPC) significantly cut its 2017 gross domestic product (GDP) growth forecast by 1.5% to 0.7%, although the 2016 forecast remained unchanged. Inflation was projected to pick up faster than previously estimated, reaching 2.1% by the end of next year, up from 1.8%. In the following press conference, BoE Governor Mark Carney said that the committee had acted to support the economy after the uncertainty caused by the EU referendum, and that the MPC would cut rates further if incoming data was consistent with forecasts.

Early in the fourth quarter, Prime Minister Theresa May announced she would start the process to leave the EU at the end of March 2017; unfortunately, the tone of her speech caused concerns among markets when it appeared she would adopt a 'hard' Brexit negotiating stance. The UK economy continued to show signs of improvement, to such an extent that the November MPC minutes saw the BoE remove its easing bias and return to a neutral stance, after updating its macroeconomic forecasts. The BOE estimate for GDP growth for 2017 was raised by 0.7% to 1.4%, while inflation is now expected to rise to 2.8% from 2.1% for the same period.

The new year saw a slow but steady improvement in UK economic data, as consumers continued to rebound from the Brexit referendum result shock. However, inflation also began to climb, with February's headline figure breaching the BoE's 2% target. With the actual inflation rate and the bank's inflation forecast both rising, the MPC deliberated about its tolerance to above-target inflation. The March BoE meeting saw the MPC keep monetary policy on hold. However one MPC member, Kristin Forbes voted to increase the bank rate by 0.25%, citing her concerns over building inflationary pressures.

Towards the end of the review period, Theresa May called a snap general election, with the aim of consolidating her position within her own party and strengthening her hand in the upcoming Brexit negotiations. Initially, her position looked assured, following the Conservative party winning a landslide victory in the local elections, with the poll predicting a similar result in June's general election; however, by the end of May, after an uninspiring election campaign, the polls were suggesting the possibility of a hung parliament, which indeed came to pass. The Conservative Party later formed a minority government with the support from Democratic Unionist Party of Northern Ireland.

The initial market reaction to Donald Trump winning the US presidential election was one of shock. However, the conciliatory nature of his acceptance speech steadied markets. Trump's election promises of fiscal stimulus and tax cuts, and his subsequent deregulatory stance, caused equity markets to rally. Against a backdrop of improving US economic data, the US Federal Reserve voted to raise interest rates by 25 basis points at both its December and March meetings.

The fund adopted a defensive posture in the build up to the EU referendum; however, following Mark Carney's comments about the likelihood of further monetary easing, the fund increased its maturity profile, with the majority of the investments being in the six to twelve month period. By the end of March, the fund increased its weighted asset maturity (WAM) to 100 days from 87 days. Towards the end of the review period, with headline inflation rising above target, and the likelihood that some MPC members would become concerned enough to follow Kristin Forbes' lead and vote for a rate rise, the fund started to reduce its WAM, to end the period at 76 days.

A number of economic surveys have highlighted a possible conundrum for the BoE. All noted that the weak pound had provided a much needed boost for exporters, with factory orders rising at a pace not seen since 1995; however, the inflationary pressures caused by a weak pound, to items such as food and energy prices, caused households to

cut spending as their disposable income had fallen. The May inflation report saw the MPC try to offer a slightly more hawkish message, when it noted that, if the economy followed central projections, then monetary policy may need to be tightened sooner than projected by the markets.

Performance summary

	31 May 16 - 31 May 17 %	31 May 15 - 31 May 16 %	31 May 14 - 31 May 15 %	31 May 13 - 31 May 14 %	31 May 12 - 31 May 13 %
Henderson Institutional Cash Fund	0.2	0.3	0.2	0.2	0.5
Morningstar Money Market Sector Average	0.2	0.2	0.2	0.2	0.3

Source: Morningstar, bid to bid and net of fees as at 12 noon valuation point, based on performance of Retail class accumulation units.

Benchmark values are 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.

Fund facts

Accounting dates	Payment dates
30 November, 31 May	28th day of each month

Ongoing charge figure

	2017 %	2016 %
Corporate class	0.24	0.24
Financial class	0.19	0.19
Institutional class	0.04	0.04
Intermediate class	0.56	0.56
Retail class	0.36	0.36

The annualised ongoing charge figure (OCF) of the fund, calculated as the ratio of the total ongoing charges to the average net asset value for twelve months.

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

Comparative tables for the year ended 31 May 2017

	Corporate class accumulation			Financial class accumulation	
	2017 (pence per unit)	2016 (pence per unit)	2015 (pence per unit)	2017 (pence per unit)	2016 (pence per unit)
Change in net assets per unit					
Opening net asset value per unit	105.23	104.83	104.51	100.42	100.00 ¹
Return before operating charges*	0.65	0.75	0.64	0.63	0.71
Operating charges	(0.25)	(0.25)	(0.24)	(0.19)	(0.19)
Return after operating charges*	0.40	0.50	0.40	0.44	0.52
Distributions on accumulation units	(0.40)	(0.48)	(0.39)	(0.43)	(0.49)
Retained distributions on accumulation units [^]	0.33	0.38	0.31	0.36	0.39
Closing net asset value per unit	105.56	105.23	104.83	100.79	100.42
* after direct transaction costs of:	-	-	-	-	-
Performance					
Return after charges	0.38%	0.48%	0.38%	0.44%	0.52%
Other information					
Closing net asset value (£000s)	33,880	19,990	22,792	17,580	694
Closing number of units	32,093,785	18,996,820	21,742,647	17,443,049	691,112
Operating charges	0.24%	0.24%	0.23%	0.19%	0.19%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%
Prices					
Highest unit price (pence)	105.57	105.24	104.83	100.79	100.43
Lowest unit price (pence)	105.24	104.83	104.51	100.43	100.00

[^] Retained distributions prior to 6 April 2017 are net of 20% income tax.

¹ Financial class accumulation launched 19 June 2015 and this is the first published price.

Comparative tables (continued)

	Intermediate class accumulation			Retail class accumulation		
	2017 (pence per unit)	2016 (pence per unit)	2015 (pence per unit)	2017 (pence per unit)	2016 (pence per unit)	2015 (pence per unit)
Change in net assets per unit						
Opening net asset value per unit	102.59	102.46	102.41	164.48	164.01	163.68
Return before operating charges*	0.63	0.73	0.63	1.01	1.17	1.00
Operating charges	(0.57)	(0.57)	(0.57)	(0.59)	(0.59)	(0.59)
Return after operating charges*	0.06	0.16	0.06	0.42	0.58	0.41
Distributions on accumulation units	(0.07)	(0.14)	(0.05)	(0.42)	(0.55)	(0.41)
Retained distributions on accumulation units^	0.06	0.11	0.04	0.35	0.44	0.33
Closing net asset value per unit	102.64	102.59	102.46	164.83	164.48	164.01
* after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after charges	0.06%	0.16%	0.06%	0.26%	0.35%	0.25%
Other information						
Closing net asset value (£000s)	81	193	216	74,276	52,172	50,737
Closing number of units	79,215	188,430	211,268	45,062,413	31,719,852	30,935,616
Operating charges	0.56%	0.56%	0.56%	0.36%	0.36%	0.36%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest unit price (pence)	102.66	102.59	102.46	164.83	164.49	164.01
Lowest unit price (pence)	102.59	102.46	102.40	164.49	164.01	163.67

Comparative tables (continued)

	Corporate class gross accumulation			Financial class gross accumulation		
	2017 (pence per unit)	2016 (pence per unit)	2015 (pence per unit)	2017 (pence per unit)	2016 (pence per unit)	2015 (pence per unit)
Change in net assets per unit						
Opening net asset value per unit	106.10	105.60	105.21	167.77	166.90	166.19
Return before operating charges*	0.66	0.75	0.63	1.05	1.19	1.01
Operating charges	(0.26)	(0.25)	(0.24)	(0.32)	(0.32)	(0.30)
Return after operating charges*	0.40	0.50	0.39	0.73	0.87	0.71
Distributions on accumulation units	(0.40)	(0.48)	(0.39)	(0.69)	(0.85)	(0.70)
Retained distributions on accumulation units	0.40	0.48	0.39	0.69	0.85	0.70
Closing net asset value per unit	106.50	106.10	105.60	168.50	167.77	166.90
* after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after charges	0.38%	0.47%	0.37%	0.44%	0.52%	0.43%
Other information						
Closing net asset value (£000s)	4,727	5,074	3,131	2,010	59,864	62,073
Closing number of units	4,438,982	4,781,958	2,964,883	1,192,809	35,680,976	37,191,892
Operating charges	0.24%	0.24%	0.23%	0.19%	0.19%	0.18%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest unit price (pence)	106.50	106.11	105.60	168.51	167.79	166.90
Lowest unit price (pence)	106.11	105.60	105.21	167.79	166.90	166.20

Comparative tables (continued)

	Institutional class gross accumulation			Intermediate class gross accumulation		
	2017 (pence per unit)	2016 (pence per unit)	2015 (pence per unit)	2017 (pence per unit)	2016 (pence per unit)	2015 (pence per unit)
Change in net assets per unit						
Opening net asset value per unit	115.54	114.76	114.11	103.19	103.02	102.97
Return before operating charges*	0.72	0.83	0.68	0.62	0.75	0.63
Operating charges	(0.05)	(0.05)	(0.03)	(0.58)	(0.58)	(0.58)
Return after operating charges*	0.67	0.78	0.65	0.04	0.17	0.05
Distributions on accumulation units	(0.67)	(0.75)	(0.65)	(0.08)	(0.14)	(0.05)
Retained distributions on accumulation units	0.67	0.75	0.65	0.08	0.14	0.05
Closing net asset value per unit	116.21	115.54	114.76	103.23	103.19	103.02
* after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after charges	0.58%	0.68%	0.57%	0.04%	0.17%	0.05%
Other information						
Closing net asset value (£000s)	327,861	453,428	468,176	8	10	26
Closing number of units	282,128,681	392,443,388	407,945,949	8,167	10,104	25,693
Operating charges	0.04%	0.04%	0.03%	0.56%	0.56%	0.56%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest unit price (pence)	116.21	115.55	114.77	103.28	103.20	103.02
Lowest unit price (pence)	115.55	114.77	114.12	103.20	103.02	102.96

Comparative tables (continued)

	Retail class gross accumulation		
	2017 (pence per unit)	2016 (pence per unit)	2015 (pence per unit)
Change in net assets per unit			
Opening net asset value per unit	107.99	107.61	107.34
Return before operating charges*	0.67	0.77	0.66
Operating charges	(0.39)	(0.39)	(0.39)
Return after operating charges*	0.28	0.38	0.27
Distributions on accumulation units	(0.28)	(0.36)	(0.27)
Retained distributions on accumulation units	0.28	0.36	0.27
Closing net asset value per unit	108.27	107.99	107.61
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.26%	0.35%	0.25%
Other information			
Closing net asset value (£000s)	9,209	4,903	1,020
Closing number of units	8,505,093	4,540,219	947,986
Operating charges	0.36%	0.36%	0.36%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest unit price (pence)	108.28	108.00	107.61
Lowest unit price (pence)	108.00	107.61	107.34

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 unit class.

Unit class launches and closures

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

Past performance is not a guide to future performance

Major holdings

as at 2017	%
Nationwide Building Society 0.49% 15/08/2017	3.20
Bank of Nova Scotia FRN 15/09/2017	2.56
Landesbank Hessen Thueringen 0.625% 28/07/2017	2.24
Mitsubishi UFJ Trust & Banking 0.47% 01/09/2017	2.14
Rabobank Nederland 0.53% 01/09/2017	2.14
Société Générale 0.50% 31/10/2017	2.14
Westpac Banking FRN 05/04/2018	2.14
Bank of Tokyo Mitsubishi UFJ 0.51% 08/06/2017	2.13
Barclays Bank 0.50% 01/08/2017	2.13
Barclays Bank 0.74% 29/09/2017	2.13

Asset allocation

as at 2017	%
Certificates of deposit	87.45
Bonds	11.43
Other net assets	1.12
Total net assets	100.00

Major holdings

as at 2016	%
Svenska Handelsbanken 0.55% 23/06/2016	2.68
Sumitomo Mitsui Banking Corporation 0.62% 07/06/2016	2.52
Barclays Bank 1.04% 23/03/2017	2.51
Mitsubishi UFJ Trust & Banking 0.61% 01/06/2016	2.51
Bank of Nova Scotia FRN 20/09/2016	2.39
Credit Suisse 1.05% 12/04/2017	2.18
DZ Bank 0.7% 28/07/2016	1.76
SEB 0.72% 01/08/2016	1.76
Den Danske Bank Aktieselskab 0.77% 29/09/2016	1.75
Crédit Industriel et Commercial 1.06% 14/11/2016	1.68

Asset allocation

as at 2016	%
Certificates of deposit	77.40
Bonds	19.72
Other net assets	2.88
Total net assets	100.00

Report and accounts

This document is a short report of the Henderson Institutional Cash Fund for the year ended 31 May 2017.

Copies of the annual and half yearly long form reports of this fund are available on our website www.janushenderson.com or contact client services on the telephone number provided.

Other information

The information in this report is designed to enable you to make an informed judgement on the activities of the fund during the year it covers and the results of those activities at the end of the year.

Issued by:

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Member of The Investment Association and authorised and regulated by the Financial Conduct Authority.
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Risk warning

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.

Trustee

National Westminster Bank Plc
135 Bishopsgate
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EC2M 3UR

Auditor

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141 Bothwell Street
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Further information

Shareholder enquiries

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

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

The following line is also available:

Client Services: **0800 832 832**

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

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

Online valuations

You can value your Henderson Institutional Cash Fund at any time by logging on to www.janushenderson.com. Select 'UK Private Investor' and then access 'Valuations' from the Tools Menu. Simply select the fund you hold and enter the appropriate number of shares.

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), Henderson Investment Management Limited (reg. no. 1795354), AlphaGen Capital Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no. 2606646), Gartmore Investment Limited (reg. no. 1508030), (each incorporated and registered in England and Wales with registered office 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Conduct Authority to provide investment products and services. Telephone calls may be recorded and monitored.

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

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